

# Millcreek Government Study Report

Submitted By



Concerned Citizens of Millcreek

August 13, 2012

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## Acknowledgements

Concerned Citizens of Millcreek (CCom) acknowledges the help and assistance of several Pennsylvania Townships, Pennsylvania government websites and publications, and national organizations for better government. Namely,

Bensalem Township  
Cranberry Township  
Pennsylvania Home Rule Charter Publication  
Pennsylvania 2<sup>nd</sup> Class Township Code  
[www.newpa.com](http://www.newpa.com)  
International City/County Management Association (ICMA)  
Current and past government officials  
Millcreek businesses and residents

Information gathered from publications as well as conversations with the above listed organizations was extremely useful for the completion of this report. CCom is very appreciative of their cooperation.

# Foreword

Concerned Citizens of Millcreek (CCom) is extremely confident in the contents of this report and our recommendation to change Millcreek government to a Council-Manager form of government. Millcreek Township is the only one of the twenty-five most populous municipalities in Pennsylvania still embracing the archaic Three (3) Supervisor system. All other townships utilize either the Council-Manager or Council-Mayor forms of government. The numerous advantages of a Council-Manager form of government attest to the fact that it is the fastest growing system in the United States. (Refer to the Comparison Chart on page 14 of this report).

However, be aware of the rules under which the Millcreek Government Study Commission has been commissioned. The commission has nine (9) months to analyze and evaluate the various forms of government available to Millcreek Township, and report their findings, along with their recommendations, to the citizens. Their recommendation can be one of two possibilities:

1. The Commission can recommend that the form of government remain as a three Supervisor form of government. In that case, there would be no vote on behalf of the citizens because there is no issue on the table to vote for. With that, the entire procedure is terminated, the commission members are relieved of their duties and everything continues as it is. There is no opportunity for objection or rebuttal. CCom's attached report is of no significance.
2. The Commission can recommend a change in the form of government. In that case, the issue would be put on the ballot for the citizens to decide whether or not they want to accept the change.

At this time, CCom is unaware of the recommendation of the Study Commission. Their report should be forthcoming very soon. However, because of the direct relationships between the commissioners and the current administration as well as the actions of both the commission and administration throughout the process, we highly suspect that they will recommend the retention of the Three Supervisor form, which will end the entire process. No citizen participation, no vote, no change, no discussion, no rebuttal.

As much as we disagree with that possibility, rules are rules. If we're going to play the game, we must follow the rules, even if we don't particularly care for them. And from a legal standpoint, those are the rules.

However, those rules don't apply in the world of public opinion. Public opinion would favor a Public Forum where both sides have the opportunity to present their case, defend their recommendations and challenge the authenticity of the other side. The citizens would be able to get their questions answered and evaluate the merits of each of the recommendations. The citizens would then vote for the form of government they feel is best able to lead Millcreek into the future. In CCom's opinion, that would be the right way for the electorate to settle the issue.

It is noteworthy that CCom has encountered significant road blocks while conducting this study. Roadblocks that have been precipitated by the current administration. Examples may clarify the roadblocks.

In order to conduct a good study, we needed access to information about current operations of our local government. We wanted to talk to with the Supervisors and key managers to review current operations. CCom requested that access from the Supervisors. The Supervisors denied us that access. (Pages 25 and 26 of this report contain our letter of request as well as their letter of denial). **Their reason: They've already spoken with the official Study Commission and to repeat the process would only confuse the citizens.**

We had also requested time on the government cable public access channel, Channel 9. We wanted the opportunity to explain to the citizens how and why we reached our recommendations. **Once again, we were denied access because it might confuse the citizens.**

Without being too facetious, that was one of the more touching moments of our study. It's very comforting to realize that our local government officials care that much about their citizens so as not to want to confuse them. It's either that, or the government officials are scared to death of an independent citizen's organization evaluating their operations. We'll let you draw your own conclusion.

Be that as it may, the following report represents over five months of effort by the members of CCom. We believe our report to be true, objective, unbiased and devoid of politics. To follow events as they continue to evolve, log on to our website [www.MillcreekConcernedCitizens.org](http://www.MillcreekConcernedCitizens.org). When the Study Commission releases their report recommendations, we will comment about the various aspects of the Study Commission report by submitting postings to our website when appropriate.

Concerned Citizens of Millcreek (CCom)

## CONCERNED CITIZENS OF MILLCREEK (CCom)

### GOVERNMENT STUDY REPORT

#### PURPOSE OF STUDY

On November 7th, 2011, the citizens of Millcreek Township voted overwhelmingly to create an official “Government Study Commission” consisting of seven (7) elected members. The Commission was to research, analyze and evaluate various form of government available to Millcreek Township and report their findings back to the citizens. The citizens would then have the opportunity to vote for the form of government they feel is best suited to lead Millcreek into the future.

It’s an historic event. For the first time, ever, ordinary citizens could select the form of government **the citizens feel** is best. In order to make a good decision the citizens must receive **accurate, independent, objective** and **unbiased** information that is **devoid of politics**. That’s a pretty tall order when you consider the direct relationships between the Study Commission members and the current administration.

In order to counter that potential conflict, CCom, a non-political, non-profit organization of grassroots Millcreek citizens, has conducted a six (6) month independent government study that is offered as a second opinion for the citizens of Millcreek to compare to the official study. Our study encompassed the study of financial and operational aspects of Millcreek Township compared to five (5) other Pennsylvania townships of similar size.

