

Regular Meeting

April 1, 2014

The regular meeting of the Millcreek Township Board of Supervisors was called to order at 9:30 a.m. by Chairman McGrath in the Assembly Room of the Millcreek Township Municipal Building. Present were Gerald Wolf, Brian McGrath, John Groh, Evan Adair, Richard Morris and Sheryl Williams. Richard Figaski was absent.

Following the Pledge to the Flag, Chairman McGrath called for public comment on agenda items other than development or rezoning applications. No comments were received.

It was moved by Mr. Groh, seconded by Chairman McGrath and carried 2-0 to approve the minutes of the Board's March 25, 2014 meeting.

It was moved by Mr. Groh, seconded by Chairman McGrath and carried by unanimous vote to approve payment of the weekly General Fund bills in the amount of \$107,915.34, and Sewer Revenue bills in the amount of \$273,506.22.

It was recommended by Engineer Morris, moved by Mr. Groh and seconded by Chairman McGrath to approve a Highway Occupancy Permit request for O'Reilly Auto Parts, West 26th Street (State Route 20). No public comment was received. Motion carried by unanimous vote.

It was moved by Mr. Groh and seconded by Chairman McGrath to approve Resolution 2014-R-12, a Resolution to apply for \$71,962.00 in County Aid to be used to offset purchases of road salt for winter maintenance on local Township roads. No public comment was received. Motion carried by unanimous vote.

It was recommended by Engineer Morris, moved by Mr. Groh and seconded by Chairman McGrath, to deny a release of Northwest Savings Bank Letter of Credit #1205012261 for Tuscany Lane Subdivision – Dennis F. Pistone & Silvio Scavella, developers, in the amount of \$40,744.00. The required sidewalks and ramps have not been installed. No public comment was received. Motion carried by unanimous roll call vote.

It was requested by Matt Waldinger, Land Development Coordinator, moved by Chairman McGrath, and seconded by Mr. Groh to approve Julie Maggio and Matt Waldinger to attend a half-day regional Brownfield seminar sponsored by the Department of Environmental Protection and the Department of Community and Economic Development in Meadville on May 2, 2014. No public comment was received. Motion carried by unanimous roll call vote.

It was recommended and moved by Chairman McGrath and seconded by Mr. Groh to increase the wages of senior Recreation and Park employees John Bucci, David Madden and Kenneth Fromknecht to \$12.19 per hour, keeping in line with Fairview Township's wages for similar employees. No public comment was received. Motion carried by unanimous vote.

It was requested by Mark Dietz, Streets Department Head Foreman, moved by Chairman McGrath, and seconded by Mr. Groh to approve seven Streets Department employees to attend an LTAP workshop, "Principles of Paving," on May 15, 2014 at the Vernon Township Municipal Building in Meadville, and for Gary Walters and one other Streets Department employee to attend a workshop, "Low Volume Paved Roads," in Titusville on June 17-18, 2014. This workshop is required by PennDOT. There is no cost to the Township other than the use of a Township vehicle for each workshop. No public comment was received. Motion carried by unanimous roll call vote.

Mark Wells, Sewer Department Assistant Superintendent, solicited and received three quotes for the purchase of a tow-behind air compressor:

R. A. Grieg Equipment Company	\$15,645.00
Ganzer Equipment Company	\$16,010.00
Knickerbocker Equipment Company	\$16,549.00

Mr. Wells and Bill Hitchcock, Operations Manager-Garage, both recommended purchasing the air compressor from Knickerbocker Equipment Company, stating that it was a far superior model with features allowing one person to load and unhitch it. It was moved by Chairman McGrath and seconded by Mr. Groh to award the quote to Knickerbocker Equipment Company for \$16,549.00. No public comment was received. Motion carried by unanimous roll call vote.

It was recommended by the Safety Committee, requested by Gary Snyder, Sewer Department Operations Superintendent, moved by Chairman McGrath and seconded by Mr. Groh, to purchase two sets of Zurn Z882-HDG-GDE trench drains for garage #4, to replace the existing trench drains that will no longer support the weight of a truck. The total cost is \$5610.00 through COSTARS, supplied by Ditrach Construction Supply. No public comment was received. Motion carried by unanimous roll call vote.

