

The City Council met in regular session in the Council Chambers on Wednesday, November 15, 2017 at 7:30 P.M.

Council Members present: Kwitowski, Arrington, Brennan, Jones, Merski Winarski and Witherspoon. 7. Nays. 0.

On motion of Mr. Winarski, Seconded by Mrs. Arrington, the reading of the minutes of the Meeting of November 1, 2017 were dispensed with and same adopted with copies furnished to the members of City Council by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski and Kwitowski. 6. Nays. 0.

Copies of the bills under date of November 10, 2017 and November 17, 2017 were given to City Council and same adopted by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays. 0.

2018 BUDGET ADDRESS TO ERIE CITY COUNCIL

- Good evening, tonight I present you with the 2018 budget for the City of Erie.
- This budget will be the foundation for the inaugural year of the next administration.
- It is a budget that will perpetuate the stable and productive operation of city government that has become one of the hallmarks 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 twelve 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, 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 twelve years I have held this office.
- My administration has kept its promise to the citizens of Erie, that we would 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.
- In these twelve 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.

- It is also something that must be continued forward if the city is going to remain financially strong and solvent into the future.
- This community's history is replete with unsuccessful adventures formulated by "visionaries" who have failed miserably because their true goal is public adoration or accolades offered to them by those who are completely ignorant to the mechanism of proper governing, and who are seeking change for its own sake, without regard for or understanding of the real consequences.
- 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 has allowed us to remain financially healthy in the face of ever-increasing cost centers and the many other challenges we have faced throughout the course of this administration.
- Over the past twelve years:
 - We have paid down our aggregate debt by nearly \$49 million dollars.
 - We have upgraded our bond rating 4 times, going from junk bond status in 2005 to our most recent rating of "A stable" investment grade.
 - We have refinanced our remaining debt at lower interest rates, keeping the annual payments as low as possible.
 - We have borrowed less money than any other administration
 - We have decreased our workforce by nearly 25%.
 - We have redesigned the way that operations in all of our departments are performed, in order to make them much more efficient, while continually escalating their effectiveness.
 - We have enhanced our safety programs and claim management which has 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. This has saved our taxpayers millions of dollars.
 - These are just a few examples of the many measures we implemented to create the stable financial condition we now enjoy. If continued, it will insure a stable financial future for this community for years to come.
 - There are, however, continuing challenges upon which you must continue to focus.
 - These are a host of expenses that are outside the control of the administration and council, and are determined by Harrisburg legislation.
 - These 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 2018 our budgeted pension contribution, which is mandated by state law, will be approximately \$16.2 million dollars. This is up from \$3.65 million in 2006. A 19% increase this year alone and a nearly 350% increase over this 12 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 \$50.2 million in 2018, a 97% 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 79.4 million in 2018. This is approximately a 42% increase over the last twelve years, contrasted by a 97 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, you 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.
- These are the realities of governing in a third class city in Pennsylvania.
- To be successful, you must remain vigilant and focused on these realities, not chasing false hopes manufactured by the many charlatans that you encounter whose self-serving agendas are masked and falsely portrayed as beneficial to the community.
- The budget I present today, if followed by the next administration, will continue this community's progress, as our methods have proven successful over the past twelve years.
- It reflects true revenue projections as well as real cost estimates. It honestly contemplates the real needs for 2018 and the best way to apply our resources to meet those needs.
- As I promised with each of the previous budgets, our goal is an efficient, effective and progressive operation. As the results of each of the twelve 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 twelve 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.
- 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. Kwitowski, Council File No. 15,607

An ordinance **fixing the tax rate** for all city purposes for the Fiscal Year 2018 (beginning on January 1, 2018 and ending on December 31, 2018).

November 15, 2017. City Council on motion of Mr. Kwitowski, Seconded by Mr. Winarski having read Council File No. 15,607 does hereby adopt on First Reading by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.

November 15, 2017. Signed by the President. Attested by the City Clerk

By Mr. Kwitowski, Council File No. 15,608

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, 2108 and ending December 31, 2018.

November 15, 2017. City Council on motion of Mr. Kwitowski, Seconded by Mr. Winarski having read Council File No. 15,608 does hereby adopt on First Reading by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.

November 15, 2017. Signed by the President. Attested by the City Clerk

By Mr. Witherspoon, Council File No. 15,609

An ordinance appropriating the sum of **\$15,300.00** from unappropriated and unanticipated revenue and providing for the expenditure thereof.
Contribution of \$15,000.00 is from the Star Athletic Club; and \$300.00 from the Slovak National Club.

November 15, 2017. City Council on motion of Mr. Witherspoon, Seconded by Mr. Winarski having read Council File No. 15,609 does hereby adopt on First Reading by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.

November 15, 2017. Signed by the President. Attested by the City Clerk

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

That pursuant to the provisions of Zoning ordinance No. 80-2005 and a **Public Hearing** held Wednesday, November 1, 2017 in City Council Chambers, 626 State Street, Erie, PA that the request by UPMC Hamot relative to property located at tax parcel 14-010-0500-127 or [104 E. 2nd Street](#) by UPMC Hamot for construction of a professional office building located in the Waterfront Commercial 2 District is hereby approved.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

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

That pursuant to the provisions of Zoning ordinance No. 80-2005 and a **Public Hearing** held Wednesday, November 1, 2017 in City Council Chambers, 626 State Street, Erie, PA the request by Weber Murphy Fox relative to property located at tax parcels 14-010-0460-10100 and 14-010-0460-13600 for construction of an eight [\(8\) story hotel](#) and off street parking lot located in the (WC) Waterfront Commercial district is hereby approved.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 1, 2017. Signed by the President. Attested by the City Clerk.