All CCom board members are ordinary grassroots citizens with no political allegiances or aspirations. Contained herein is a description of the methodology used to research and analyze information as well as detailed data leading to our recommendation. It is our sincere wish that further citizen questions can be addressed through a series of public forums.

#### CONCERNED CITIZENS OF MILLCREEK

**Board:**      **THOMAS S. OSIECKI, President/Treasurer**  
                    **PASTOR AL DETTER, Vice President**  
                    **JOHN GROH, Secretary**

**Consultants:**    **RUSS THOMPSON, Information Technology**  
                            **JAMES GLOEKLER, Financial Analysis**

## **BRIEF HISTORY OF CCom's GOVERNMENT STUDY GROUP**

In November, 2011, the citizens of Millcreek voted overwhelmingly to create a Millcreek Government Study Commission. After evaluating the progress of the Study Commission, on February 23, 2012, Concerned Citizens of Millcreek was formed to represent grassroots citizens in Millcreek. Our initial project was to conduct our own government study to provide a second opinion to the citizens and present an independent, objective, unbiased study devoid of politics.

To conduct the study, members were selected to participate in our government study on the basis of their training, experience and reputation in the fields of concentration. Those selected were:

Thomas S. Osiecki, Controller - Car Care II  
 Al Detter, Pastor of Grace Church  
 John Groh, Building and Zoning Code Administrator with the Borough of Edinboro  
 Russ Thompson, officer of DB Consultants, an Informational Technology Firm  
 James Gloekler, CPA & partner in the firm of Felix & Gloekler, P.C.

A meeting was held of February 23, 2012, to setup the organization of the newly appointed group. The following officers were nominated and subsequently elected.

|                    |                  |
|--------------------|------------------|
| President/Treasure | Thomas S.Osiecki |
| Vice President     | Pastor Al Detter |
| Secretary          | John Groh        |

The first order of business was to register as a legal non-political, non-profit corporation in the state of Pennsylvania which took four weeks. While waiting for the non-profit status, CCom adopted a work schedule requiring meeting every Tuesday evening at a minimum.

We invited key current and former public officials to express their concerns and opinions about the form of government. We sent letters/questionnaires to five (5) Pennsylvania Townships that are similar in size to Millcreek Township. We planned personal visits to several of the Townships. Meetings, forums and a website (blog) [www.MillcreekConcernedCitizens.org](http://www.MillcreekConcernedCitizens.org) were developed to facilitate communications with the citizens. We sought the input of Millcreek businesses.

CCom has worked long and hard to present unprejudiced, independent, objective, unbiased information devoid of politics for the consideration of the citizens of Millcreek. If the citizens have the opportunity to vote we hope the citizens will carefully review our study and recommendations and vote on Election Day, November 6<sup>th</sup>, 2012, as their conscience directs, on a question that will affect every resident's daily endeavors for years to come.

## **SUMMARY OF OUR GOVERNMENT STUDY**

CCom studied and evaluated the two major areas that determine the performance of Millcreek Township: **FINANCIAL AND OPERATIONAL PERFORMANCE**. We compared the performance of Millcreek Township, which utilizes the Three Supervisor form of government to the performance of five (5) other PA Townships. All five other townships utilize either the “Council-Manager” or “Council-Mayor” forms of government, including:

Bensalem Township  
Cranberry Township  
Hempfield Township  
Lower Paxton Township  
Middletown Township.

### **OVERALL CONCLUSIONS:**

#### **Financial Performance:**

**Should the citizens of Millcreek Township consider a different form of government?**

The answer is **“YES”**.

To continue the present form of government will only result in Millcreek Township losing further ground to its peers in Pennsylvania.

#### **Operational Performance:**

**What form of government should Millcreek Township utilize?**

The answer? The **“COUNCIL-MANAGER”** form of government.

The Council-Manager form of government separates the legislative and executive functions of government providing a lot more checks and balances, more oversight by the citizens and is run by a professionally trained Manager.



## FINANCIAL PERFORMANCE ANALYSIS MILLCREEK TOWNSHIP COMPARISON TO ITS PEERS

While the townships are similar in size and service, they all have certain differences that must be considered when making comparisons.

One significant difference from Millcreek Township is that the other governments in our analysis operate using a “Council-Manager” or “Council-Mayor” form of government with five (5) part-time councilmen. Under this form of government, the manager runs the day-to-day operations and reports to the Council. The Council members provide oversight to the government and the manager.

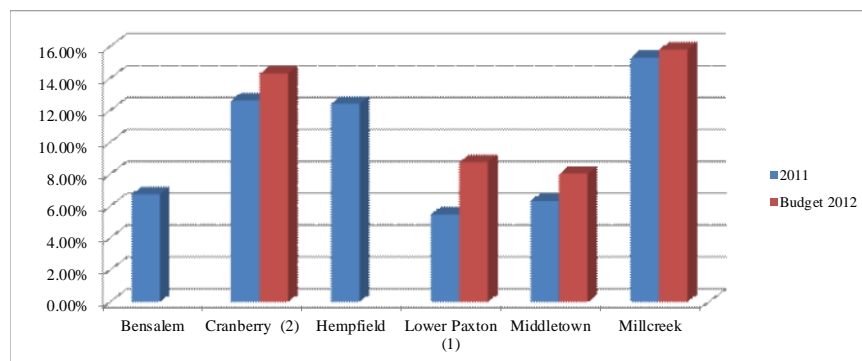
The purpose of our analysis was to determine if one form of government has achieved better financial results of its governance over the last three years. We also reviewed the 2012 budgets to get an idea of what the future might hold. There are other operational differences that can have an impact on the data and our analysis, which are discussed herein.

