

STATED MEETING - CITY COUNCIL –FEBRUARY 9, 2010

A meeting of the Lancaster City Council was held on Tuesday, February 9, 2010 in Council Chambers, Southern Market Center, 100 South Queen Street, Lancaster, PA, at 7:30 p.m., with President Williams presiding.

City Council led the assembly in the Pledge of Allegiance.

Present – Ms. Coller, Mr. Morales, Mr. Polite, Mr. Roschel
Mr. Smith, Mr. Urdaneta, President Williams – 7

City Council approved the minutes of January 26, 2010 by a unanimous vote.

PUBLIC COMMENT – Tristan Dressler, 900 Block of Columbia Avenue, one of the four firefighters who were laid off by the City this year addressed Council and the Mayor about his feelings of the lay off. He pointed out that he felt that the situation could have been avoided. He accused the Administration of ignoring suggestions which the Fire Bureau made.

PUBLIC SAFETY COMMITTEE – Chairwoman Coller stated that the Committee met on February 1, 2010 and the item on the agenda was Chief Sadler's report. She stated that he did mention that our trends reflect national trends and overall crimes are down 7%. He will bring his report to the full Council at the February 23rd meeting.

PUBLIC WORKS COMMITTEE – Chairman Roschel stated that the Committee met on Feb. 1, 2010. We discussed two items. One is Resolution 11 – 2010 on tonight's agenda and we can talk about that when it comes up. Leslie Fordham, Public Arts Manager, presented a request by the local chapter of the Sons of the American Revolution would like to place a plaque commemorating the spot where the Continental Congress met on September 27, 1777. It will mark the importance of the contribution of Lancaster Revolutionary War Veterans. It is not on tonight's agenda but will be on February 23rd. He put a resolution together and sent it out to Council. We will vote on it the 23rd.

ECONOMIC DEVELOPMENT AND REVITALIZATION COMMITTEE – Chairman Urdaneta stated that the Committee met on February 1, 2009. We discussed a grant to DCED for \$500,000 for the redevelopment of ten properties in the 100 block of South Queen Street. This is a welcome project which is ½ block from the Convention Center. Buildings are going to be renovated. Non-historic buildings will be raised and rebuilt to create 60 2 & 3 bedroom apartments. That will be on the agenda on the 23rd. The second item on the agenda was amending the vendor's licensing ordinance, since there is not a licensing bureau in City Hall. The licensing will be done in the future in the City Police Bureau, which has the ability to get background checks on potential vendors who will go door to door in the City.

FINANCE COMMITTEE – Chairman Smith stated that the Committee met on February 1, and there are three things coming up on the agenda tonight. The first one is a waiver of permit fees for the School District of Lancaster on upgrades they are proposing. The second is a resolution to exonerate water and sewer fees at City owned properties. The third is the adoption of a smoothing method to determine the actuarial valuation of the City Pension Plans.

PERSONNEL COMMITTEE – Chairman Polite stated that the committee met on the first of the

month also and approved a resolution recognizing February as Black History Month. We also approved a resolution recognizing John Jarvis for his contributions to the City of Lancaster.

Administration Bill No. 3-2010, (the title) was read by the City Clerk as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA APPROVING AMENDMENTS TO CHAPTER 64 (PENSIONS AND RETIREMENT) TO PROVIDE FOR AN EARLY RETIREMENT INCENTIVE PROGRAM FOR POLICE OFFICERS AND FIREFIGHTERS; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE; AND PROVIDING THAT THE ORDINANCE SHALL TAKE EFFECT AS PROVIDED BY PENNSYLVANIA LAW.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded.

Councilman Smith stated that Bill No. 3, was discussed two weeks ago. It defines a class of City Employees, within the Fire Bureau, Police Bureau and non-uniformed union members. It amends Chapter 64 (Pensions and Retirement) to provide for an early retirement incentive program. Mr. Smith made a motion to amend Chapter 64 – 39 Part B. to change the wording: In order to receive benefits under §64-40, an officer eligible under Section A. hereof must have signed a Notice of Election to Participate in Early Retirement Incentive Program in form and substance satisfactory to the City indicating his/her agreement to retire with an effective date established by the City of Lancaster; such Notice of Election to Participate in Early Retirement Incentive Program must have been executed by the officer between January 15, 2010 and February 15, 2010. Councilman Morales seconded. City Council approved the amendment by a unanimous roll call vote. City Council approved Administration Bill No. 3-2010 (as amended) and shall hereinafter be known as Administration Ordinance No. 3-2010.

