

STATED MEETING - CITY COUNCIL – SEPTEMBER 8, 2015

A meeting of the Lancaster City Council was held on Tuesday, September 8, 2015 in Council Chambers, 120 North Duke Street, (Rear Annex) Lancaster, PA, at 7:30 p.m., with President Graupera presiding.

The Council led the assembly in the Pledge of Allegiance.

Present – Mr. Reichenbach, Mr. Roschel, Ms. Sorace, Mr. Soto, Ms. Williams, Ms. Wilson and President Graupera – 7

The minutes of the meeting of Council for August 25, 2015 were approved by a roll-call vote.

PROCLAMATIONS, HONORS, AWARDS AND RESOLUTIONS OF RECOGNITION

Charlotte Street Association Pop-Up Award: Connie Callman, member and past president of the Charlotte Street Association, recognized Kyle Sollenberger and Crystal Weaver for creating the Prince Street Pop-Up Park in the 100 block of North Prince Street.

The first-time award honored Mr. Sollenberger and Ms. Weaver for creating an attraction in the vacant parking lot. Food trucks selling ice cream and coffee are located there among café tables, benches, flowering planters and potted trees. The pop-up park is temporary until construction begins on the Surveyor Hotel, which they plan to develop on the site. Mayor Gray assisted in the presentation of the award.

Councilman Reichenbach and Mayor Gray thanked Ms. Weaver and Mr. Sollenberger for their creativity and ingenuity for creation of the park.

Council Resolution No. 49-2015, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster recognizing September 15, 2015 through October 15, 2015 as Hispanic Heritage Month and encouraging awareness among the citizens of Lancaster of the important contributions from people of Latino descent.

Councilman Reichenbach made the motion to approve the resolution. Councilwoman Williams seconded the motion.

Ms. Williams noted there are 13 Latino groups in Lancaster City. This resolution is to recognize their contributions to the City.

Mr. Soto noted that the Latino community includes poets, musicians, artists, architects and entrepreneurs. Latinos have fought in the nation's wars. They have contributed a great deal and in many ways.

President Graupera said Council has honored the contributions of Latinos for at least a decade, with the recognition begun by former Councilman Luis Mendoza. He hopes it continues for many more years.

Fran Rodriguez, 324 North Duke Street, said the Latino population in Lancaster City is booming and becoming a model for the state. She was proud to say that other cities in Pennsylvania are looking at the progressive nature of the Latino community in Lancaster. She thanked Council for supporting their efforts.

Norman Bristol-Colon, 1522 Millersville Pike, thanked Council and the mayor for honoring the contributions of 40 percent of the City's residents. It is estimated that within 10 years, Latinos will make up 50 percent of the City's population. They are already 59 percent of the School District of Lancaster students and 10 percent of the County's population. With 54 million Latinos in the United States, they represent the largest minority ethnic group in the nation. He pledged that Lancaster City's Latino community will lead by example and become the model for the state and nation.

Mr. Reichenbach noted that on Saturday, beginning at noon, there will be a Latino festival in Binns Park. And, it is the first year anniversary of the City's first cigar bar, opened by a young Latino entrepreneur.

City Council approved Council Resolution No. 49-2015 by a unanimous roll-call vote.

REPORTS OF COUNCIL COMMITTEES

PUBLIC SAFETY COMMITTEE – Ms. Wilson said the committee met September 1 and discussed Bill No. 10-2015, which revises the Civil Service Code of the Fire Bureau. That bill is on the agenda for second reading this evening.

PUBLIC WORKS COMMITTEE – Councilman Roschel said his committee met September 1 and discussed two items. The first was Bill No. 12-2015, which will be discussed later in the meeting. The other item discussed was a proposal for historical interpretive signage at the newly renamed Mayor Janice C. Stork Corridor Park. Consulting historian Randy Harris proposed signs that would include the history of the railroad cut and the Underground Railroad in Lancaster, as well as the development of the park and Mayor Stork's role.