Since the amount of dollars spent on any one area of government is hard to compare, we will rely on the percentage spent compared to total expenditures. This will help identify where each government spends its resources.

**One area of concern is that any change in form of government will results in an increase in the amount spent for administration.**

The amount of the budget spent for general government is as follows for 2011 and 2012 budgets (where available).

**Amount Of Budget Spent On General Government**



- (1) Lower Paxton does not include employees' benefits with 2011 actual expense. With these costs allocated, the percentage would be closer to 8.0% for 2011. The budget for 2012 does include employee benefits allocated to department..
- (2) Cranberry represents 2010 data as 2011 is not available.

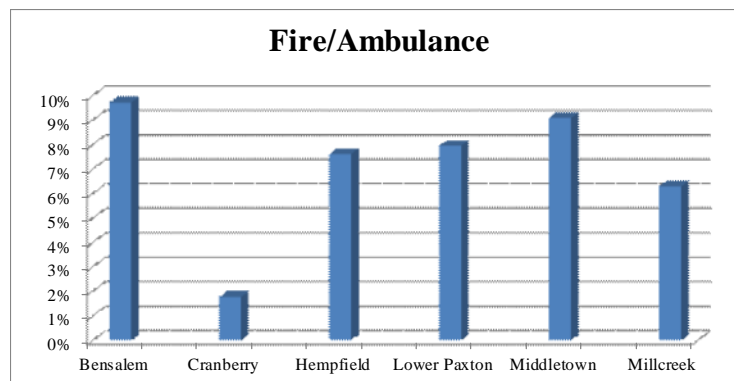
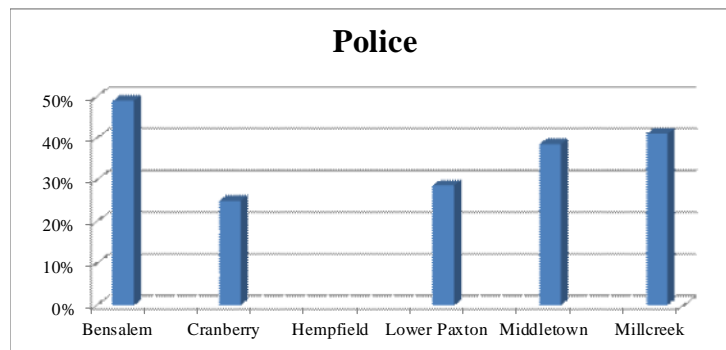
### **Conclusion:**

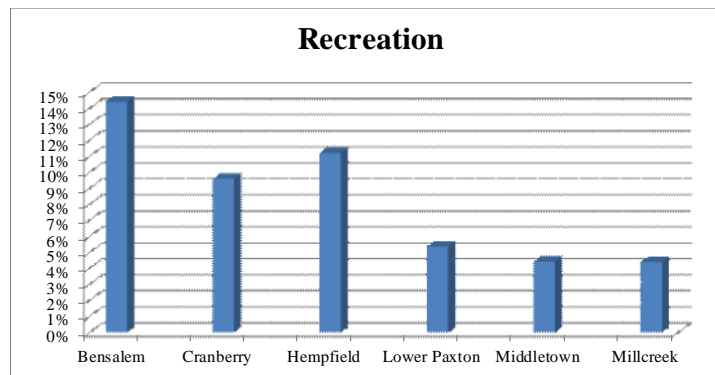
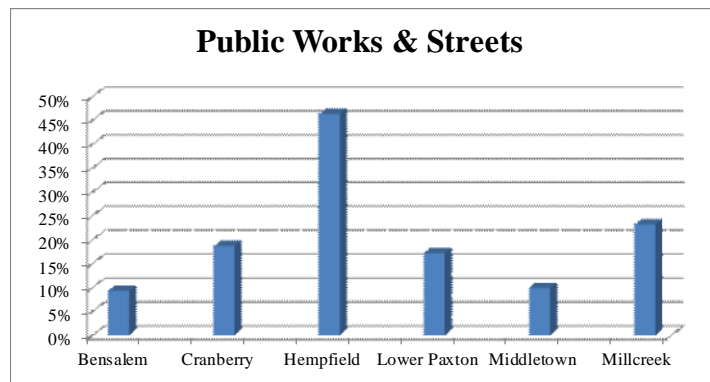
Based on our analysis, the cost of governance in Millcreek Township is more than its peers. A change in the form of government most likely will result in a reduction in expense, not an increase.

**How does Millcreek Township spend its resources to provide services to the citizens? Based on our review of 2011, we note the following:**

|                  | <b>Police</b> | <b>Fire<br/>Ambulance</b> | <b>Public Works<br/>Streets</b> | <b>Recreation</b> |
|------------------|---------------|---------------------------|---------------------------------|-------------------|
| 1- Bensalem      | 49.04%        | 9.72%                     | 9.32%                           | 14.41%            |
| 2- Cranberry (2) | 25.02%        | 1.78%                     | 18.69%                          | 9.60%             |
| 3- Hempfield     | N/A           | 7.62%                     | 46.35%                          | 11.22%            |
| 4- Lower Paxton  | 28.72%        | 7.95%                     | 17.20%                          | 5.37%             |
| 5- Middletown    | 38.59%        | 9.10%                     | 9.93%                           | 4.42%             |
| 6- Millcreek     | 41.10%        | 6.30%                     | 23.20%                          | 4.40%             |

