

The City Council met in regular session in the Council Chambers on Wednesday, November 16, 2016 at 7:30 P.M.

Council Members present: Merski, Arrington, Brennan, Jones, Kwitowski, and Winarski. 6. Yeas. 0. Mr. Witherspoon Absent

On motion of Mr. Winarski, Seconded by Mr. Arrington, the reading of the minutes of the Meeting of November 2, 2016 were dispensed with and same adopted with copies furnished to the members of City Council by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski, and Merski. 6. Nays. 0.

Copies of the bills under date of November 11, 2016, November 18 & November 23, 2016, were given to City Council and same adopted by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski, and Merski. 6. Nays. 0.

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### **2017 BUDGET ADDRESS TO ERIE CITY COUNCIL**

- Good evening, tonight I present you with the 2017 budget for the City of Erie.
- It is the budget for the twelfth and final year of this administration.
- Once again, it is a balanced budget that reflects the true costs of providing safety and services to our citizens, as well as accurate revenue projections necessary for providing these services.
- It does not include any tax or fee increases
- Over the eleven years of this administration we have addressed the root problems facing city government, focused on our core competencies, changed our way of doing business, reduced our work force and created realistic solutions. The result is a much more stable operating model that allows us to provide public safety and services at the level required to properly serve this community, at the lowest possible cost.
- By adhering to strict budgeting practices and focusing our resources to best serve our community as a whole, we have been able to accurately anticipate attainable revenues and contemplate the true costs of doing business. By strictly following to these guidelines, we have been successful and solvent for each of the eleven years I have held this office.
- My administration continues to keep its promise to the citizens of Erie, that we will administer city government in an efficient and effective manner, for their benefit. Our department heads, Bureau Chiefs, Supervisors and staff have all worked diligently to find new ways to conduct operations so as to save money for our taxpayers, while continually refining our methods so that services would not be compromised.
- The 2017 budget reflects the ongoing stability in our operation that we have worked very hard to develop.
- In these eleven years, we have become a model across Pennsylvania for communities trying to find their way out of economic insolvency and shown that financial hardship can be overcome if we are willing to face the issues head-on, look at the long-term ramifications of our decisions, avoid politically motivated inefficiencies, make hard decisions, and formulate real solutions.
- This is something that we as a community can be proud of.

- Our philosophy of prioritizing; focusing on core competencies, eliminating extraneous spending, vigorously monitoring our cost centers and diligently working to maximize efficiency in every area of the operation allows us to remain financially healthy in the face of ever-increasing cost centers.
- For example, we have paid down our aggregate debt by nearly \$47 million dollars and upgraded our bond rating 4 times, going from junk bond status in 2005 to our most recent rating of “A stable” investment grade. Because of this better rating, our remaining debt carries lower interest rates, keeping the annual payments as low as possible, to minimizing the impact on our annual budgets.
- This has allowed us to reallocate monies previously going to debt service to fund other projects without needing tax increases to cover these costs.
- In the area of risk management, our enhanced safety programs and claim management have led to an extraordinary savings in both worker’s comp. claims and property & liability losses. We have managed to cut our worker’s comp claims by nearly 70% since 2006 and our property & liability costs have been cut in half. Over the past 11 years, we have saved our taxpayers millions of dollars by effectively lowering our risk and diligently managing claims to conclusion.
- These are just two examples of the many measures we continue to pursue to insure a stable financial future for this community for years to come.
- We do, however, still face the ongoing challenge of the declining revenue base and supporting an operation which continues to increase in cost each year.
- Although we have effectively managed the costs that we can control, there are a host of expenses that are outside the control of the administration and council, and are determined by Harrisburg legislation.
- The work that we have done in Erie to isolate and engage the real challenges facing our city has inspired other cities to band with us in order to formulate an agenda of change and challenge Harrisburg to address the root of the common problems so that long-term success for our cities can be achieved.
- The issues being addressed include skyrocketing pension costs, Act 111 uniform service contract costs, and post-employment benefits.
  - These items have a significant impact on our long-term financial stability. For example, in 2017 our budgeted pension contribution, which is mandated by state law, will be approximately \$13.7 million dollars. This is up from \$3.65 million in 2006. A nearly 350% increase over this 11 year period. This will continue to climb each and every year, until there is meaningful reform in Harrisburg that includes municipal pensions.
  - Our employee costs in the police and fire departments have gone from \$25.5 million dollars in 2006 to \$46.9 million in 2017, an 83% increase. These are the legacy costs of mandatory arbitration awards over many years gone by. This is despite the fact that the last three contracts were successfully settled well within our budget parameters and included increased employee contribution to healthcare costs at the level of 15%.
  - Our post-employment benefits, which were cited as a weakness by Standard and Poor’s in our most recent bond upgrade, are currently \$1.8 million dollars per year. These costs include health benefits for retired uniform service members and are the direct result of mandatory Act 111 arbitration awards.

