

A special meeting of the Millcreek Township Board of Supervisors was called to order at 7:00 p.m. by Chairman Groh in the Assembly Room of the Millcreek Township Municipal Building. Present were Mark Zaksheske, Brian McGrath, John Groh, John Morgan and Sheryl Williams.

Following the Pledge to the Flag, Chairman Groh noted the purpose for this meeting, which is to gather public opinion on how to best utilize the proceeds from the sale of the Millcreek Township Water Authority (MTWA) assets and to determine long-term benefits for the Township. Mr. Groh explained that the Supervisors want to know what the citizens feel are their priorities, and how they can best fit into the Township's Comprehensive Plan, which will begin revision in August. Residents will be receiving a survey as well. Mr. Groh then stated the guidelines for this meeting, noting that public comment will be limited to three minutes, and emphasized that no official action will be taken at this time.

Treasurer Mark Zaksheske presented a financial report of the sale of MTWA assets, noting that since the initial \$12 million payment from EWW and per the agreement, \$600,000 was paid to Summit and Fairview Townships regarding water prices and closing costs, and approximately \$4.4 million was set aside to pay off outstanding Water Authority bonds as they come due. Therefore, the net proceeds following the initial payment were actually \$8,292,291. The remaining amount due is \$10 million, to be paid to the Township over 10 years, with interest.

Mr. Zaksheske offered four options for the Township to consider:

1. Reinvest All Earnings – at an average interest rate of 2.391%, the Township would earn approximately \$489,961.00 by 2025. Mr. Zaksheske noted that under the Second Class Township Code, the Township is very limited in the types of investments it may utilize.
2. Reinvest Erie Water Works (EWW) interest and payment only, which would earn approximately \$418,884.00 in interest by 2025.
3. Reinvest EWW Principal payment only, which would earn approximately \$415,718 in interest by 2025.
4. No Reinvestment of Principal or Interest, which would result in very little growth, approximately \$19,422.00 by 2025.

An audience member noted that they thought the Township was receiving a total of \$22 million, and Mr. Zaksheske explained that according to the agreement, the Township is to receive the proceeds from the sale in two parts, the initial lump sum and then in 10 payments over 10 years.

Louis Arcovio asked if the sale included assuming the debt, and Mr. Zaksheske noted that only the MTWA assets were sold.

Sue Weber asked what the value of outstanding receivables was, to which Mr. Zaksheske answered that initially liens were filed for outstanding water bills over \$30.00, totaling approximately \$30,000.00, but to date most of the outstanding liens have been collected. He stated also clarified that the Township did not retain any MTWA vehicles or property.

Joe Curlett asked how the Township plans to invest the money, and Mr. Groh responded that this is the purpose of this meeting, to gather public opinion and suggestions on what to do with taxpayer money, and there are many options.

Kirk McCaslin, President of the Fire Chiefs Association and Assistant Chief of West Lake Fire Department, reported that the members met and defined numerous large capital expenditures that

include apparatus replacement, building infrastructure updates and debt reduction. He noted that fundraising has declined, the cost for apparatus has increased markedly, and that recruiting new members has been challenging. Township contributions are about 30%, and two fire departments now employ part-time firefighters to ensure needed coverage for the Township.

Mr. Morgan stated that the Township will now have between \$200,000 and \$400,000 to utilize annually, but in order to maximize funds, the money can be matched by other sources, sometimes potentially doubling its earning capability through federal and state grants. He asked Mr. McCaslin what types of funding the fire departments currently receive. Mr. McCaslin named LST (Local Service Tax) allotments from the Township, donations from fundraising campaigns, federal assistance to firefighters (10%), and state grants (approximately \$10,000 – \$15,000.) He noted that it is very difficult to obtain funds for capital equipment purchases, such as aerial trucks and pumpers.