(2)Represents 2010 data as 2011 is not available





### Conclusion:

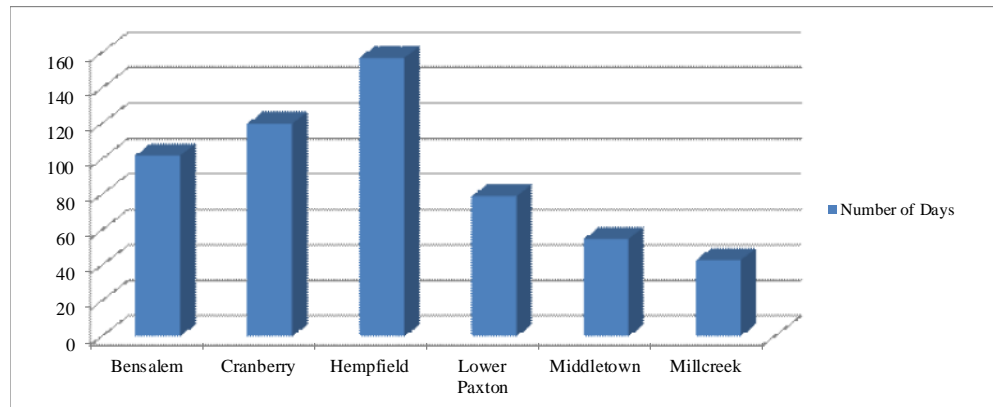
It is difficult to make judgment about the allocation of tax dollars to a particular area because there are a lot of factors that will impact this. With that in mind, it appears that other than Bensalem, Millcreek spends more for police protection than its peers. Millcreek also spends more on streets than all but Hempfield. In the area of fire and recreation, it spends less than its peers. The fact that Millcreek spends more in police and streets could be an indication that the other Townships do a better job at managing this part of the budget.

### How does Millcreek Township compare to its peers when you consider cash reserves and fund balance of the general fund?

|               | Cash         | Fund Balance |
|---------------|--------------|--------------|
|               | -----        | -----        |
| Bensalem      | \$ 5,795,258 | \$ 9,107,152 |
| Cranberry (1) | \$ 6,591,757 | \$ 7,215,484 |
| Hempfield     | \$ 5,289,701 | \$ 4,949,093 |
| Lower Paxton  | \$ 1,917,809 | \$ 3,687,577 |
| Middletown    | \$ 3,275,971 | \$ 2,726,024 |
| Millcreek     | \$ 1,447,986 | \$ 2,519,566 |

(1) Represents 2010 data as 2011 is not available

When you look at fund balance reserve, it is common to convert this to the number of days expenditures are in reserve. How many days can the government operate with no revenue being collected?



Conclusion:

When you consider Millcreek Township to its peers, it is obvious that the other Townships are in a stronger financial position than Millcreek. This would indicate that the overall financial management of the other governments is superior to that of Millcreek. This would indicate that the manager form of government has out-performed Millcreek Township's supervisor/road master form of government.

### **Bonds and Notes Payable:**

It has been mentioned that Millcreek Township has better governance as it has low debt compared to other Townships. Based on our analysis, we noted the following bonds and notes payable

|                  |               |
|------------------|---------------|
| Bensalem (1)     | \$ 52,230,000 |
| Cranberry (2)    | \$ 47,751,595 |
| Hempfield (3)    | \$ 10,609,514 |
| Lower Paxton (4) | \$ 9,989,871  |
| Middletown (5)   | \$ 33,953,043 |
| Millcreek        | \$ 12,055,000 |

- (1) Bensalem has extensive parks and recreation facilities, which include over 30 parks and the TD amphitheater. Based on an analysis of expenditures, a significant portion of budget dollars are spent in parks and recreation.
- (2) Cranberry Townships operates both water and sewer funds, library and golf course. These activities are operated under an enterprises fund where user fees pay for the operation and related debt which amounts to \$28,381,575 of the \$47,751,595. The balance of the debt or \$19.4 million is related to acquisition of capital assets and general infrastructure improvements. Given the Township's recent growth, the debt is not unexpected.
- (3) Hempfield Townships' debt appears related to general capital assets and infrastructure improvements. The balance is comparable to Millcreek Township.

- (4) Lower Paxton debt appears related to general assets and infrastructure improvements. The balance is comparable to Millcreek.
- (5) Middletown Township operates public works sanitation operations that require additional debt. In addition, it has elected to finance capital purchases and infrastructure rather than pay as you go. The result is that the cash reserves of its government funds at December 31, 2011 equal \$49,981,263. This far exceeds its outstanding debt at December 31, 2011.

### **Conclusion:**

While Millcreek Township does have less debt than three of the five Townships, this may or may not be good management. All governments are meeting their debt service. Bensalem and Cranberry have more extensive recreation opportunities for its citizens. Middletown has enough cash reserves that it could repay its debt today. Given its financial standing, it is a good thing Millcreek has not incurred a lot of debt to date.

There is a misconception that all debt is bad. This is demonstrated by the professional operations of Bensalem, Cranberry and Hempfield Townships. It's interesting that when you look at fund balance reserve, these are the three strongest Townships in the group.

### **Budget and Budget Process:**

We reviewed the 2012 Budgets for Cranberry, Lower Paxton, Middletown and Millcreek Township. Based on our review, it appears that all three of the Townships provide more detail and summary information about the Township's finances than Millcreek. The Millcreek Township budget process, as far as public input and review, needs improvement. The budget was developed and approved in accordance with State regulations and met the basic requirements outlined by the Code. Is Millcreek in compliance? Yes.