- In contrast, our entire general fund budget has increased from 55.5 million dollars in 2006 to 74.9 million in 2017. This is approximately a 35% increase over the last eleven years, contrasted by a 70 to 350% increase in our major cost drivers, during the same time frame. This shows that through effective stewardship of the operation, we have been able to counter-act some of the effects of these much larger increases in the non-discretionary items. However, these costs continue to grow at a very disproportionate rate.
- Until such time as there is meaningful change in the laws in Harrisburg, we must continue to focus on our core competencies and take a long-term approach to prioritizing our expenditures so that the challenge of funding our fundamental services will have the smallest possible impact on our taxpayers.
- The budget I present today will continue our progress.
- It reflects true revenue projections as well as real cost estimates. It honestly contemplates the real needs for 2017 and the best way to apply our resources to meet those needs.
- As I promised with each of the previous budgets, our goal is to administer an efficient, effective and progressive operation. As the results of each of the eleven years of this administration shows, we did just that.
- This budget is no different. Once again:
  - It does NOT include a property tax or fee increases; and
  - It does not include any new personnel or programs, it simply supports current services and capital needs in those areas.
- Finally, I would like to thank every department head, bureau chief and employee of the City of Erie who continues to do everything in their power to make the city operations affordable to the taxpayers. They are to be commended for their dedicated efforts.
- I would like to thank you, our City Council for continuing to work with us, in a positive and proactive manner. We have all been part of the successes we have realized over the past eleven years. I would like to commend you for your work in supporting the hard decisions which brought us through the difficult times and for becoming more aware of the operation of the city and the consequences of the decisions made within this chamber.
- I would also like to thank the City Controller and City Treasurer for continuing to work with us to help easily implement the operation in each of your areas.
- Together we have created an economically stable city government and shown our community that we can work together to create a government that truly operates with their best interest as a **first** priority.
- We ask that you adopt this budget because we believe it truly reflects our community's needs and properly contemplates a long-term strategy for funding them.
- My staff will be available to help you understand the information in the budget and the thought processes that went into each of the decisions comprising the individual budget recommendations.
- Thank You.

By Mr. Merski, Council File No.15, 967, Pending Official File Ordinance No. 29-2016

An ordinance amending Part 9 of the Codified Ordinances, Streets Utilities and Public Service Code, by adding a new Article 959, **Land Bank**, establishing the Erie Land Bank.

November 16, 2016, City Council on motion of Mr. Merski, Seconded by Mr. Brennan having read Council File No. 15,967 now known as Pending Official File Ordinance No. 29-2016 does hereby adopt on Final Passage by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski, and Merski. 6. Nays. 0.

November 16, 2016, Signed by the President. Attested by the City Clerk.

By Mr. Merski, Council File No. 15,968, Pending Official File Ordinance No. 30-2016

An ordinance amending Part 3 (Business Regulation and Taxation Code) of the codified Ordinances of the City of Erie by adding Article 331 (City of Erie Business Development [Revolving Loan Fund](#)), Sections 331.01-331.03 (Adoption, Criteria and Funding, respectively) to create the "City of Erie Business Development Revolving Loan Fund" with a **\$250,000.00** Urban Development Action Grant funding instrument received by the City of Erie.