FINANCE COMMITTEE – Councilwoman Sorace reported on Bill No. 13-2015, which will be discussed later in the meeting; the City's recently affirmed A1 bond rating which the mayor will report on at the end of the meeting; and plans to refinance 2006 General Obligation Bonds. Market conditions have improved for the City's ability to issue new bonds at a lower rate. Plans to do so may move forward later this month.

LEGISLATIVE AGENDA

City Council considered the following applications and recommendations from the Historical Architectural Review Board for improvements to properties within the Historic District:

1. Paul Elliott & Doreen Fulmer, owners of 26 North Shippen Street, request demolition of a rear one-story brick shed visible from East Grant Street and construction of new site improvements, including brick piers with gates and new fencing.
2. Ben Cunningham, owner of 128 North Mulberry Street, requests replacement of 34 existing windows with in varying styles with new aluminum-clad wooden core windows on a former church building.

Both applications were recommended for approval by the Historical Architectural Review Board.

Mr. Soto moved to accept the recommendations. Ms. Wilson seconded the motion.

City Council voted to approve the applications by a unanimous roll-call vote.

ORDINANCES FOR FIRST READING

Administration Bill No. 12-2015, (the title) was read by the City Clerk as follows:

An ordinance accepting the offer of dedication of the extension of and connection of Liberty Street and College Avenue in the City of Lancaster, Pennsylvania, and placing the same on the official city map and declaring it open to public use and abandoning a portion of the existing Liberty Street right-of-way and removing it from the official city map.

Councilman Roschel said Bill No. 12-2015 will accept the extension of Liberty Street as a City street and open it to the public. Due to public notice requirements of the state planning code, a second reading of the bill will not occur until next month. He noted that the extension of the street has been planned for a long time and has already been accepted through the City subdivision and land development process.

Administration Bill No. 13-2015, (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 \$60,000 of payments in lieu of taxes in 2015; 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.

Councilwoman Sorace said increased funding from Lancaster General Hospital is being contributed to the Lancaster Community Safety Coalition for operation and maintenance of the camera system. The decision was made to provide additional funding for the camera system because it saves City police investigative time, thereby saving City tax dollars. She said the City police rely on the camera network.

Wes Farmer, executive director of the Public Safety Coalition, said he believes the camera network provides an essential service to the City police. He showed statistics regarding

the use of the cameras, including: 461 times in which camera operators reported a crime to police in the past year and 2,300 times police asked camera operators to review video footage for an investigation.

President Graupera noted that a vote on the bill is slated for the next Council meeting.

ORDINANCES FOR FINAL PASSAGE

Administration Bill No. 10-2015, (the title) was read by the City Clerk as follows:

An ordinance of the City Council of the City of Lancaster, Lancaster County, Pennsylvania amending the Code of the City of Lancaster, Chapter 42 - Fire Bureau, Section 42-7 Promotion Procedures – Reinstatement, Subpart E, to eliminate references to the senior fire prevention inspector, Subpart F(3), to change the reference of senior fire prevention inspector to fire battalion chief, Subpart G, to provide that promotional exam testing shall be in accordance with the rules and regulations of the City of Lancaster Civil Service Board, Subpart N – to make promotions non-mandatory and consistent with the Third Class City Code of the Commonwealth of Pennsylvania; providing for the repeal of inconsistent ordinances; providing for the severability of the ordinance; and providing that the ordinance shall take effect in accordance with Pennsylvania law.

Councilman Reichenbach made a motion to approve. Councilwoman Williams seconded the motion.

Councilwoman Wilson moved to accept amendments to the bill, which replace Subpart N with 10 points proposed by the mayor during the Public Safety Committee meeting on September 1. Councilman Soto seconded the motion.

Mayor Gray said the amendments are offered to clarify the language in the bill. Several questions were raised by Council members during the August committee meeting, when the bill was reviewed. The mayor, solicitor and fire chief subsequently met several times and drafted several versions of the changes before producing the 10-point amendment.