Compared to the budget process used by the other Township, Millcreek Township's budget process is outdated. A good budget incorporates a long-term perspective, establishes linkages to broad organizational goals, focuses budget decisions on results and outcomes, involves and promotes effective communication with citizens and provides incentives to government management and employees. The review and updating of the budget process should be a priority no matter what form of government is selected.

### **Financial Outlook:**

The review of the 2012 budgets presents an alarming trend for Millcreek Township. The 2012 budget was balanced using 100% of the fund balance reserve. This is after a \$1.6 million increase in real estate taxes. Budgeted expenses increased \$2.1 million or 9% over 2011. When you take these two things into consideration, the financial outlook for Millcreek Township is a concern.

**Overall Conclusion:**

**With the financial analysis complete, the question, should the citizens of Millcreek Townships consider a different form of governance, can be answered.**

**The answer is “YES”**

**To continue the present form of government will only result in Millcreek Township losing further ground as compared to its peers in Pennsylvania.**

## OPERATIONAL ANALYSIS

### MILLCREEK TOWNSHIP COMPARED TO ITS PEERS

## COMPARISON OF TOWNSHIP MANAGER VS. THREE ROADMASTER SUPERVISORS FORM OF GOVERNMENT

**CCom** believes that a Township Manager/Council is superior to a Three supervisors form of government. The chart below highlights the basic reasons that a Township Manager vs. Three Supervisors form of government is preferable:

## Which is Better?

|   | Township Manager                        |   | 3 Roadmaster Supervisors                     |
|---|---|---|--|
| ✓ | Hired and can be fired                  | ✗ | Elected and serves out term                  |
| ✓ | Education and training for the job      | ✗ | Usually no appropriate resume                |
| ✓ | One salary and benefits                 | ✗ | Three salaries and benefits                  |
| ✓ | Accountable to Council                  | ✗ | No organizational accountability             |
| ✓ | Integrated management of departments    | ✗ | Non-integrated management of departments     |
| ✓ | Enacts policies and projects            | ✗ | Pet Projects and rivalry                     |
| ✓ | Unified face and voice for/to community | ✗ | Multiple faces and conflicting voices        |
| ✓ | Casts unified vision for Millcreek      | ✗ | Absence or division of vision                |
| ✓ | Sees the big picture                    | ✗ | Sees their own part of the picture           |
| ✓ | The buck stops here                     | ✗ | The buck is passed around                    |
| ✓ | Creates and manages a unified budget    | ✗ | Creates and manages their part of the budget |
| ✓ | Polarization potential around hiring    | ✗ | Polarization potential around salaries       |
| ✓ | Alignment with job description          | ✗ | Minimal alignment with Roadmaster function   |

CCom cannot produce an analysis of Millcreek operations compared to its peers in similar sized PA townships because CCom was “denied” access to Millcreek operational information.

Note: Appendix I contains CCom’s letter requesting interviews with the supervisors and all department heads/key managers as well as the response of the current administration to our request.

The current administration can decide to cooperate or not to cooperate. If they were truly interested in the future of Millcreek Township and its citizens, they would have cooperated. They chose to not cooperate with the efforts of Concerned Citizens Of Millcreek. CCom is not going to speculate on their reasons for denial.

One would like to believe that any citizen can ask questions about Millcreek government operations and expect an answer. After all, the officials work for the people, not the other way around. In private enterprise, the customer is golden. If you don’t please the customer, your business won’t survive. It’s sad to say, but that simple principle does not apply to government operations. The customer (citizens) just gets in the way. Just who do we think we are by asking questions any way?

This part of the study is somewhat “subjective” simply because the current administration denied us access to information that would have made the operational analysis more “objective”. However, it is what it is.

Be that as it may, based on our months of study and deliberation, CCom is recommending that Millcreek Township adopt a “Council-Manager” form of government. The immediate question that comes to mind is ---- Why? Why leave the current form of government in favor of a new form of government.

Before we answer that question, two important facts must be noted.

First, according to Pennsylvania state law, a Second Class municipality like Millcreek cannot adopt just any kind of government they can invent. Our Township is limited to the following options:

**1. A Roadmaster Supervisor form like currently exists**

Three elected “full time” supervisors with full benefits. Each supervisor is in charge of an individual department(s). Supervisors serve six year terms, regardless of their performance levels.

**2. A “Council-Manager” form of government**

A minimum of five (5) elected “part-time” supervisors with no benefits. The supervisors appoint a qualified manager trained in government operations to perform the executive function. The manager and his assistant are paid a full salary and benefits, set by the Supervisors. The manager can be replaced at any point in time because of poor performance.



### 3. A “Council-Mayor” form of government

The same as the “Council-Manager” form except the Mayor is an elected position. The mayor can only be replaced by not being re-elected.

As you can see, our options are very limited and our study had to consider only the merits of these forms of government.

Second, any of the above forms of government have the potential to work well or to not work so well. The form in and of itself does not determine how well a government is run. *People do.*

But that aside, some forms of government lend themselves to better effectiveness and efficiency. CCom believes that a “Council-Manager” form of government will best serve Millcreek Township in the 21<sup>st</sup> Century.