Mr. Snyder also solicited and received three quotes for the installation of the trench drains:

Jim Brozell Construction	\$ 2,500.00
Wm T. Spaeder	\$ 5,603.00
Konzel Construction Company	\$10,900.00

It was recommended by Mr. Snyder, moved by Chairman McGrath and seconded by Mr. Groh, to award the bid to Jim Brozell Construction for \$2500.00. No public comment was received. Motion carried by unanimous roll call vote.

It was requested by Judy Zelina, Public Services Director, moved by Chairman McGrath and seconded by Mr. Groh, to approve Jessica James, Carol Pirrello and Judy Zelina to attend a class on Disaster Management on April 8-9, 2014 at the Erie County Department of Public Safety. There is no cost for registration. No public comment was received. Motion carried by unanimous roll call vote.

Bill Perry, Building Maintenance Head Foreman, solicited and received three quotes for the purchase and installation of countertop for the Erie Golf Course bar room, as part of the renovation project:

Lake Erie Countertops	\$2650.00
Robertson, Inc.	\$2977.00
Custom Kitchens, Inc.	\$2462.40

It was recommended by Mr. Perry, moved by Chairman McGrath and seconded by Mr. Groh, to award the bid to Custom Kitchens, Inc. for \$2462.40. No public comment was received. Motion carried by unanimous roll call vote.

Chairman McGrath announced, at the request of Jessica James, Recycling Clerk, that today is the opening day for the Millfair Compost & Recycling Center, and it is also the 10th anniversary of the center. The media is invited to stop by and visit, and Chairman McGrath also thanked Fairview Township for their involvement in this project. He congratulated everyone who has participated in the success of the center, as it has been a great asset for the community and has been very well received.

It was recommended by Matt Waldinger, Land Development Coordinator, moved by Mr. Groh and seconded by Chairman McGrath, to rescind approval of the Land Development Plan for West Erie Plaza, approved February 26, 2013. This was requested by VCG Properties/West Erie Plaza, developers, as their plans for this site have changed. No public comment was received. Motion carried by unanimous roll call vote.

It was requested by Chief Michael Tesore, moved by Mr. Groh and seconded by Chairman McGrath, to authorize permission for Lt. William Detisch and Cpl. Mark Irwin to attend the Lethality Assessment Program roundtable in Harrisburg from April 27-29, 2014. Lt. Detisch will be teaching the class to new participants. Total cost, including class fees, lodging, fuel and meals, is approximately \$632.00. However, the Pennsylvania Coalition Against Domestic Violence will reimburse the Township a total of \$1136.00 for the services provided by Lt. Detisch. No public comment was received. Motion carried by unanimous roll call vote.

It was requested by Chief Michael Tesore, moved by Mr. Groh and seconded by Chairman McGrath, to purchase sixteen (16) desk chairs for the Police Department Roll Call room from Office Depot for \$504.00, using the remainder of reimbursement money mentioned above from the Pennsylvania Coalition Against Domestic Violence. Mr. Groh attested to the poor condition of the current chairs. No public comment was received. Motion carried by unanimous roll call vote.

It was requested by Chief Michael Tesore, moved by Mr. Groh and seconded by Chairman McGrath, to purchase new police uniforms from Northeastern Uniform and Equipment, Inc. at a cost of \$24,026.00. No public comment was received. Motion carried by unanimous roll call vote.

David Sterrett, Executive Director of Millcreek Township Water Authority (MTWA), commented regarding the potential sale of MTWA. He questioned whether the Board as a whole agrees with Mr. Figaski's statement of March 25, 2014, that the sale of the MTWA is not a "large-scale deal." Mr. Sterrett expressed his opposition to the statement, and feels that all discussion and negotiation regarding the sale should be made public. Mr. Sterrett questioned the Board's qualifications to negotiate this type of sale of assets, and if the sale is successful, does the Board have any long-term plans for improvements within the Township utilizing the revenue from the sale. He asked what steps are being taken to select and appoint representation with voting privileges to serve on the Erie City Water Authority board. He would like to know how the Township will benefit from the sale, why some officials are adamant about selling the MTWA, and the reason for the urgency. Mr. Sterrett again stated his opposition to the sale of the MTWA, reiterated his previous requests for MTWA staff to be included in the fact-finding discussion process, and emphasized the need for the Board to seek current and accurate information from the MTWA.