Mr. Groh noted the severe shortage of volunteer firefighters both locally and nationwide, and emphasized the importance of planning now for the future of public safety. West Ridge and Lake Shore Fire Departments have now hired part-time firefighters to maintain adequate emergency coverage, and the Township implemented a 929 Team many years ago, consisting of properly trained and certified employees who respond to emergency fire calls during working hours, when needed.

George Younkin, 4102 Ridgewood Drive, is opposed to donating \$750,000 to the Asbury Woods Partnership, but would support a low interest loan. He feels that the Erie County Gaming Commission should be financially responsible for this. He also noted the loss of Township tax revenue because of the large number of tax exempt properties owned by LECOM, and would like to see money held in escrow to cover the amount of money lost to the Township because of this. He feels the Township's priority should be to pay down any debt. Mr. Groh noted that this issue is currently being challenged in court.

Kathy Reichert, 7686 Lymehurst Drive, stated that although she is not a Millcreek resident she is a water service customer, and now is being charged a quarterly service fee of \$22.00 on her water bill from EWW. She feels that somehow Millcreek Township is profiting from this. Mr. McGrath explained that since EWW did not have enough money up front to purchase MTWA, they had to borrow money, and the only way they can pay back the borrowed money, with interest, is to raise rates. He stated that the rates overall will increase for everyone, but said he will research any prior service fees billed by MTWA, and Mr. Groh offered to check with EWW on its current service fees.

Chris Blackman, 3028 Court Avenue, wanted to know what kind of business plan the Township has for the future. Mr. Morgan replied that the Planning Commission is working on developing a public outreach strategy with a kick-off planned in August. He reported there will be an article about this in the upcoming Millcreek Magazine, and a forthcoming community survey will be mailed to residents to allow the community to state its priorities. He said that he would like to see funds allotted for the implementation of a plan once the Township's goals have been established. Ms. Blackman asked what Asbury Woods Partnership (AWP) has done to raise funds. Mr. McGrath responded that AWP has done a tremendous amount of fundraising and this is public information. Mr. Morgan noted AWP has raised about \$600,000 to invest for operations purposes.

Agnes Tillerson, 6014 Fossilwood Court, thanked the Supervisors for the opportunity to allow taxpayers to share their views. She is concerned about fiscal responsibility and accountability, and noted that according to recent studies, Pennsylvania tops the list of seven states with financial disasters. She stated that financial problems at the state level trickle down to local government, and we cannot ignore the impact it is having on our schools and public services. Ms. Tillerson feels that a large portion of the money should be put in reserve for operations to prevent tax increases, that the Township should be diligent with spending, and that it should survive on a balanced budget.

Karen Strub, 915 Hilltop Road, reported that she has emailed the Supervisors asking for their support of financial aid for Asbury Woods, repairing Township roads, and supporting a paid fire department. She stated that Township roads have been neglected and a long term plan is needed to repair and maintain them.

Sue Weber, 5338 Norris Drive, feels that the Township's priorities should be police and fire safety and infrastructure. She stated that Asbury Woods is a wonderful community treasure, but feels that it is wrong for local government to set a precedent of contributing to non-profit organizations. She feels that the Erie Gaming Commission and the Western PA Conservancy should help the AWP, and that AWP should be encouraged to seek an extension from MTSD. She feels that Township residents need information on a future plan for fire and police coverage, and that the Township should thoroughly inventory and evaluate its equipment, vehicles, swimming pools, and police computer systems in order to plan for future needs. Overall, Ms. Weber believes that the Township should think about saving the money, and should create a plan for spending, if absolutely necessary.

Mr. Morgan responded that the Board did meet with MTSD School Board to ask for an extension, but there was no interest. Mr. McGrath stated that a school board member recently told him that he does not even want to reopen the current agreement for fear of what may happen, to which Mr. Morgan added that at least three school board members approached him individually stating they want to sell the land for private development. He stated that AWP has reached out for numerous grants and funds as well, and reassured the residents that the Supervisors have thoroughly researched this issue.