Here are the major reasons why:

- **Leadership** – A government, like any organization, needs an identifiable leader. Millcreek has no identifiable leader. Multiple, equal leaders can too easily pass the buck or form coalitions and tie up progress or pursue pet projects wherein the right hand doesn’t know what the left hand is doing. A Township Manager identifies a single executive leader, the face of the Township, and affords him/her authority to lead well.
- **Separation/Balance of Powers** – Every government needs a separation of powers and checks and balances. Leaders with no accountability are dangerous. And so are Supervisors who answer to no one. A “Council-Manager” form of government provides enumerated powers as well as a safety net on runaway officials.
- **Skill Set** – Under the current form of government, *anyone* can run to be a supervisor. Winning an election does not mean a person is qualified to run government with a \$25,000,000 budget. It just means he/she got more votes. Under a Council-Manager form of government, the Township Manager is hired because of his/her skillset and experience. Such a scenario immediately raises the bar of effectiveness and efficiency.
- **Current Reality** – Millcreek Township has been operating under a Roadmaster Supervisor government for nearly 180 years. Millcreek has grown from a mostly agricultural township to the most thriving Township in Erie County. Matters like the culture of Millcreek, the expanding geography and influence of the Township and the complexity of governance have all dramatically changed, not to mention that our current Supervisors do not do what roadmasters did in those early days. Their titles have not changed but their function has. The Council-Manager form of government will more accurately reflect the current needs and reality of how government should actually run.
- **Financial Operations** – Millcreek is still entering some information by hand. Our financial operations in Millcreek have not entered into the computer age. A Council-Manager form of government will provide for the Manager to prepare a budget and have it approved by the part-time Supervisors. He/she will in turn oversee the budget and have responsibility and accountability for its proper functioning.

- **Peer Governments** – Twenty-four of the twenty-five most populous municipalities in Pennsylvania have gone to a “Council-Manager” or “Council-Mayor” form of government. Millcreek Township is the only one still using the Three Supervisor road master form of government. The other townships have all converted from the Three Supervisor road master form of government with beneficial financial and operational results.
- **Big Picture** – The current Road master Supervisor system divides areas and departments of government. No one is charged with seeing the “big picture” and its operations and issues. A Township Manager will be responsible for overseeing the total operations and have responsibility to see not just pieces of Millcreek government, but the larger picture.
- **Reduce Infighting** – Over the past three decades, the Three Supervisors have been notorious for squabbling among themselves. Coalitions are easily formed and one supervisor can be blackballed. Factions can linger over the operations of the Township and cause sides to be drawn in the community and cause confusion among Township employees. It’s going to be hard for a Township Manager to wrangle with himself as the media cameras roll. A Council-Manager” form of government will greatly reduce the infighting among Township leaders.
- **Employee Morale** – Morale is low among many Township employees. It’s hard to get a unified word because different Supervisors may not be consistent in their policies and practices with employees. A Township Manager would unify policies and practices and foster consistency for Township employees, creating a more stable culture among employees. The Township Manager would be more able to give directives that will not be challenged and upended by others with equal authority. An ancient proverb is so true. “You can’t serve two masters well”.
- **Part-Time Supervisors** – There are many talented, experienced individuals in Millcreek who would be willing to serve as part-time supervisors. Some of these individuals might be interested in giving back to the community by running for Supervisor. They’re not looking for full-time employment but would consider a part-time position. The number of qualified, experienced people willing to run for Supervisor would increase rather dramatically. Other five member boards include people from all sectors of the community in all kinds of professions that bring a wealth of current everyday experience to the job. It’s noteworthy to point out that in all townships utilizing the five part-time supervisors, not any of them are township employees.

### **CCom's RECOMMENDATIONS**

The CCom government study group strongly believes that the recommendations contained in this report should be adopted by the voters of Millcreek Township because such recommendations will lead to a form of government that is more efficient, more accessible and accountable to the citizens, and provide more checks and balances with more oversight.

CCom recommends the adoption of a "Council-Manager" form of government which is explained in this report. Additionally, CCom makes the following specific recommendations:

1. The official designation of the Executive shall be "Township Manager";
2. The annual compensation and benefits of the Manager shall be set by the supervisors.
3. The Manager may appoint an administrative staff to support and assist the Manager regarding the supervision of department heads as well as all other duties of the Manager
4. The council shall be composed of five (5) elected at large part-time members.
5. The compensation for Council members shall be \$150.00 to \$175.00 per meeting and no more than \$7,000.00 per year per Pennsylvania second class Township code.

## **EXPLANATION OF THE NEW FORM OF GOVERNMENT**

### **WHAT IS THE COUNCIL-MANAGER FORM OF GOVERNMENT THAT IS USED TODAY BY SO MANY CITIES, TOWNS, AND COUNTIES?**

Council-Manager government combines the strong political leadership of elected officials with the strong managerial experience of an appointed manager or administrator. All power and authority to set policy rests with an elected governing body which includes members of council. The governing body in turn hires a nonpartisan manager who has very broad authority to run the organization.

The Council-Manager system is designed to combat corruption and unethical activity in local government by promoting effective management with a transparent, responsive and accountable structure. The Council-Manager form has become the most popular structure of local government in the United States.

### **HOW DOES THE COUNCIL-MANAGER GOVERNMENT WORK?**

The elected council represents their community and develops a long-range vision for its future. They establish policies that affect overall operation of the community and are responsive to residents' needs and wishes.

To ensure that these policies are carried out and that the entire community is equitably served, the governing body appoints a **highly trained professional manager** on the basis of his/her education, experience, skills and abilities (and not their political allegiances). If the manager is not responsive to the governing body, it has the authority to terminate the manager at any time.

### **HOW CAN A COUNCIL-MANGER GOVERNMENT BENEFIT MILLCREEK?.**

Millcreek Township will benefit from the council-manager form of government in a number of important ways.

