



# CITY OF TITUSVILLE

## BIRTHPLACE OF THE OIL INDUSTRY

COUNCIL PROCEEDINGS  
December 23, 2008



The regular meeting of Titusville City Council was called to order by Deputy Mayor Nystrom in the Conference Room at the Titusville Redevelopment Authority at 7:00 p.m. Invocation was given by Rev. Fiely. The Pledge of Allegiance was led by Deputy Mayor Nystrom. Present at the meeting were Deputy Mayor James Nystrom, Councilman John Frye, Councilwomen Bonnie Hull and Esther Smith, Michael Allyn, Interim City Manager. Mary Hill represented The Titusville Herald.

It was moved by Mrs. Hull, seconded by Mrs. Smith, and carried unanimously to adopt the meeting Agenda as prepared. It was moved by Mr. Frye, seconded by Mrs. Hull, and carried unanimously to accept the minutes of the regular meeting of December 9, 2008 as submitted and place on file.

### PUBLIC HEARING - RE: Proposed 2009 Budget

Deputy Mayor Nystrom opened the Public Hearing regarding the proposed 2009 Budget. Mr. Nystrom stated that the budget that will be acted on this evening consists of \$3,605,037 in the General Fund Revenue with the Expenses being the same. Mr. Nystrom asked if anyone had any comments. In answer to a question from Mr. Brian Sanford regarding millage, Mr. Nystrom stated that the proposed tax increase for this budget is 3 mills. Mr. Sanford stated that three of the Council people campaigned on the platform that the City was spending too much money and that taxes didn't need to be increased because of the amount of money that was already being generated. Mr. Nystrom stated that in the budget there is \$351,000 for paving and also money for infrastructure along with that paving. Mr. Nystrom stated he supports the increase because he thinks they need to be paving streets in the town and that is the reason for the tax increase. Mr. Sanford stated he sees that we are in the midst of the greatest economic and financial melt down since the great depression and he doesn't believe raising taxes at this time for any purpose is a good thing to do. The population of the City of Titusville has declined by 6% since 2000. The earned income tax revenue for the year 2008 was down from 2007 and he thinks by raising real estate taxes you are actually going to end up with less revenue. Mr. Sanford stated you are going to see foreclosures, you are going to see the property taxes not paid. You are going to see people move out and have lower earned income tax revenue collected than you would if you left things the way they are.

Mrs. Leah Carter commented that nobody wants higher taxes but nobody also wants to see streets continue to decline that haven't been maintained for years.

No other comments were received from the public. Deputy Mayor Nystrom closed the Public Hearing.

**PUBLIC PARTICIPATION** - Pertaining to agenda items - None.

**BILL LISTING** - It was moved by Mr. Frye, seconded by Mrs. Hull, and carried unanimously to ratify the bill listing warrants dated 12/12/08 and 12/19/08. It was moved by Mr. Frye, seconded by Mrs. Smith, and carried unanimously to approve the bill listing warrant dated 12/24/08.

**OLD BUSINESS**

**COUNCIL BILL NO. 11 OF 2008** - Proposed Ordinance No. 3178 - An Ordinance of the City of Titusville, Crawford County, Pennsylvania, fixing the Real Property Tax Rate for all City Purposes for the year 2009 at 20.713 mills on Buildings and 71.25 mills on Land; Also delineating that portion of the Real Property Tax to be used for Recreational Purposes, for Pension Recovery Purposes, for Library Purposes, and for Shade Tree Purposes, for the calendar and fiscal year 2009.

It was moved by Mrs. Hull, seconded by Mr. Frye, to adopt Council Bill No. 11 on second reading.

Mr. Frye thanked AFSCME for agreeing to extend their contract another year, stating, without that, this would have been much more difficult. Mr. Frye also thanked the Department Heads who came back with significant cuts, and Julie for all of her work on the budget. Mr. Frye stated to the public that the budget is a compromise. Not everything he would like to see in there or out of there is there. Mr. Frye thanked Mr. Manross for his input. Mr. Frye stated there are some things that may change in the budget. Mr. Frye stated he knows the 3 mill is going to be tough on people, but he can't see a way to avoid it unless they cut the paving, and the paving is something that Council as a whole has agreed is very important to the community if they want to continue to be able to survive here.