Administration Bill No. 4-2010, (the title) was read by the City Clerk as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA ESTABLISHING APPROPRIATIONS FOR \$1,085,000 FROM GENERAL FUND RESERVES IN 2010; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE; AND PROVIDING THAT THE ORDINANCE SHALL TAKE EFFECT AS PROVIDED BY PENNSYLVANIA LAW.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded.

Councilman Smith noted that this bill is necessary to establish appropriations to cover the expense of the Early Retirement Incentive Program. City Council approved Administration Bill No. 4-2010 by a unanimous roll call vote and will hereinafter be known as Administration Ordinance No. 4-2010.

Council Resolution No. 10-2010, was read by the Clerk as follows:

A RESOLUTION OF THE COUNCIL OF THE CITY OF LANCASTER DESIGNATING FEBRUARY 2010 AS BLACK HISTORY MONTH IN THE CITY AND URGING ALL CITIZENS OF LANCASTER TO PARTICIPATE IN THIS CELEBRATION.

WHEREAS, African-Americans have been an important part of this community since the founding of Lancaster in 1741; and

WHEREAS, to acknowledge the contributions of African-Americans to the progress of this country, February has been designated nationally as Black History Month each year; and

WHEREAS, numerous community events to celebrate Black History Month have been planned throughout the City of Lancaster; and

WHEREAS, the City of Lancaster is enriched by the African-American community for its contribution to our culture and to our history.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Lancaster that all citizens have been urged to observe February 2010 as Black History Month.

BE IT FURTHER RESOLVED that all citizens have been encouraged to participate in the community events held in Lancaster during Black History Month.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. City Council approved Council Resolution No. 10-2010 by a unanimous roll call vote.

Councilman Polite stated that he sponsors this resolution every year to, hopefully, to remind citizens of the contributions that the African American Community have made to this City and Country. Serving in the military and fighting in the National Wars. He mentioned two activities, one on Saturday, February 20, 2010 at the Amvets to honor African American Veterans. And on February 27th there will be a special program at Brightside Baptist Church, a day of networking and presentations by some local ministers. President of the NAACP of Lancaster, Mr. Cobbie Burns received the Resolution on behalf of NAACP. Mr. Burns thanked the Council for the recognition.

Administration Resolution No. 11-2010, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE COUNCIL OF THE CITY OF LANCASTER AUTHORIZING THE ADMINISTRATION TO ENTER INTO AN AGREEMENT WITH PPL ELECTRIC UTILITIES CORPORATION FOR THE FURNISHING OF ALL ELECTRIC STREET LIGHTING SERVICE REQUIRED TO LIGHT PENN SQUARE.

Councilman Roschel made the motion to approve and Councilman Urdaneta seconded.

Councilman Roschel stated that this is just for the lights around Penn Square. Most of the lights in the City are owned by PPL, so the rates that they charge are just for the energy they use, plus the maintenance fee. The City owns the lights around Penn Square, and this authorizes the Mayor to set up an agreement with PPL which would be about a third of the rate we pay for the other lights. City Council approved Administration Resolution No. 11-2010 by a unanimous roll call vote.

Administration Resolution No. 12-2010,(the title) was read by the City Clerk as follows:

A RESOLUTION OF THE COUNCIL OF THE CITY OF LANCASTER EXONERATING 2009 WATER CHARGES IN THE AMOUNT OF \$20,649.79 AND SEWER CHARGES IN THE AMOUNT OF \$19,100.63 FOR CITY-OWNED PROPERTIES AT 29 LOCATIONS.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. Councilman Smith stated that the resolution exonerates the City from paying water and sewer fees from City-owned properties. City Council approved Administration Resolution No. 12-2010 by a unanimous roll call vote.

Administration Resolution No. 13-2010, (the title) was read by the City Clerk as follows:

“A RESOLUTION OF CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA WAIVING BUILDING PERMIT FEES FOR CERTAIN CAPITAL IMPROVEMENT PROJECTS OF THE S CHOOOL DISTRICT OF LANCASTER.”