November 16, 2016, City Council on motion of Mr. Jones, Seconded by Mr. Kwitowski having read Council File No. 15,968, does hereby adopt on Final Passage by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski and Merski. 6. Nays 0.

November 16, 2016, Signed by the President. Attested by the City Clerk.

By Mr. Merski, Council File No. 15,969, Pending Official File Ordinance No. 31-2016

An ordinance appropriating the sum of \$250,000.00 to be received as a transfer of funds from BUDAG (Bayfront Urban Development Action Grant) towards the creation of the '**City of Erie Business Development Revolving Loan Fund**' in connection with the accompanying Ordinance No. 15,968.

November 16, 2016, City Council on motion of Mr. Merski, Seconded by Mr. Kwitowski having read Council File No. 15,969, does hereby adopt on Final Passage by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski and Merski. 6. Nays 0.

November 16, 2016, Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mr. Winarski, Resolved etc.

By Mr. Merski, Council File No. 15,970

An ordinance **fixing the tax rate** for all city purposes for the Fiscal Year 2017 (beginning on January 1, 2017 and ending on December 31, 2017).

November 16, 2016, City Council on motion of Mr. Merski, Seconded by Mr. Winarski having read Council File No. 15,970, does hereby adopt on First Reading by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski and Merski. 6. Nays 0.

November 16, 2016, Signed by the President. Attested by the City Clerk.

By Mr. Merski, Council File No. 15,971

An ordinance of the City of Erie, County of Erie and Commonwealth of Pennsylvania, **adopting the General Fund** and certain other budgets for the fiscal year beginning January 1, 2107 and ending December 31, 2017.

November 16, 2016, City Council on motion of Mr. Merski, Seconded by Mr. Winarski does hereby adopt on First Reading by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski and Merski. 6. Nays 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Kwitowski, Seconded by Mr. Jones, Resolved, etc.

That **Mr. Pat Cappabianca** of 4133 French Street, Erie, PA 16504 is re-appointed to the Erie Regional Airport Authority for a five-year term expiring December 31, 2021.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Winarski, Seconded by Mrs. Arrington, Resolved, etc.

That the City Council of Erie, in accordance with the Municipal Authorities Act, 53 PA. C.S.A. §5601 et seq., hereby adopts the Resolution enacted by the Erie Metropolitan Transit Authority (“EMTA”) on November 8, 2016 which **amends its Articles of Incorporation** in order to extend the term of the Authority an additional ten (10) years from the date of approval of the Amendment; and, further, to reapportion the representation on the Authority Board to reflect five members of said nine-member board to be appointed by the City of Erie, and four members to be appointed by Erie County; and further, that the combined “local match” for funding be apportioned fifty-five percent (55%) to the City of Erie and forty-five (45%) to Erie County after any local match from other entities is determined; and further, that the officers of the board of said Authority include at least one appointee from each of the incorporating municipal entities.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mrs. Arrington, Seconded by Mr. Winarski, Resolved, etc.

That City Council has received the request for rezoning, submitted by Atty. Timothy M. Ziezula, representing **Pol’s Real Estate & Pro Waste Services, Inc.** requesting the rezoning of property that is currently classified as M1 (Light Manufacturing) and R2 (Medium Density Residential) to M2 (Heavy Manufacturing) as described in Exhibit A (attached) and referring to the City Planning Commission for recommendation and report thereon (accompanied by the requisite filing fee of \$500.00)

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mrs. Arrington, Seconded by Mr. Winarski, Resolved, etc.