Mrs. Esther Smith gave a prepared statement regarding the budget process. (Copy attached.)

Mrs. Bonnie Hull stated they did work long and hard and not any of them is happy with a 3 mill tax increase.

Mr. Nystrom stated that he always classifies a budget as a working document. It is a yard stick that you use in order to operate any type of a business. There will possibly be changes in the budget as far as moving one line item into another as they go forward, but at this particular point this is their budget. This is what they are going to work with.

Vote on the motion to adopt Council Bill No. 11 on second reading carried unanimously.

**COUNCIL BILL NO. 12 OF 2008** - Proposed Ordinance No. 3179 - An Ordinance of the City of Titusville, Crawford County, Pennsylvania, appropriating specific sums estimated to be required for the specific purposes of the City Government, City of Titusville, hereinafter set forth, during the year 2009 and for fixing the salaries of certain offices, officers, and employees of the City of Titusville for and during the term for which they are respectively elected or chosen for appointment.

It was moved by Mr. Frye, seconded by Mrs. Hull, and carried unanimously to adopt Council Bill No. 12 on second reading.

**NEW BUSINESS**

**RESOLUTION NO. 30 OF 2008** - A Resolution of the Council of the City of Titusville adopting a policy and forms for requests to review public records pursuant to the amended Pennsylvania Right To Know Law.

It was moved by Mr. Frye, seconded by Mrs. Smith, and carried unanimously to adopt Resolution No. 30 of 2008.

**RESOLUTION NO. 31 OF 2008** - A Resolution of the City Council of the City of Titusville authorizing bank account signatories.

It was moved by Mrs. Hull, seconded by Mrs. Smith, and carried unanimously to adopt Resolution No. 31 of 2008.

**RESOLUTION NO. 32 OF 2008** - A Resolution of the City Council of the City of Titusville, Crawford County, Pennsylvania, authorizing the issuance of a Tax and Revenue Anticipation Note, Series 2009 in the principal amount of \$900,000, with the terms set forth in the foregoing and attached certificate and transmittal; approving a form of note; authorizing certain officers of the City of Titusville to execute and deliver the note; authorizing and directing the filing of proceedings with the Pennsylvania Department of Community and Economic Development; providing for the payment and security of the note; making certain Federal Income Tax covenants in respect of the note; accepting the proposal of PNC Bank, National Association, for the purchase of the Note; and repealing inconsistent Resolutions.

It was moved by Mr. Frye, seconded by Mrs. Smith, and carried unanimously to adopt Resolution No. 32 of 2008.

**OIL REGION ALLIANCE REQUEST**

Mr. Randy Seitz, President of Oil Region Alliance stated that he had the opportunity to address Council a few months ago to give them an update of the activities they have had during the past year.

Mr. Seitz stated, as a reminder, the Oil Region Alliance is an economic development and tourist promotion agency. They have been successful in several projects specific to Titusville bringing back into the community over \$650,000. Mr. Seitz stated that the City's contribution and matching funds that went into some programs like the Derrick Gateways have been an investment that has brought back to the City of Titusville about \$17.00 for every \$1.00 that went into the Oil Region Alliance. Mr. Seitz stated they like the partnership they have with the City and they respectfully request that funds be released for the 2008 Annual Municipal Membership dues.

It was moved by Mr. Frye, seconded by Mrs. Hull, and carried unanimously to approve draw down request from Oil Region Alliance of capital funds for 2008 Annual Municipal Membership dues in the amount of \$5,000.00.

ACCEPT RESIGNATION - It was moved by Mrs. Hull, seconded by Mrs. Smith, and carried unanimously to accept the resignation of Dennis E. Peden as Mayor and as a member of Titusville City Council. Mr. Frye stated he is sorry to see him go and thanked him for his time. He wishes he would have stayed. Mr. Nystrom echoed John's comments.

Mr. Nystrom stated that in conjunction with that, anyone interested in applying for the vacancy on City Council may send a letter of interest and resume to the attention of the Interim City Manager, City of Titusville, 107 North Franklin Street, Titusville, PA 16354 no later than 1:00 p.m. Monday, January 5, 2009. Qualifications of Council members are found in Section 1001 of the Third Class City Code. Individual must be a City resident at least 21 years of age and must reside in the City throughout their term in office. Applicant must have resided in the City for one year prior to appointment.

