

The City Council met in regular session in the Council Chambers on Wednesday, February 18, 2015 at 7:30 P.M.

Council Members present: Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon & Brennan. 7. Nays. 0.

On motion of Mr. Merski, Seconded by Mr. Witherspoon the reading of the minutes of the Meeting of February 4, 2015 were dispensed with and same adopted with copies furnished to the members of City Council by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.

Copies of the bills under date of February 20, 2015 and February 27, 2015 were given to City Council and same adopted by yeas Council Members Brennan, Horan-Kunco, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.

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Mr. Merski, Council File No. 15,909 Pending Official File Ordinance 7- 2015

An ordinance appropriating the sum of \$523,000.00 from unappropriated and anticipated revenue to provide for the expenditure thereof for the Preliminary Engineering and Feasibility Study of **McBride Viaduct** (East Avenue Bridge) Supplement 010T57-B.

February 18, 2015. City Council on motion of Mr. Merski, Seconded by Mr. Brennan having read Council File No. 15,909, now known as Pending Official File Ordinance No. 7-2015 does hereby adopt on **Final Passage** by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon, Brennan. 7. Nays 0.

February 18, 2015, Signed by the President. Attested by the City Clerk.

Mr. Merski, Council File No. 15,910

An ordinance approving the plan of the Erie Sewer Authority for the issuance of an aggregate amount not to exceed \$30,000,000 Taxable [Sewer Revenue Bonds](#), Series of 2015A and Tax Exempt Sewer Revenue Bonds, Series of 2015B and setting forth the amount, interest rates and maturity dates of the bonds; Authorizing the Authority to proceed with the plan of financing; Authorizing the execution and delivery of a lease agreement and the incurrence of lease rental debt thereby; Authorizing the specified officers of the City of Erie to prepare and certify the debt statement, and to do all other acts necessary to carry out the provisions of the ordinance; Setting forth the payment of the Sewer Revenue Bonds and the source of such payments; Repealing all inconsistent ordinances and providing that the ordinance is effective immediately.

February 18, 2015. City Council on motion of Mr. Merski, Seconded by Mr. Witherspoon, having read Council File No. 15,910, does hereby adopt on **First Reading** by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon, Brennan 7. Nays 0.

February 18, 2015, Signed by the President. Attested by the City Clerk.

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

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

	<u>Amount</u>	<u>Term</u>	<u>Fee</u>
<a href="#">EmKey Energy</a>	\$211,500.00	15 Years	\$1,057.50

These funds have been made available through the Commonwealth of Pennsylvania Enterprise Zone Program and the Erie Enterprise Zone Revolving Loan Fund and loan repayments. The loan will be charged against account number 310-0000-0000-1007. The interest rate is fixed at 3.5% per annum. A one-time loan processing fee based on ½ of 1.0% of the amount financed will be assessed to the client. The City Solicitor's Office will assist with the preparation of the loan documents for this transaction. City Council further directs that the proper City Officials are authorized to sign the necessary documents and agreements effectuating same.

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.  
February 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the Mayor and City Controller sign Non-Reimbursement Agreement No. 101V75 between the City of Erie and the Commonwealth of [Pennsylvania Department of Transportation](#) for the following:

**State Route 0020, Section 27M-Manhole Adjustment**

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.  
February 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the proper City Officials are hereby authorized to execute an Easement Agreement between the City of Erie and the [Frontier Improvement](#) Association for the installations of signs in City rights-of-way within the Association's boundaries. The four (4) locations are as follows:

- West 8<sup>th</sup> Street and Mohawk drive – south endcap of boulevard**
- West 8<sup>th</sup> Street and Seminole Drive – South endcap of boulevard**
- West 6<sup>th</sup> Street and Monaca Drive – west endcap of boulevard (replace existing sign)**
- West 6<sup>th</sup> Street and Mohawk Drive – north endcap of boulevard (short sign)**

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.  
February 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the proper City Officials are hereby authorized to execute an Easement Agreement between the City of Erie and the NDC Real Estate Management Inc., 4415 Fifth Avenue, Pittsburgh, PA 15213 being the owner of [515 State Street](#), Index (14) 1002-103, in compliance with the attached City Engineer's metes and bounds descriptions locating two building mounted signs and awnings.

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.  
February 18, 2015 Signed by the President. Attested by the City Clerk.

By Mrs. Horan-Kunco, Seconded by Mr. Winarski, Resolved, etc.