That City Council has received the request from Attorney Timothy M. Ziezula, representing **Pol’s Real Estate & Pro Waste Services, Inc.** for the vacating and closing of a historic alley that runs parallel to East 18<sup>th</sup> Street and through the middle of the project development site from Wayne Street to Buffalo Road is hereby received and referred to the City Planning Commission for recommendation thereon (accompanied by the requisite filing fee of (\$300.00).

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Jones, Seconded by Mrs. Kwitowski, Resolved, etc.

That the **Enterprise Zone Loan Review Committee** approval of the following loan is formally ratified:

	<u>Amount</u>	<u>Term</u>	<u>Fee</u>
<b>Blue Diamond Realty, LLC.</b> (ONEX, Inc.)	\$215,000.00	15 yrs. Fixed	\$1,075.00

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Jones, Seconded by Mr. Kwitowski, Resolved, etc.

That the proposed Repository sale of property commonly known as **1123 Brewster Street, Erie, PA** and identified by Erie County Assessment Index Number 15-020-046.0-117.0, by the Erie County Tax Claim Bureau to J. Karl Campbell, 1122 Brewster Street, Erie, PA in the amount of \$300.00 is hereby approved.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mr. Kwitowski, Resolved, etc.

That the Change Order No 1 on the contract of [Joseph McCormick Construction](#) Company, 3340 Pearl Avenue, Erie, PA. 16510 for the 2016 Proposed Milling and Asphalt Resurfacing of **Various Streets-III** Bid No. 1727-16.

The original contract was \$869,953.95  
The revised contract amount is \$1,089,483.50  
The change order amount id \$192,529.55

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mr. Kwitowski, Resolved, etc.

That the Change Order No. 1 on the contract of [Mayer Brothers](#) Construction Company, 1902 Cherry Street, Erie, PA 16502 for the 2016 Proposed Milling and Asphalt Resurfacing of **Various Streets-II** Bid No. 1726-16

The original contract was \$1,448,012.05  
The revised contract amount is \$1,652,510.03  
The Change Order total is \$204,497.98.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mrs. Kwitowski, Resolved, etc.

That the Mayor and City Controller have previously been authorized to execute the Engineering Agreement L00050 for the **McBride Viaduct Removal Project (East Avenue Bridge)** between the City of Erie and TransSystems Corporation Consultants.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mrs. Winarski, Resolved, etc.

That the following amounts are transferred in the **Dept. of Public Works/Bureau of Parks**

Transferred from: Transferred to:

Amount	Account	Title	Amount	Account	Title
\$1,400.00	002-0725-0000-4047	Heat, Light, etc.	\$1,400.00	002-0725-0000-4006	Overtime Wage

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mrs. Winarski, Resolved, etc.

That the following amounts are transferred in the **Dept. of Public Works/Bureau of Paint & Sign**

Transferred from: Transferred to:

Amount	Account	Title	Amount	Account	Title
\$8,000.00	002-0715-0000-4078	Equipment	\$8,000.00	002-0713-0000-4035	Repair & Maint.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Winarski, Seconded by Mrs. Kwitowski, Resolved, etc.

That the following amounts are transferred in Sewer Revenue Fund

Transferred from:

Transferred to:

Amount	Account	Title	Amount	Account	Title
\$ 2,500.00	007-0771-0000-4019	Unemployment Comp.	\$ 2,500.00	007-0771-0000-4043	Education & Training
1,500.00	007-0771-0000-4047	Heat, Light, Other Utilities	1,500.00	007-0771-0000-4045	Communication
700.00	007-0771-0000-4021	Deferred Comp.	700.00	007-0771-0000-4045	Communication

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mr. Winarski, Resolved, etc.