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

A resolution authorizing and directing the proper City officials enter into an agreement between the City of Erie and Attorney Donald L. Wagner to provide legal counsel to the Zoning Hearing Board of the City of Erie from January 1, 2018 and through December 31, 2018 in the amount of \$1,300.00 per month and \$130.00 an hour for every hour in excess of twelve (12) hours per month is hereby approved.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 1, 2017. Signed by the President. Attested by the City Clerk.

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

That the following amounts are transferred in the **Division of Personnel**

Transferred from:			Transferred to:		
Amount	Account	Title	Amount	Account	Title
\$2,950.00	002-0521-0000-4041	Professional Svcs.	\$2,950.00	002-0513-0000-4041	Professional Svcs.
\$ 50.00	002-0521-0000-4041	Professional Svcs.	\$ 50.00	002-0513-0000-4056	Repair/Maint. Svcs.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

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

That the following amounts are transferred in the **Sewer Revenue Fund**

Transferred from:			Transferred to:		
Amount	Account	Title	Amount	Account	Title
\$80,762.00	007-0773-0000-4077	Other Improvements	\$80,762.00	000-0771-0000-4035	Repair Supplies

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

By Mr. Winarski, Seconded by Mrs. Arrington, 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. **CDW-G**, 75 Remittance Drive, Suite 1515, Chicago, IL 60675-1515, for a replacement primary [network switch](#) at the Wastewater Treatment Plant, Bureau of Sewers in the amount of \$12,553.00.

2. **Total Energy Resources, LLC**, 120 Marguerite Drive, Suite 201, Cranberry Twp., PA 16066 that a two (2) year agreement for approximately 80,000 Dth (annually) of natural gas for the Wastewater Treatment Plant the Erie Zoo and various City accounts. Basis quote price is minus \$0.44 cents per Dth subtracted from the daily NYMEX price from January 1, 2018 to December 31, 2019. The NYMEX price shall fluctuate during the course of the contract and the basis price shall remain as quoted.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

By Mrs. Arrington, Seconded by Mr. Brennan, 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. **BIU**, 1805 West 38th Street, Erie, PA 16506 for September 2017 [Mechanical Inspections](#) for the Bureau of Code Enforcement in the amount of \$43,869.00.
2. **ThyssenKrupp Elevator Corp.**, PO Box 933004, Atlanta, GA 31193-3004 for pressure testing the [freight elevator](#) at the Wastewater Treatment Plant, Bureau of Sewers in the amount of \$2,092.00.
3. **Siemens Industry, Inc., c/o Gilson Engineering Sales, Inc.**, 535 Rochester Road, Pittsburgh, PA 15237 for two (2) replacement Siemens [Flow Meters](#) for the Bureau of Sewers in the amount of \$4,402.80.
4. **Wm. T. Spaeder**, 1602 East 18th Street, PO Box 10066, Erie, PA 16514 for boiling out and curing the [Auxiliary Boilers](#) at the Wastewater Treatment Plant, Bureau of Sewers in the amount of \$3,764.50.
5. **Kaman Industrial Technologies**, 2335 West 50th Street, Erie, PA 16506 for [repair parts](#) for the Dissolved Air Flotation Building at the Wastewater Treatment Plant, Bureau of Sewers in the amount of \$14,967.36.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

WAIVE RULES

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

That the Mayor and City Controller have been previously authorized to execute all required Agreements to date with all parties as required for the McBride Viaduct Removal Project (East Avenue Bridge),

And whereas the project now requires additional coordination and Agreement with the railroad at the above grade crossing,

The Mayor and City Controller are hereby authorized to execute the Construction Agreement between the City of Erie and CSXT for the Flagging and Construction Engineering/Inspection services for the City of Erie Demolition of the McBride Viaduct (East Avenue Bridge) over CSXT

Estimated costs for the construction services are \$153,427.00.
Cost Sharing: Federal 80%, State 15%, Municipality 5%

The City shall provide advance payment of the estimated cost to cover the anticipated project costs; the advance payment is not a fee but a deposit held in an account against which actual CSXT costs are assessed. If actual costs are less than the deposit, a refund will be returned.

If the actual costs are more than the deposit, an additional deposit will be requested

November 15, 2017. City Council adopt waive rules by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.
November 15, 2017. Signed by the President. Attested by the City Clerk.

WAIVE RULES

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

That the City Solicitor is respectfully requested to draft an ordinance to lessen (change) the penalties of possession of a small amount of marijuana and drug paraphernalia from a misdemeanor to a summary offense under certain terms and conditions.

November 15, 2017. City Council adopt waive rules by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays. 0.

November 15, 2017. City Council adopt by yeas Council Members Arrington, Brennan, Jones, Merski, Winarski, Witherspoon and Kwitowski. 7. Nays 0.

November 15, 2017. Signed by the President. Attested by the City Clerk.

November 15, 2017, City Council on motion of Mr. Merski, Seconded by Mr. Brennan adjourned at 10:11 P.M. by yeas Council Members Kwitowski, Arrington, Brennan, Jones, Merski, Winarski and Witherspoon 7. Nays. 0.,

Attest: _____
City Clerk

President of City Council