Louis Arcovio, 3927 Vista Drive, questioned why the Township would even think about giving or loaning \$750,000 to AWP, since it is already owned by MTSD. He stated that he does not know who the members of AWP are and what they actually do. Attorney Mark Shaw, a member of AWP, explained the history and purpose of AWP, which is comprised of 15 volunteers and has been a non-profit organization for approximately 15 years. He reported that AWP has raised funds to support the Nature Center, built the bridge over Walnut Creek, the boardwalk and numerous other improvements, in addition to providing environmental education to students. Mr. Shaw stated that MTSD approached AWP first because they wanted to sell the property, and AWP has been raising and seeking funds to preserve Asbury Woods to prevent it from being sold for private development.

Mr. Arcovio asked what AWP is doing to raise its own funds, and Mr. Shaw reported that AWP has submitted applications to various state and local funding agencies, some of which have fallen through due to this year's budget impasse. However, to date, AWP has raised \$600,000 through the efforts of its members and Fundraising Acquisition Committee. The partnership has a goal of \$3 million, which if met, will be put into an endowment fund to facilitate operation costs, and a public fundraising campaign is scheduled to begin soon. AWP applied for a grant from Erie Gaming Revenue Association (EGRA), but were told that they do not qualify for that type of funding, but EGRA did offer a smaller grant of \$15,000. MTSD has pledged to provide \$115,000 per year for environmental education for its students, and Fairview School District has entered into an agreement for environmental education services as well. Mr. Shaw emphasized that there are no deed restrictions; thus the importance and need to purchase the property to ensure its preservation.

Mr. Arcovio stated he would like to see Asbury Woods preserved, but is opposed to Millcreek Township funding it. Mr. Morgan suggested that MTSD could donate Asbury Woods to the Township. Mr. Arcovio concluded that he feels that the water sale proceeds should be placed into a restricted fund, only to be used when absolutely necessary, based on recommendation by the Supervisors. He concluded by suggesting that the Township advertise more extensively when having special meetings. All of the Supervisors noted that this meeting was advertised in the Erie Times News, on television, and on the Township website. Mr. Morgan noted that there will be more public meetings in the future, and added that the Township may want to consider using social media.

John Enders, 4402 Asbury Road, is in favor of giving financial aid to Asbury Woods, stating that is important to provide nature resources for our youth. He complimented the Supervisors for running a fiscally sound organization, and praised the Streets Department for its promptness in plowing Township roads.

Gary Carver, Chairman of the Board of Directors for Millcreek Paramedic Services (MPS), gave a brief history of MPS, which was founded in 1999, and noted that it has actually been an extension of the volunteer fire departments for 90 years. He reported that MPS answers 9,000 calls annually, and assists outside agencies with 1200 calls annually. He emphasized that membership revenues have stagnated, while employee healthcare insurance has increased 100% in the past two years. He reported that their ambulance fleet is aging, with replacement cost for a new ambulance now rising to \$140,000 per vehicle.

Mr. Carver noted that Summit Township recently allotted \$600,000 to Perry Hi-Way Hose Company for emergency medical services, and the City of Erie allots \$500,000 annually to EmeryCare. He requested that the Supervisors evaluate their funding and award MPS an award of \$500,000, which would cover the cost of three new ambulances, more heart monitors and stretchers. Mr. Carver concluded by asking that a sustainability fund be started for emergency care infrastructure.

Mr. Groh noted that the original ambulances for MPS were all donated by Millcreek's volunteer fire departments, and stated that this should bring to the public's attention the crisis level in emergency services management and the importance of considering this request.

Mike Kobyłka, 5120 Cherry Street, noted that there are currently 62 officers on staff in the Millcreek Police Department (MPD). He stated that studies have been done comparing Millcreek Township with other municipalities of the same size and population, and have recommended a police force of 75 officers. Mr. Groh noted that a study done by Mercyhurst College recommended 69 – 70 officers. He stated that although no one wants a tax increase, the Township needs to reassess its priorities. Mr. Groh added that the Township is currently in the midst of arbitration with the MPD union and a decision may not be made until the fall.