That the following amounts are transferred in the Office of [Risk Management](#):

TRANSFERRED FROM:			TRANSFERRED TO:		
AMOUNT	ACCOUNT	TITLE	AMOUNT	ACCOUNT	TITLE
\$5,060.00	024-0571-0000-4062	Casualty Ins.	\$9,600.00	505-1239-2013-4017	Gen. Liability Ins.
\$16,720.00	024-0571-0000-4063	Prof. Liability Ins.	\$16,035.00	505-1239-2013-4018	Risk Management Fu.
\$3,855.00	024-0571-0000-4064	Misc. Ins. & Bonds			
<b>\$25,635.00</b>			<b>\$25,635.00</b>		

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.

February 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the following amount is transferred in the [Project Safe Neighborhood Grant](#):

TRANSFERRED FROM:			TRANSFERRED TO:		
AMOUNT	ACCOUNT	TITLE	AMOUNT	ACCOUNT	TITLE
\$20,000.00	267-0613-2013-4006	Overtime	\$20,000.00	267-0613-2013-4059	Other Serv. & Charg.
<b>\$20,000.00</b>			<b>\$20,000.00</b>		

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.

February 18, 2015 Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mr. Witherspoon, 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. **Camsco Services, Inc.**, 255 Pennbriar Drive, Erie, PA 16509 for [traffic control](#) devices for the Department of Public Works of the City of Erie at a cost of **\$7,719.50**.
2. **DCED**, 400 North Street, Harrisburg, PA 16120-0225, for 552 permits and 3 months of state fees (2014) for Code Enforcement, Department of Public Works of the City of Erie at a total cost of **\$2,208.00**.
3. **Gerster Trane/sales & Service**, 45 Earhart Drive, suites 103,105, & 108, Buffalo, NY 14221, for the annual service agreement for the plants chillers (12/1/2014-11/30/15), for the Bureau of Sewers/Treatment, Department of Public Works of the City of Erie at a total cost of **\$7,278.00**.
4. **Liberty Process Equipment**, 2525 S. Clearbrook Drive, Arlington Heights, IL 60005 for rotors, stators and [miscellaneous sludge pump parts](#) for use at the Wastewater Treatment Plant for the Bureau of Sewers at a total cost of **\$6,739.00**.
5. **Industrial Furnace Company, Inc.**, 40 Humboldt Street, Rochester, NY 14609 for refractory work on sewage incinerators for the Bureau of Sewers of the City of Erie at a total cost of **\$8,730.00**.
6. **JJ Keller & Associates**, P.O. Box 548, Neenah, WI 54957-0548 for the renewal of the Alcohol and Drug PULL Software for the Office of Human Resources at a total cost of **\$2,040.00**.
7. **Markl Supply Company**, 904 Perry Highway, Pittsburgh, PA 15229 for (3) Corel M4 .223 rifles for the Bureau of Police at a total cost of **\$3,225.00**.
8. **Meggitt Training Systems**, 296 Brogdin Road, Suwanne, GA 30024 for five (5) rolls of Gum Rubber to be used in the range to prevent bullets from bouncing back at the shooter for the Bureau of Police at a total cost of **\$2,120.00**.
9. **Plyler Overhead Door Co.**, 8850 Fry Road, McKean, PA 16426 for repair work at South Central Fire Station for the Bureau of Fire of the City of Erie at a total cost of **\$2,228.88**.
10. **R-Tech, LLC.**, 100 Southpointe Blvd., Canonsburg, PA 15317 for the repair and installation of a gate actuator at the Wastewater Treatment Plant for the Bureau of Sewers at a total cost of **\$6,430.00**.

11. [T&M Associates](#), 4675 Lakehurst Court, Suite 250, Columbus, OH 43016 for Air Information Management System (AIMS) Consulting Services for use at the Wastewater Treatment Plant for the Bureau of Sewers at a total cost of **\$3,500.00**.
12. [Tactical & Survival Specialties, Inc.](#), P.O. Box 1890, Harrisonburg, VA 22801 for simmunition marking cartridges, protective masks, collars and groins, conversation kits, and cotton tipped applicators for the training unit for quarterly officer training for the Bureau of Police at a total cost of **\$3,924.50**
13. [Taser International](#), 17800 North 85<sup>th</sup> Street, Scottsdale, AZ 85255-9603 for replacement cartridges and batteries for the Tasers for the Bureau of Police at a total cost of **\$3,790.33**.

February 18, 2015. City Council adopt by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.  
February 18, 2015 Signed by the President. Attested by the City Clerk.