1. Political power is concentrated in the entire governing body. The manager and council share legislative functions.
2. Policy making resides with elected officials, while the oversight of the day-to-day operations of the community rests with the manager. In this way, the elected officials are free to devote time to policy planning and development.
3. The manager carries out the policies established by the elected governing body with an emphasis on effective, efficient, equitable service delivery.
4. Because decisions on policy and the future of the community are made by the entire governing body rather than a single individual, Council-manager governments more often engage and involve their residents in decision making. Residents guide their community

by serving on boards and commissions, participating in visioning and strategic planning, and designing community-oriented local government services.

5. The form is flexible enough to adapt to local needs and demands. For example, some communities elect their councils at large, while others elect them by district or by a combination of an at-large-and-by-district system.

## **WHAT IS THE ROLE OF THE “MANAGER” UNDER THE COUNCIL-MANAGER FORM OF GOVERNMENT?**

The manager is hired to serve the council and the community and brings to the local government the benefits of his/her training and experience in administering municipal or county projects and programs. The manager prepares a budget for the council’s consideration; recruits, hires, terminates and supervises government staff; serves as the council’s chief advisor; and carries out the council’s policies. Council members and residents count on the manager to provide complete and objective information about local operations, discuss pros and cons of alternatives, and offer an assessment of the long-term consequences of their decisions.

Appointed managers serve at the pleasure of the governing body. They can be fired by a majority of the council, consistent with local laws, or any employment agreements they may enter into with the council. The manager makes policy recommendations to the council for consideration and final decision. The manager is bound by whatever action the council takes, and control is always in the hands of the elected representatives of the people. Professional managers will contribute value to Millcreek Township because they:

- Work in partnership with elected officials to develop sound approaches to Millcreek’s challenges by bringing together resources to make the right things happen and produce results that matter.
- Bring a community-wide perspective to policy discussions and strive to connect the past and future while focusing on the present. They help the governing body develop the long-term vision for the community that provides a framework for policy development and goal setting.
- Promote ethical government through commitment to a set of ethical standards that goes beyond those required by law. Managers who are members of ICMA (International City County Managers Association) subscribe to the organizations Code of Ethics, which require them to affirm the dignity and worth of the services rendered by government and maintain a deep sense of social responsibility as a public servant.
- Encourage inclusion and build a consensus among diverse interests (including elected officials, the business community and citizens) by focusing on the entire community rather than the centralized interests of one or two individuals.

- Promote equity and fairness by ensuring that services are fairly distributed and that administrative decisions (such as hiring and contracting) are based on merit rather than favoritism.
- Develop and sustain organizational excellence and promote innovation. Professional managers focus relentlessly on efficient and equitable service delivery, policy implementation, and evaluation. They align the local government's administrative systems with the values, mission, and policy goals defined by the community and elected officials.

## **WHAT IS THE ROLE OF COUNCIL?**

The council is the community's legislative and policy-making body. Power is concentrated in the elected council, which, for example, approves the budget and determines the tax rate. The council also focuses on the community's goals, major projects, and such long-term considerations as community growth, land use development, capital improvement and financing and strategic planning. The council hires a professional manager to implement the administrative responsibilities related to these goals and supervises the manager's performance.

Council will have the power to create and amend the laws and ordinances of Millcreek Township. Council will have the responsibility of addressing the immediate needs of the Township while at the same time planning for its future development. Council will address questions regarding zoning, development and perhaps most importantly, raising revenues subject to the limitations of the Second Class Township Code plus other applicable state laws.

The township budget will be prepared by the Manager with the assistance of the Department of Administration, which is explained below. The budget will then be submitted to Council for approval. Council may reduce any item in the budget by majority vote, however, Council may not increase any item in the budget unless there is a vote of majority plus one member of Council. Like most other aspects of the proposed form of government, even the budget process is subject to the system of checks and balances that is part of the proposed form of government.

While the Manager will have the responsibility to appoint department heads, the Manager can only do so with the advice and consent of the Council. The Manager has the power to supervise all departments of the Municipal Government. However Council also has the right to investigate the conduct of any department, office or agency of Millcreek Township.

The powers of Council serve to check the powers of the Manager, just as the Manager's powers serve to check the operation of Council. CCom firmly believes that the citizens of Millcreek Township will benefit from such safeguards.

## DEPARTMENT OF ADMINISTRATION.

Under the proposed form of government, a separate Department Of Administration should be established. The Department of Administration will have its own department head, who will be appointed by the Manager with the advice and consent of Council. The head of the Department of Administration will answer to the Manager, but will also be subject to investigation by the Council.

The Department of Administration will assist in budget preparation, will administer a centralized purchasing system, and will establish and maintain a centralized accounting system which shall be designed so as to accurately reflect the assets, liabilities, receipts and expenditures of Millcreek Township. Many of those functions are currently being performed by the existing accounting department.

CCom feels that such a department should be formal, mandatory, and should have its own department head who will be appointed by, and who will be answerable to, the Manager.

## ADMINISTRATIVE CODE

In answer to our request for a copy of Millcreek's Administrative Code, we were informed, by returned letter no such administrative code formally exists. Millcreek's response included the following:

**“Regarding the portions of your request which have been denied, the Township does not have an “administrative code. Please know that while the Township does not have an administrative code, the Township does operate pursuant to the allowance of the Pennsylvania Second Class Township Code, 53 P.S. &65101. Et seq. As no such administrative code exists, none can be provided. This denial is premised upon section 705 of the RTKL which provides that when responding to a request for access, an agency shall not be required to create a record which does not current exist,...” 65 P.S. & 67.705.**

Under a “Council-Manager” form of government, an “Administrative Code” will be mandated to establish a detailed operating structure for the administration of the Township business. This ordinance is vital for the proper management of Township affairs. The adoption of an Administrative Code should be the first task of Millcreek Township's newly formed government.