TRI REQUEST - Second Gateway Project

Mrs. Carter stated that in August they dedicated the first Gateway on Route 8 South which was a collaborative project between the City of Titusville, TRI, and Oil Region Alliance administering funds from DCNR. It is a 50/50 match. Early in the fall they were notified that there were some DCNR funds that had originally been allocated for another project that had become available and she came to Council to ask if they could utilize the capital funds that were in the 2008 budget as a potential match for another derrick. Mrs. Carter stated they were able to get the DCNR funds through Oil Region Alliance for half of the project and are asking to draw down \$9,000 to use as a match for the second gateway project.

It was moved by Mrs. Hull, seconded by Mrs. Smith, and carried unanimously to approve the draw down of capital funds requested by TRI as match funding for the second Gateway project in the amount of \$9,000.

APPROVAL OF ONE YEAR EXTENSION OF AFSCME CONTRACT - It was moved by Mr. Frye, seconded by Mrs. Smith, and carried unanimously to approve a one year extension of the AFSCME Contract and authorization for the Deputy Mayor to execute the contract.

Mr. Nystrom stated he appreciates AFSCME for extending the contract for one year.

PUBLIC PARTICIPATION

Mr. Larry Manross thanked Council and stated he appreciates all the effort that was put into the budget. Mr. Manross thanked Mr. Allyn for stepping up and taking over as Interim City Manager.

COMMENTS BY DEPUTY MAYOR AND/OR COUNCIL

Mr. Frye stated he would like to thank somebody he missed earlier and that is Suzanne for all of her work and being at these meetings and thanks for the whole year.

Mrs. Hull wished everyone a Merry Christmas.

It was moved by Mrs. Hull, seconded by Mrs. Smith, and carried unanimously to adjourn the meeting to a personnel session followed by adjournment. Meeting adjourned at 7:50 p.m.

Suzanne Birtciel  
Recording Secretary

When I began my duty on city council, I promised I would do my best NOT to be in favor of raising taxes and I would make the necessary cuts throughout the year and at budget time to reduce the risk of doing so. However, from the very beginning of the year, I repeatedly asked the Former Manager and Finance Director where we stood financially. I asked if Revenue met the Expenses and was told repeatedly that we are fine. I asked former council the same questions in the council meetings and was told the same. I would like to ask them now: How can we be fine if we are facing this big deficit? A few months into asking questions about the budget, being a new council member and trying to understand how everything works, I was told that by year end our fund balance would be depleted and we are in trouble. During the year we were told that the financial problems of the City was councils fault for not implementing the recommendation to raise fees and city services, by the Former Manager. As I got more familiar with the finances, I asked for a spending freeze to be enacted. Which was done.

Now fastforward to working on the the budget. We all spent many, many hours trying to figure out in what areas of each Dept. we could cut. I personally came to the table telling all council that I would be in favor of a 2 to 3 mill increase BUT only if we address the areas in the budget that was costing the City the most and that is personnel and fringes. I came with a recommendation that would have cut the budget by \$300,000 + and was told that my recommendation would not be widely received by all council members. I explained to all council why I felt that it would work. At that time, the Former Mayor asked the Dept. Heads to come to the table with a 15% cut in their dept. He also told them that he knew that by asking them to do that, that it would entail cuts in personnel because some depts were already operating at barebones.

I realize that there has been a few positions that are being eliminated but I feel that there should be more. I will tell you that I came on board of council NOT to make friends. If you work for the City and your job has to be eliminated or if we can no longer afford maintaining the amount of staff, then I do not have a problem addressing that issue.

Jim Nystrom ask the Former Manager to cut \$150,000 out of the budget and she said that it was NOT her recommendation to attempt to change the budget plan, at this point, without risking financial instability, at year end by cutting out dollars, that is be needed to deliver basic services to the community. She also stated to me that we, the City, were just paying our bills. At that time I made a Recommendation to eliminate jobs. It's my job as a CouncilWomen to set policy. It's the Managers job to foresee the problems that we are facing and make the changes. I want you all to know that I repeatedly went to Management and the Finance Director and got no where. For one whole year I feel I have been misled.... Told one thing, then another. When first coming on council, I went to breakfast with a council member and asked him what he thought about the financial situation of our City. He said that we are in trouble but he didn't have the solution. Well I feel that I did and still do.