January 30, 2015

Bank of New York Mellon Global Corporate Trust  
525 Williams Penn Place, 38<sup>th</sup> Floor  
Pittsburgh, PA 15259  
Attention: Kevin Rockwell

Mayor and City Council  
City of Erie  
Erie Municipal Building  
626 State Street  
Erie, PA 16501

Subject:  
Erie Sewer Authority/Erie Wastewater Treatment Plant  
Consulting Engineer's 2015 Certification of Rates and Budget

In accordance with Section 9.04 of the First Supplemental Indenture and Consolidated & Amended Trust Indenture, dated January 1, 1972, effective as of December 1, 1975, by and between the Erie Sewer Authority and Marine Bank; we hereby certify that we have examined the rates and charges in effect and proposed, and certify that the estimated revenues that the City of Erie anticipates collecting this year—under [Article 933 of the City of Erie Codified Ordinances](#) (most-recently amended by Erie City Ordinance 6-2014 (effective February 5, 2014)—anticipated revenue from City properties, payments anticipated from tributary municipalities and the Erie City Water Authority (for the treatment and disposal of wastewater and industries waste), industrial surcharges, operating transfers from the Refuse/Recycling Fund, revenue from penalties and late fees from customers, and other miscellaneous income will, in our opinion, be sufficient to meet the budget adopted by the City Council for 2015.<sup>1</sup>

<sup>1</sup>Our evaluations performed for this certification identified one apparent discrepancy in the City Bureau of Sewers 2015 Budget. The City's lease payment budget is \$3,506,479. (continued)

Our certification is conditioned upon the Authority restructuring its current debt, resulting in a reduced obligations for the Authority's 2015 debt service and lease payment, as indicated in the "Erie Sewer Authority Sewer Revenue Bonds Debt Structuring Analysis" presentation given by PNC Capital Markets LLC at the January 6, 2015 Erie Sewer Authority special meeting. Excerpts of the existing and proposed debt service schedules, including existing and anticipated 2015 lease payments by the City to the Authority, are enclosed herewith. Should the proposed debt service restructuring not be enacted in a timely manner by the Authority, or if interest rates change resulting in an increase in the anticipated 2015 lease payment above that indicated in Attachment 2 hereto, it is possible that the City would collect insufficient revenues to pay the anticipated expenses presented in the 2015 City Bureau of Sewers budget (adopted by the City Council on December 17, 2014).

Enclosed are the following, obtained from the Bureau of Sewers of the City of Erie's Department of Public Works:

- "Sewer Fund-007-Revenues" (i.e., budgeted revenue), comprised of one page.
- Expenditures budget for wastewater treatment (771) and wastewater collection (773), comprised of a total of four pages.

We believe that the City Bureau of Sewers' anticipated and budgeted total revenue—conditioned upon timely enactment of the Authority's anticipated debt restructuring and the condition indicated in footnotes 1 of this letter—will be adequate for the budgeted expenditures required to operate the wastewater treatment plant in 2015 and pay the Authority's anticipated debt service.

Regarding expenditures, we reviewed the individual line items of the treatment plant portion (771) of the City's Bureau of Sewers expenditures budget. The budgeted treatment expenditure amounts for the various line items appear to be adequate for providing for acceptable operation of the wastewater treatment plant and for paying the lease payment to the Authority.

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(continued from prior page) In contract, the most-recent information available to us on the probable debt service associated with the anticipated 2015 bond refinancing is \$3,170,916, thus equating to a required lease payment of approximately \$3,538,008. This is \$31,529 great than the City's budget for the lease payment. However, this represents only 0.15 percent of the City Bureau of Sewer's \$20.8M budget for 2015. We assume that the apparent \$31,529 budget shortfall can be accommodated using City contingencies.

We reviewed the line items in the collection expenditures budget (773) only to verify that 2015 budgeted collection system expenditure amounts approximated the projected 2014 year-end expenditures.

Should there be questions or comments on this consulting engineer's certification, please contact the undersigned at the telephone number and e-mail addresses indicated on the first page of this letter.

Sincerely,

ARCADIS U.S. Inc.

Kevin M. O'Beirne, PE  
Project Manager  
Professional Engineer licensed in PA and NY

Jason J. Williams, PE  
Associated Project Manager  
Professional Engineer licensed in PA, NY, & OH

February 18, 2015 City Council on motion of Mr. Merski, Seconded by Mr. Witherspoon **adjourned** at 8:42 P.M. by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays. 0.

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President of City Council

Attest:

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City Clerk