An Administrative Code provides for the establishment and filling of the administrative offices and provides administrative procedures. The Administrative Code will detail the structure of each Township Department, as well as the minimum qualification for all appointed officials who serve in the Township Departments. The Administrative Code will be the heart of the new form of government. CCom believes that a personnel system should be incorporated into the Administrative Code. The personnel system must include written procedures for appointment and promotion of subordinate officers and employees based on merit and fitness as demonstrated by examination or other evidence of position and competence. The personnel rules shall provide for classification of positions, salary plan, procedures for determining competence, policies regulating reduction in force and disciplinary action, and grievance procedures. Such a

personnel system will hopefully insure that the most qualified individuals will be involved in Millcreek Township Government. The personnel system will hopefully result in appointments based on qualifications and merit as the primary factors



### **TRANSITIONAL PROCESS:**

CCom has specifically recommended that the existing government establish a transitional committee to function during the period of time between the adoption of the new government and the date the new form of government takes effect. The primary duty of the transitional committee will be to formulate an Administrative Code. CCom has set forth specific recommendations regarding the composition of the transitional committee. CCom also strongly recommends that the Administrative Code established by the transitional committee be enacted as the first order of business of the new form of government.

If the voters of Millcreek approve the new government, there will be a transitional period lasting from last previous election to the date the new form of government takes effect. The transition from the present system to the new form of government can be handled with no disruption to community services or inconvenience to the residents. Ample time is provided to prepare any legislation necessary to ensure that the new government will start operating with its new organization, essential rules and procedures.

During the transitional period, the present form of government will remain in full force and effect. All current elected and appointed officials will continue to perform their present functions. When the new form of government takes effect, the powers of the Township government will be shifted and divided among the positions and departments above.

The positions of full-time Supervisors will cease to exist as of the effective date of the new government. Any Supervisors whose terms are not expired will become Council Members, and, along with any newly elected Council members, will begin to perform the legislative and policy functions described above.

All appointed offices are abolished and previous appointments are terminated as of the effective date of the new form of government. However, capable officers and employees would normally be reappointed under the new administration, since many of the existing departments as well as the positions within the existing departments will probably be retained.

The new form of government may not diminish any rights or privileges of any present employee in his pension or retirement system. All labor contracts will also remain intact.



## Concerned Citizens Of Millcreek

2222 Filmore Avenue  
Erie, PA 16506

Tel: (814) 835-8233

Rick Figaski, Supervisor  
Millcreek Municipal Bldg  
3608 West 26<sup>th</sup> Street  
Erie, PA 16506

June 18, 2012

cc: Brian McGrath, Supervisor  
Joe Kujawa, Supervisor

Gentlemen,

Concerned Citizens Of Millcreek is a non-political organization of grassroots Millcreek residents. For the past several months we have been conducting our government study in parallel with, but independent of, the official study commission. With an issue as important as deciding the best form of government to lead Millcreek into the future, we believe a "second opinion" can be very helpful to Millcreek citizens in making their decision.

We are nearing completion of the "Financial Analysis" of the study and are now evaluating the merits of the organizational and administrative codes of various forms of government available to Millcreek Township. As an integral part of the study, we formally request interviews with each of you, as well as, key department heads. We ask that you provide us with the same courtesy and cooperation extended to the official study commission. The interviews can be conducted at your convenience. For scheduling purposes, we anticipate the interviews will take no more than one (1) hour each.

CCOM is a legal 501 c(3) non-profit corporation with a Board of Directors and Officers dedicated to the concerns of the citizens of Millcreek. Our intent is to fill a much needed void by representing ordinary citizens and providing their concerns with cumulative voice.

As our study is completed, we will share our information with each of you, as well as, the official Government Study Commission. Please advise us, by return letter, the schedule that would be most convenient for you and your staff. If you have any questions, please feel free to contact me at any time on my cell phone (814) 434-9512.

Have a great day,

Thomas S. Osiecki  
President, CCOM

## SUPERVISORS

BRIAN P. MCGRATH  
JOSEPH S. KUJAWA  
RICHARD P. FIGASKI



3608 WEST 26TH STREET  
ERIE, PA 16506-2059  
TELEPHONE: 814-833-1111  
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## SECOND RESPONSE

Mr. Thomas S. Osiecki  
2222 Filmore Ave.  
Erie, PA 16506

June 26, 2012

Dear Mr. Osiecki,

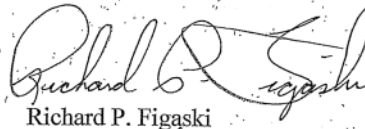
We wish to decline your request for "interviews".

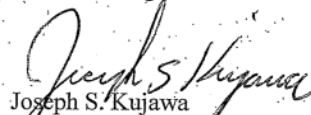
We have made ourselves fully accessible to the members of the Study Commission, selected by the voters last November. We each spent nearly an hour with the full Commission, answering numerous questions.

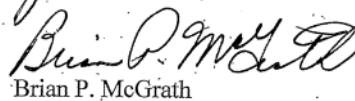
Our entire staff has also been made available to the Study Commission. They have provided all the information requested by the Commission during their formal process. We believe that duplicating this process is unnecessary, it would have no relevance, could create confusion with the public and be construed as being disrespectful of the Study Commission and the voters.

Sincerely,

Millcreek Township  
Board of Supervisors

  
Richard P. Figaski

  
Joseph S. Kujawa

  
Brian P. McGrath