That the Mayor and City Controller are authorized and directed to execute contracts between the City of Erie and the following individuals and/or companies for goods and/or services as noted and the City Council do hereby ratify and confirm the said transactions which are to be charged to the respective Budget Code Numbers, viz:

- 1. 911 Leasing.com**, 432A Frye Farm Road, Greenburg, PA 15601, for a five (5) year lease of a 2106 Custom Ford Interceptor AWD, for the Insurance Fraud Investigation Unit, [Bureau of Police](#) of the City of Erie, at a total cost of \$30,886.35 (5 annual payments @ \$6,177.27 each) plus a \$300 documentation fee, for a total cost of \$31,186.35.
- 2. Gerlach's Property Maintenance, LLC**. 3161 West 32<sup>nd</sup> Street, Erie. PA 16506 for lawn maintenance and weed control for various park areas for a term of two (2) years at **\$7,761.00** per month beginning April 1, 2017 and ending October 31, 2018 with a provision for a one (1) year extension at the sole discretion of the City of Erie; and His Honor the Mayor and City Controller be an they are hereby authorized and directed to execute this agreement on behalf of the City.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.

November 16, 2016. Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mr. Winarski, Resolved, etc.

That the Purchasing Agent is authorized and directed to issue purchase orders to the following individuals and/or companies for goods and/or services as noted and the City Council does hereby ratify and confirm the said transactions which are to be charged to the respective Budget Code Numbers, viz:

- 1. A&H Equipment**, 1124 McLaughlin Run Road, Bridgeville, PA 15017-2533 for the emergency repair of the Sewer Camera Crawler for the Bureau of Sewers at a total amount of \$10,880.08.
- 2. J.J. Agnello, Heating & Air Conditioning, Inc.** 1602 Liberty Street, Erie, PA 16502 in the amount of \$3,740.00 to furnish and install a new gas furnace 7 air conditioning system at J.C. Martin Golf Course.
- 3. Chemung Supply**, P.O. Box 527, Elmira, NY 14902 for [plow bolts](#) for the Bureau of Streets, at a cost of \$3,331.00.
- 4. Coleman & Co., P.C.**, 2415 West Grandview Blvd., Erie, PA 16506 for the audit of SNOOPS Neighborhood Elm Street Grant II for the Department of Economic Development for the City of Erie at a total cost of \$3,000.00.
- 5. Goodway**, 420 West Avenue, Stamford, CT 06902 for Scale Break De-Scaling chemical for use in the Wet Electrostatic Precipitator at the Wastewater Treatment Plant for the Bureau of Sewers at a total amount of \$3,101.00.
- 6. Jageman Electric Inc.**, 1870 Townhill Road West Erie PA 16509 in the amount of \$3,580.00 to replace exterior lights on Downing Golf Courses' Clubhouse.
- 7. David Milano Construction**, 2202 Zimmerly Road, Erie, PA 16506 for materials only to repair a sanitary connection at 1026 West 7<sup>th</sup> Street for the Bureau of Sewers.
- 8. B.J. Muirhead Co. Inc.**, 115 Mid County Drive, Orchard Park, NY 14127 for the service of re-stamping of two (2) boilers at the Wastewater Treatment Plant for the Bureau of Sewers at a total amount of \$5,710.00.
- 9. Rabe Environmental**, 2300 West 23<sup>rd</sup> St., Erie, PA 16506 to repair the boiler at Engine #6 in the amount of \$5,265.00.

10. **Smoracy, LLC. (The Beast)**, Dept. #77982 P.O. Box 77000, Detroit, MI 48277, for the amount of \$3,390.61 for the repair and maintenance of the compost grinder.
11. **Varitech Industries** 501 East Cliff Road, Burnsville, MN 55337 for [2 brine tanks](#) for the Bureau of Streets at a cost of \$5,251.26.

November 16, 2016. City Council adopt by yeas Council Members Merski, Arrington, Brennan, Jones, Kwitowski, Winarski and 6. Nays. 0.  
November 16, 2016. Signed by the President. Attested by the City Clerk.

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November 16, 2016 City Council on motion of Mr. Winarski, Seconded by Mrs. Arrington adjourned at 8:30 P.M. by yeas Council Members Arrington, Brennan, Jones, Kwitowski, Winarski, and Merski. 6. Nays. 0.

Attest: \_\_\_\_\_  
City Clerk

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President of City Council