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. Councilman Smith stated that this resolution allows us to waive the building permit fees for Phase I Construction a number of different buildings in the School District of Lancaster Capital Improvement Plan. The City and the School District of Lancaster have reached an agreement that the School District will finance the continued School Resource officers and if the City continues to charge for the building permit fees would be shifting money from the same taxpayers from one area to another. City Council approved Administration Resolution No. 13-2010 by a unanimous roll call vote.

Administration Resolution No. 15-2010, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, AUTHORIZING THE AMENDMENT OF THE ASSET SMOOTHING METHOD USED TO DETERMINE THE ACTUARIAL VALUE OF ASSETS AS PART OF THE ACTUARIAL VALUATION FOR THE CITY OF LANCASTER POLICE PENSION FUND, AS AUTHORIZED BY PROVISIONS OF AN ACT OF THE PENNSYLVANIA GENERAL ASSEMBLY (ACT 44 OF 2009).

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. Councilman Smith stated that Resolutions 15, 16, & 17 are resolutions allowing us to increase the smoothing corridor from 20% to 30% which was recently changed by Act 44.

Mr. Hopkins stated that Act 44 was what the State Legislature will probably tell us was local municipal pension reform. He said there are some voluntary options that we have to implement in each of our pension plans to reduce the increase contributions to our pension plans that are going to be required in 2011 and 2012. So that the two options that we have on our list of things are: 1.) to adopt an assets smoothing, which is when an actuary looks at our pension plans, they look at the market value of the assets as of 1/1/2009 to determine what our unfunded liability is in the three pension plans. Rather than valuing that market value at 100%, the asset smoothing will allow them to look at the value of all of those assets at 130%. Just taking round numbers, if the actual market value of the three pension plans was

\$100,000,000 as of 1/1/09, for the purposes of doing the actuarial valuation and determining what our minimum municipal obligation is, they will say that the market value of the total assets is \$130,000,000. Effectively what it does is it stretches out over a longer period of time, the funds that the City will have to deposit into the pension plans to bring them up to fully funded status. The reason that Act 44 was passed was because of the huge market losses in pension plans, across the entire country in 2008. Mr. Hopkins further stated that there was asset smoothing in the Police and Fire in 2004 and they already had 120%. They will go to 130%. The non-uniformed employees Pension Plan was not covered in 2004 and they will go from 100% to 130%.

City Council approved Administration Resolution No. 15-2010 by a unanimous roll call vote.

Administration Resolution No. 16-2010, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, AUTHORIZING THE AMENDMENT OF THE ASSET SMOOTHING METHOD USED TO DETERMINE THE ACTUARIAL VALUE OF ASSETS AS PART OF THE ACTUARIAL VALUATION FOR THE CITY OF LANCASTER FIREMEN'S PENSION FUND, AS AUTHORIZED BY PROVISIONS OF AN ACT OF THE PENNSYLVANIA GENERAL ASSEMBLY (ACT 44 OF 2009).

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. City Council approved Administration Resolution No. 16-2010 by a unanimous roll call vote.

Administration Resolution No. 17-2010, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, AUTHORIZING THE AMENDMENT OF THE ASSET SMOOTHING METHOD USED TO DETERMINE THE ACTUARIAL VALUE OF ASSETS AS PART OF THE ACTUARIAL VALUATION FOR THE CITY OF LANCASTER NON-UNIFORMED EMPLOYEES PENSION FUND, AS AUTHORIZED BY PROVISIONS OF AN ACT OF THE PENNSYLVANIA GENERAL ASSEMBLY (ACT 44 OF 2009).

Councilman Smith made the motion to approve and Councilman Morales seconded. City Council approved Administration Resolution No. 17-2010 by a unanimous roll call vote.

PUBLIC COMMENT – Chief of Fire, Timothy Gregg, stated that he has been proud to work with the firefighters who addressed Council tonight, but he is embarrassed on behalf of our Fire Department for that level of disrespect that was just heard. Unfortunately these men came on during the greatest recession in his lifetime and he stated that we all need to work through this respectfully together as an Administration, a Union, as a Fire Bureau and as a City. He stated that in his neighborhood a letter was passed out to his neighbors and it was from Tristan Dressler, the firefighter who addressed the Council earlier. There are quite a few inaccuracies in it. He apologized for the disrespect heard here tonight.