In the very beginning I also made the comment that I would work hard to implement a paving plan for our City. Randy Nebel at the Public Works brought to us a 20 year plan to the tune of approx. \$ 350,000 a year. We were told that by implementing the paving plan we were facing a \$ 664,000 dollar shortfall. One thing I've noticed is that the shortfall figure seemed to change at different times. I was never really clear on the shortage, so to that, I'm also not clear on the amount we cut. When going into meetings, it seemed a couple of times a week, after I put in a 12 hr day, my mind got so tired and after a while the figures that were thrown to me got so overwhelming that I cannot tell you that I feel the proper areas that should have been cut, were addressed.

I can tell you one thing, that I am all for paving our town. I've talked with many taxpayer and they adamantly stated that they are for a paving plan. I know recently an individual in one of the meetings said that this is a "Service oriented business" and that if we cut employees then we cut services and that she felt that instead of cutting employees we need to cut the paving plan. I for one, am appalled by that statement. It's easy for individuals that don't live in our town, that doesn't pay property taxes to make statements like that and when I vote to increase property taxes, that the increase, will not effect their pocket book. I asked the residences of our town what dismays them the most, I was told it is the lack of businesses, the conditions of our streets, the facade of our town and the high cost of services and taxes. I know some will disagree with that,

but as a council member it's my job to listen to my constituents and do my very best to make this town an affordable place to live. I will also tell you that I DO NOT want to jeopardize the safety of the community.

So with all that in mind I know that we are facing an increase in taxes and I have been torn with the 3 mill increase. I still feel that we could have made additional cuts to bring the millage down to 2. I know in the Budget process that it is a give and take process and it can not always go my way. So to that, I have to respect my fellow council members and try to understand why they feel and felt that we, at this time, could not warrant or justify additional cuts. This is just my opinion and I feel that we all have to respect the other council members if they disagree and chose not to make that decision.

We have been working on this budget for the last few months. During that time we had 1 faithful taxpayer attend the entire meeting less 1. The Titusville Herald has been updating the public on what millage we started out with and what we worked it down to. I am not addressing my statement to anyone who has faithfully attended the council meetings or to the 1 who attended the budget sessions or those who are truly unable to attend our meetings. I for one, as a taxpayer, when informed of the fact that we were facing a possible 7 mill increase, would have been attending and finding out what we, as council were going to do. I get angered by the citizens that sit back and say or do nothing until the Budget is passed. It's easy to sit and read the newspaper or listen to the TV and complain that government keeps spending and raising our taxes but do nothing. Our town would not be in the place it is in, if every citizen and taxpayer would have packed out council meetings over the years and held everyone in leadership, meaning former council, managers and employees of the city accountable and responsible for their actions. I know that some individuals think that because they elected us to represent them, that we, council, should have all the answers to all the problems and straighten them out without any increase in taxes and fees. I have begged the people I see everyday to please, please attend the meetings and give us their thoughts and ideas. Where are you. I've begged many, many good people to step up and run for office, to help make these hard decisions that we are facing and implementing. But to no avail. Then, I read, in the paper, the Letters to the Editor from individuals, that if they ever attended a meeting, would have their facts straight and never write the hogwash they do.

Everyone of us, sitting here, has worked long and hard at getting the budget in line and balanced. I'm going to be straightforward with all of you and tell you that I feel we are all to blame for the condition we are in. I will also tell you that there has been many times that I wanted to quit council and let another handle this problem. I believe that if we all come together putting aside our personal agendas, personal wants and ask, What can we do for Titusville, then we CAN bring Titusville to that wonderful place that I feel sure, we all want it to be. I'm now asking, no, I'm begging for everyone that's able to attend our Council Meetings, from this day forward to come and help us, Council, make the difference that going to change our City. Thank you.

Esther Smith  
Councilwoman

12/23/08