Dean Swanson, Chairman of Millcreek Township Water Authority, presented the Board with a document summarizing the Net Asset Position and changes in the Fund Net Position of the MTWA for the fiscal years 2011 – 2013, the three years since rate equalization. He stated that this clearly proves an annual net increase of assets and annual increases to the cash balances of MTWA. Mr. Swanson also clarified, per Valerie Hartley, CPA, that depreciation is a non-cash expenditure, and that to determine true net cash position, one must add back depreciation to net position as a non-cash expenditure. Mr. Swanson feels that there is a lack of consistency in the thought processes of the intended sale, especially when considering prospects for conducting the valuation study and their credibility regarding possible ties to either water authority. Mr. Swanson also suggested making the sale of the MTWA a public sale, opening it up for bid from other water vendors. He concluded by reiterating that MTWA opposes the sale to ECWW and desires to be an active participant in the fact-finding discussion process.

Sue Weber, 5338 Norris Drive, stated that she is an east-side Millcreek resident and has been an Erie Water Works (EWW) customer for 27 years. She noted that the correct name for the Erie City's water authority is Erie Water Works. Ms. Weber is in favor of the sale of MTWA to EWW, but opposes the public sale of MTWA because other water vendors do not have the ability to supply water, only to resell it. Ms. Weber is concerned that a new MTWA budget was posted online in March, and feels that financial losses are now being hidden from view. She is also upset that \$1.3 million has already been spent on the arbitration process, and stated that big government is ruining our country. Ms. Weber then asked Chairman McGrath if his political campaign records show that he has ever taken any campaign contributions from MTWA's legal staff. Chairman McGrath responded that he would look at his records, but said probably yes. However, he stated that if one would review any Supervisor's campaign records, one would most likely find some connection between a vendor for the Township and a campaign contribution. Chairman McGrath denied any impropriety.

Roy First, 4103 Vista Drive, was concerned with how some of MTWA funds have been managed. He is in favor of selling MTWA's assets and using the additional revenue to make many improvements in Millcreek Township. Mr. First encouraged the Board of Supervisors to work together to complete the sale in a timely manner.

Keith Malone, Operations Superintendent for MTWA, clarified that "Erie City Water Authority" is the official name on all of its documents, and that "Erie Water Works" is the branding name. He also reiterated that depreciation is a non-cash expense, and that MTWA has not, and is not, losing money. Mr. Malone then explained that MTWA buys water at a bulk rate and not at the retail residential rate, as stated by some people in the past.

Chairman McGrath relayed that many years ago the Erie Area Council of Governments (EACOG) met to discuss the possible formation of a true regionalized water system, a metropolitan water authority. Each municipality would have to donate its water system in order to accomplish this. All of the other municipal leaders present were in favor of this; however, Mayor Joyce Savocchio adamantly opposed the idea, as the City of Erie receives significant income from Erie City Water Authority (ECWA), and Erie City Council also retains control of appointments to the ECWA Board. Chairman McGrath continued by stating that a truly regional water authority would permit for board representation from all of its various municipalities. Currently, Erie City Council makes all of the appointments to ECWA Board. Surrounding municipalities do submit nominees for representation on the ECWA Board and occasionally some are selected. Chairman McGrath feels that if water regionalization does occur, all participating governments must have representation on the governing board.

Chairman McGrath also stated that sale of the MTWA will not be a simple task, and that Summit and Fairview Townships should also be involved in the process. He questioned how Township customers will benefit from a possible sudden influx of revenue into the Township. Chairman McGrath feels that water rates will probably increase, as Erie City Water Authority will have to borrow money to purchase MTWA, and will likely pass on the cost to its customers. He also stated that MTWA was initially formed because the Township could not get the water from the city that it needed for development, and is worried that should the sale go through, development in the Township could be impacted in the future. Chairman McGrath then addressed the possibility of having a public water sale, and stated that it could be put out for bid to obtain the highest possible sale price. However, there are currently no long-term plans for Township improvements with profits from the sale of MTWA. Chairman McGrath concluded by echoing Mr. Malone's comments, stating that MTWA purchases water at a bulk discounted price and sells at a higher rate to cover administrative costs.

Mr. Groh stated that he is still trying to gather facts to make an informed decision, and noted that other municipalities have weathered similar battles. He said there is no rush, and that it will take time, and he is hoping that all parties will work together cooperatively.

There being no other citizens to be heard or any further business to come before the Board, it was moved by Mr. Groh and seconded by Chairman McGrath to adjourn the meeting at 10:25 a.m.

Sheryl A. Williams
Assistant Secretary

Approved: April 8, 2014

Brian P. McGrath

John H. Groh