Bob Howells, Howells Glass, 114, 116 South Queen Street, asked Council to reconsider his trash pick-up system. He would like to opt out. They currently have 4 residential apartments plus the commercial business. He has had Waste Management for numerous years now and he just received a bill from the City, because we have 4 units or less that we have to go with the single hauler trash system. He has some concerns about cleanliness and health reasons. They have a locked dumpster out back on

Beaver Street that we allow all of our tenants to put trash in. Mayor Gray stated that if he gives him a call later this week he will see what we can do for him.

REPORT OF THE MAYOR – Mayor Gray stated that he felt he should address some of the things that came up this evening. Management Partners did a review, an operational audit of the City in 2007. In 2007, it was their finding that it is possible that the same level of fire service could be maintained with fewer personnel if the shift schedule was modified. Management Partners recommended that the current 10 to 14 hour schedule, be changed to a 24 hour on and 48 hour off schedule. They estimated that a about a million and a quarter dollars a year would be saved by that. We began negotiations with the Firefighter’s Union in 2008. This report had come out a year before. Someone who sat in on all the negotiating sessions and took notes: “July 24, 2008: shift change discussed and rejected by the Union. There was a question about elimination of jobs and was advised that this might be necessary to reduce expenses. August 1, 2008: discussion of shift change. The City acknowledged that there would be an issue of overtime, that would have to be discussed if the change was to a 24/48 hour shift. The City explained that the shift change was to save funds and it would mean three platoons at 22-24 firefighters. There was further discussion of the number of firefighters that would be eliminated if the City went to that schedule. Management Partners felt 13 less and recommended that we do it by attrition. September 18, 2008: It was explained that the funds do not exist to pay what the firefighters are asking, further “the Mayor doesn’t want to raise taxes.” The Union asked for a 30% increase in return for a schedule change. Representatives of the Union, suggested the schedule change, no for now, no for tomorrow and no forever. The firefighters would rather deal with the consequences of keeping the current schedule. The Union proposed 3%, 3.5% and a 3% salary increase with a no layoff clause. Human Resources Porter explained that the talk with the Mayor was that if a schedule change did not occur than there would probably be a reduction in manpower. The City agreed that it would consider other alternatives to reduce costs before ever considering layoffs, but the City will not give up the right to layoff. September 25, 2008: The Union agreed that the City had the option to layoff. Hopkins said, “The City cannot hit the taxpayers for more. The City will work the language around the layoff issue, but the City would look for other options before layoffs anyway. It may come to the point where the City will no other than option.” Mr. Dressler stated that they still needed language regarding layoffs and would like to have it before the vote. Porter agreed.

There wasn’t anything included in the way of shift change in the contract because we could never get around to discussing it. When it was obvious that we were having a serious shortfall and we had some reserves, in an attempt to avoid layoffs, we began offering early retirement. We negotiated about 6 sessions with the firefighters. There were 31 people who were eligible for immediate retirement and we offering additional incentives. We were doing that to avoid any layoffs. Out of the 31, we could only get 5 to accept.

He further explained the negotiations, reading a letter that was sent to the Union from Mr. Hopkins stating the desire of the City to work with the Union. After that the option was provided that the firefighters would take a 1% salary increase instead of 3.25% and we would negotiate an alternative schedule. We agreed that that at 1% and we could talk and see if we could work things out. That was rejected by the firefighters. Not by the City. We told them if it would be rejected 4 people would be laid off and it was rejected by the firefighters.

We have increased taxes 25% this year. We have tried our best to avoid layoffs. Mayor Gray said he takes no responsibility for the layoffs.

President Williams stated that each one of us on City Council felt that the best was done to protect and safeguard the fiscal health of our City, and we are satisfied that was done.

Councilman Polite stated that it is distressing that we have to lay off anyone, especially when we are trying to adjust the makeup of the Fire Department.

President Williams adjourned the meeting at 8:20 p.m.

Louise B. Williams, President

Attest:

City Clerk