

**WARREN CITY COUNCIL  
SPECIAL MEETING  
NOVEMBER 25, 2013 – 5:30 PM**

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**OPENING OF MEETING**

Mayor Phillips presided over the November 25, 2013 special meeting of Warren City Council in Council Chambers of the Municipal Building and opened the meeting with the Pledge of Allegiance.

**ROLL CALL**

Members present and responding to roll call were: Mayor Mark Phillips, Maurice Cashman, Dr. Howard Ferguson, Samuel Harvey, John Lewis, Joseph Sprentz, and James A. Zavinski, Sr. Mrs. Freenock, Mr. Gustafson, Mr. Hildebrand, Mr. Holtz, Mrs. Leary, Ms. Nau, Chief Pascuzzi, Mrs. Risinger, and Chief Zydonik of City staff were also in attendance.

**RECOGNITION OF VISITORS**

Mayor Phillips welcomed all visitors. Present were:

- Andrew Moore: City Firefighter observing
- Richard Kolcharno: Councilman elect
- Pauline Steinmeyer: City resident, 18 Prospect Street
- Ben Klein: Times Observer reporter

**RESOLUTION NO. 2932: INTENT TO USE SHORT-TERM BORROWED FUNDS  
REQUEST FOR LETTER OF NO PREJUDICE**

Mr. Holtz stated that, as Council is aware, PENNVEST awarded a loan/grant package to the City for the financing of the Wastewater Improvement Project. City Staff, the City Solicitor, Hill Engineering, and PENNVEST have been working to coordinate the submission of all required documents prior to final closing on the funding package. The lack of availability of the 2012 audited financial statements, the processing time for an additional \$2 Million PENNVEST Loan supplement and subsequent approval time necessary for DCED to approve this supplemental loan have all contributed to extending the loan closing time period. It is now anticipated that the PENNVEST loan will close early in 2014.

Mr. Holtz further stated that construction bids were taken in August and September of 2013 for six construction contracts and the successful bidders have held their bid prices but should be allowed to proceed. Contracts have been awarded but Notices to Proceed have been withheld pending closure of the PENNVEST loan. Mr. Holtz noted that PENNVEST does allow construction to proceed in advance of closing if the City agrees to utilize fund balance in the Sewer Fund and/or short term interim financing. The City has sewer fund balance and will have sufficient funds from its short-term interim financing loan from ErieBank to allow construction to proceed prior to the PENNVEST loan closing.

Therefore, a resolution stating the City's intent to use its sewer fund account and/or short-term borrowed funds to finance the Project on an interim basis was prepared. Upon approval, the resolution will be forwarded to PENNVEST via a request for a Letter of No Prejudice (PENNVEST language) from PENNVEST in order to allow construction to proceed.

Mrs. Risinger stated that she has communicated with the audit firm regarding the 2012 audit and it was indicated to her that the audit is in the review stage. Mr. Cashman noted that the audit firm recently lost three staff members who conducted local government audits. He has asked the auditor to be available to the Finance Committee for review of the audit.

City resident Pauline Steinmeyer addressed Council and indicated that she had reviewed City financial reports available both on the City's web site and on the Department of Community and Economic Development (DCED) web site. Ms. Steinmeyer asserted that certain reports do not appear to have been timely filed with DCED and inquired as to their status. Mr. Cashman indicated that the 2012 audit is in progress and that, upon its receipt, it will be filed and will be reviewed by the Finance Committee. Mrs. Risinger confirmed that reports are not filed with DCED until completion of the audit. Mrs. Freenock noted that the current auditing firm will discontinue the performance of local government audits in 2014 and, therefore, the City has put out a Request for Proposal for audit services. She further noted that additional regulations regarding audits have added to the time required for completion.

Upon motion by Mr. Lewis and second by Mr. Harvey, Council members voted unanimously to approve the resolution stating the City's intent to use its sewer fund account and/or short-term borrowed funds to finance the Wastewater Treatment Conveyance and Facilities Improvement Project on an interim basis.

Upon motion by Mr. Lewis and second by Mr. Zavinski, Council members voted unanimously to authorize the execution of a PENNVEST Letter of No Prejudice Request regarding funding for the Wastewater Treatment Conveyance and Facilities Improvement Project.

### **EXECUTIVE SESSION**

Council adjourned to Executive Session. Upon re-opening the regular meeting, Mayor Phillips announced that Council had met in Executive Session regarding personnel matters and stated that no action was taken.

### **2014 MUNICIPAL BUDGET**

Mrs. Freenock asked for Council's direction regarding any changes or consideration of a tax increase so that such may be appropriately published as required prior to adoption of the 2014 Municipal Budget.

Mr. Harvey made the motion to approve Budget Option One amended to reflect an across the board salary increase of 1.5% for non-union employees plus an additional \$7500.00 to be assigned at the City Manager's discretion. The motion was seconded by Mr. Lewis.

During discussion it was noted that seventeen of the City's employees are not represented by a collective bargaining unit. It was further noted that employees represented by two of the collective bargaining units receive 2.5% increases and one bargaining unit receives a 3.0% increase.

Mr. Lewis made the motion to amend Mr. Harvey's motion by providing for a salary increase of 2.5% for non-union employees plus an additional \$7500.00 to be assigned at the City Manager's discretion. The motion was seconded by Mr. Cashman. The motion carried with six votes in the affirmative and one nay vote cast by Mr. Harvey.

The vote on Mr. Harvey's motion, as amended, carried with five votes in the affirmative and two nay votes cast by Mr. Lewis and Mr. Harvey.

Dr. Ferguson made the motion to implement a two mil tax increase (real estate) with all revenue generated to be dedicated to infrastructure improvements for one year. The motion was seconded by Mr. Cashman. Following considerable discussion regarding available options, the motion and second were withdrawn. Among options discussed was the manner in which the paving of the

Midtown Parking Lot will be funded in 2014 and the potential that some scenarios may allow additional funds to be available for street paving. One such scenario would be the use of Redevelopment Assistance Capital Project (RACP) funding for the Midtown Parking Lot paving.

There was considerable discussion regarding financing options for the purchase of capital items including DPW trucks (two 1-ton pickups, one 5-ton dump truck), Municipal Pool renovations, parking machines, and Fire Department items. Mr. Lewis requested that options for making vehicle purchases at 0% financing be considered versus making purchases via COSTARS.

Mr. Harvey made the motion to place \$250,000.00 in (the budget) as a revenue as borrowing against the real assets (trucks) that are to be purchased in 2014. The motion was seconded by Dr. Ferguson and carried unanimously.

### **MISCELLANEOUS**

Mr. Harvey suggested the installation of additional parking meters and an increase in parking fines which could result in a \$20,000 increase in revenues. Mrs. Freenock noted that she had previously suggested the formation of a Parking Committee to review such matters.

### **2014 BUDGET PUBLIC HEARING**

Mr. Cashman made the motion to set the 2014 Budget Public Hearing for December 11, 2013 at 5:30 PM. The motion was seconded by Mr. Lewis and carried unanimously.

### **ADJOURNMENT**

There being no further business to come before Council, Mayor Phillips declared the meeting adjourned.