Mr. Roschel announced that he understands from a management standpoint why the language in the bill makes sense. He said he will vote in favor of the amendment because he believes it is an improvement over the earlier language. Yet, he believes that if a position is filled it should be filled from the top three scoring candidates on the promotional exam, as it has been in the past. He said he will not vote for the changes in the bill.

Ms. Wilson discussed other changes in the bill, including revising the minimum score on the oral entrance exam from 79 to 70 to correct a typographic error in the bill and eliminating the title of senior fire prevention inspector, which is no longer used in the Fire Bureau, and replacing it with fire battalion chief.

City Council approved the amendments to Bill No. 10-2015 by a unanimous roll-call vote.

City Council then approved the amended Bill No. 10-2015 by a vote of 6-1, with Councilman Roschel voting against the measure.

REPORT OF THE MAYOR

Mayor Gray recognized and welcomed students from Lancaster Catholic High School and Thaddeus Stevens College of Technology who were in the audience. The mayor then read the following prepared statement:

As you know, Moody's Investor Services recently reviewed the City's financial well-being and issued a rating report that reaffirmed our A-1 bond rating, stating, "The A1 rating captures a satisfactory financial position, a moderately-sized tax base, weak socioeconomic indicators and an elevated debt burden."

In addition, Moody's cites three issues as the basis for reporting a negative outlook:

1. Recent trend of drawdowns: We have drawn down on General Fund reserves each of the last two years (\$1.5 million in 2013 and \$700K in 2014). With the exception of the \$650,000 Fire Bureau workers comp claim in 2013, the reserve drawdowns have been planned – we have budgeted a use of reserves in each of the last several years' budgets. We have actually used significantly less of our reserves than budgeted, but Moody's only looks at the fact that drawdowns have occurred. Despite this, the City's GF reserve at the end of 2014 is just shy of \$10,000,000 or nearly 20% of the 2015 budget. Maintaining a strong reserve is clearly important and we have a very healthy fund balance in the General Fund.

2. Elevated Debt: This is a reflection of the bonds we have issued to pay for water and sewer infrastructure improvements. While this debt is paid for from the Water and Sewer Funds, it is guaranteed by City taxpayers as General Obligation debt. We have previously discussed the need to get the PUC to recognize that City taxpayers essentially subsidize outside customers by guaranteeing the bonds that pay for improvements to the entire water and sewer systems for ALL customers.

3. Narrow end-of-year liquidity: This relates to the cash flow issue we discussed recently also. The City's financial statements are a snapshot of our financial position at 12/31 of each year. This also happens to be a "cash poor" time of year – about two months before we start receiving real estate tax revenues (our single largest source of revenues). The Moody's report notes this fact when it states, "The end of the fiscal year (December 31) is a cash low point for the city, as the most recent trailing 12 month average net cash was \$9.1 million, or a much healthier 19.8% [of revenues]." That being said, our overall cash flow picture would be much better were it not for the PUC rate approval process which results in lower than necessary rate increases and delays in the timing of those increases. Many municipalities, school districts and counties get through their "cash poor" periods by obtaining short-term cash flow loans (Tax and Revenue Anticipation Notes – TRANs). To date, our healthy reserves have allowed us to operate without TRANs, but we will evaluate the need for short term cash flow borrowing later this year.

The bottom line is that the City of Lancaster continues to maintain an A1 rating from Moody's. The A1 rating is a higher rating than any other city in Pennsylvania. The "negative outlook" designation is a reflection of known issues that we are actively working to address.

COUNCIL COMMENTS

Ms. Wilson said that she attended the Lancaster Office of Promotions board meeting earlier in the day. There she learned that 3,450 people have been to the City downtown visitors' center on Penn Square since the center opened in July. Visitors came from 28 different countries and 38 states.

Mr. Reichenbach thanked Administrative Services Director Patrick Hopkins for his hard work and that of Mr. Hopkins' staff in achieving an A1 bond rating, saying that it has saved the City a great deal in borrowing costs.

President Graupera adjourned the meeting at 8:14 p.m.

John E. Graupera, president

Attest:

Bernard W. Harris Jr., City Clerk