Because Mr. Kobyłka is a MTSD School Board member, several members of the audience began asking him questions regarding why MTSD would allow Asbury Woods to be sold and how can citizens stop MTSD from taking it away. Mr. Kobyłka stated he is not in favor of selling it, but invited residents to attend the next school board meeting on June 27, 2016. When asked about the deadline for extension of the contract, he stated that the deadline appears to be flexible at this time.

Gary Behr, 4045 Feidler Drive, reported that he has been studying the Township's budgets for several years, and noted that there have been significant increases in the Streets and Police Departments, but spending on other emergency services and parks and recreation has remained at approximately 4% of the budget. He believes more money should be spent on emergency services, and also feels that conducting a road survey is a good idea. Regarding the use of the proceeds from the sale of MTWA, Mr. Behr would like the Township to use only the interest earned from the sale. Also, he is in favor of MTSD selling Asbury Woods to a developer so as to generate revenue, rather than the Township giving AWP a grant, as he has concerns regarding the impact of the large amount of tax exempt properties on the Township's finances.

Mr. McGrath responded that regarding Parks and Recreation, Mr. Behr did not subtract the revenue the department generates, as that is one of the departments that does bring in revenue and helps to offset expenses. Regarding Asbury Woods, Mr. McGrath asked Mr. Behr to consider the possibility of someone buying the land and posting a No Trespassing sign on it, rather than developing it, and Mr. Behr said he would be fine with that as long as it is taxed.

Fenton James, 4253 West Lake Road, is in favor of a Comprehensive Plan, and commended the Supervisors for doing a good job. He believes the Township should invest the principal from the

sale of the MTWA and consider making a list of priorities first without including the proceeds from the sale. He feels that a paid fire department should be considered first before donating money to non-profit organizations.

Louis Arcovio stated that opening the JOY Center at the post office was a big mistake, but that the Board should consider another type of senior center in their future plans.

Kathy Reichert asked the Board to begin with a zero-based budget when creating their comprehensive plan.

Bill Welch, 3108 Highland Road, asked who the Township's grant writer is. Mr. McGrath replied that the Township does not employ a grant writer, but noted there are certain department heads who frequently write for grants. Mr. Welch also asked if any planning has been done for the new FCC ruling on fiber optics, and suggested that the Board contact David Morris at the Institute for Local Self-Reliance in Minnesota for more options on leveraging money for the Township.

Mr. McGrath stated that there were some very good suggestions presented at this meeting, and noted that the Board will have an average of \$415,000 annually after this year to work with, which will not go very far unless it can be utilized as leverage to obtain a much greater amount through federal, state and/or environmental grants. Also, he stated that the Board might want to consider looking at transformational projects for the construction of much needed infrastructure, which may generate jobs and additional development within the Township. He noted that residential housing does not produce revenue in comparison to multifamily housing, commercial and industrial development.

Mr. Morgan expressed the Board's appreciation for the people who attended this meeting, and for offering suggestions and asking about the comprehensive plan. He agreed that it is advisable to consider leveraging the \$415,000 to maximize its potential.

Mr. Morgan also believes that water sale funds should be used for capital improvements, transformational projects and alternate investments, such as bridge repair, rather than road maintenance, parks and recreation, and emergency and police services. He feels that by being careful stewards of the Township's finances, the Board can find a way to provide the needed services and spend within its means.

Mr. Groh concluded the meeting by sharing a recent posting online about firefighters, and thanked everyone for attending the meeting.

There being no other citizens to be heard or any further business to come before the Board, it was moved by Mr. McGrath and seconded by Mr. Morgan to adjourn the meeting at 8:56 p.m.

Sheryl A. Williams  
Assistant Secretary

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Approved: June 28, 2016

John H. Groh  
Brian P. McGrath  
John E. Morgan