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CITY OF ERIE
STEP IV

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STEP IV DEPARTMENT REVIEWS

INTRODUCTION

The purpose of Step IV of the Early Intervention Program (EIP) is to provide an independent review of agency management practices to help the City of Erie improve its operations. It is the assumption of the EIP team that the aim of all local governments should be one of continual improvements in providing services to their citizens. Organizations dedicated to continuous learning and improvement experience change regularly, and require the development of management practices to lead and track change.

Our analysis provides evidence that the City of Erie has employees dedicated to services of the citizens, but that many of the structural and management tools required to lead, manage, and track change are not currently available. There are significant opportunities for improvement in most of the management processes reviewed in this report. The city's financial environment and the need to make substantial cuts in many departments have led to a largely reactive, rather than proactive, management culture.

There are significant opportunities for improvement in many major management processes including personnel management, scheduling, and operations. The city has limited long-term plans upon which decision-makers can depend for guidance in short-term planning and operating decisions. Without long-term plans, the city has struggled to invest in its capital infrastructure, and much focus has centered instead on an annual budget-building process that is not guided by trended indicators or predetermined policies on pension management, equipment replacement, performance measures, and use of one-time funds. Furthermore, the city has not designed or implemented a personnel system that measures and fosters improvements in employee performance. Taken together, these shortcomings have directly or indirectly influenced nearly all aspects of operations and resulted in a culture characterized by minimal accountability, limited centralization, and coordination of operations. Thus, every department has operated independently of the overall city agenda.

The City of Erie needs to begin a systematic effort to improve its management processes. Council and other city leaders must take a proactive approach to managing the city's operations that focuses on planning and implementing standard management procedures to help improve organization performance. The focus of these efforts should be on developing greater organizational accountability using accepted performance standards for both individual departments and the organization as a whole. The following recommendations for each department provide a framework the city can use to begin this systematic effort.

The City of Erie is composed of the following major departments, which were the focus of this management review:

- City Clerk
- Finance & Administration:
 - Office of Personnel
 - Office of Revenue
 - Payroll
- Police
- Fire
- Public Works, Property & Parks
 - Engineering
 - Public Building Maintenance
 - Sewers
 - Streets
 - Municipal Garage
 - Refuse & Recycling
 - Parks & Recreation
- Code Enforcement

In addition, the EIP team reviewed the elected offices of the treasurer and controller, the overall council/mayor responsibilities; and economic development.

CONTROLLER'S OFFICE

MISSION, FUNCTIONS & TASKS

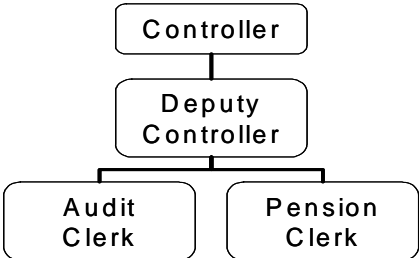
The city controller is an elected city official, serving a four-year term. Erie has adopted a strong mayor-council form of government under the Optional Charter Law of 1957. This limits the responsibilities of the controller. The controller is responsible for examining, auditing, and settling all city accounts. To perform this pre-audit function, the controller receives a list of bills and payroll to be paid, along with supporting documentation from the finance office. The controller examines the lists of bills and payroll to be paid, along with supporting documentation from the finance office. The controller examines the lists of bills and payroll, makes corrections as needed, and reports to council. Following council action, the finance department makes the approved payments. The controller also serves on the pension board.

The controller has been asked by council to make special reports. Recently, he has been asked to look at cell phones and take-home cars.

The controller is not responsible for the comprehensive annual financial report. This report is prepared by an independent audit firm retained by city council. Except on request by council, the controller does not conduct program audits. The city's accounting system is maintained in the finance office under the direction of the mayor.

STAFFING

In addition to the elected controller, there are three employees in the office. They include the deputy city controller, the audit clerk, and the pension clerk. The deputy and the audit clerk are members of AFSCME. The deputy is responsible for the day-to-day operation of the office. There have been no changes in the number of positions in recent years.



DEMAND FOR SERVICES

The controller's office examines all bills and payroll as part of the pre-audit function. A previous controller expanded the pre-audit function to include all bills and payroll. The present controller reports that he would prefer to examine only a sample and devote more time to program audits.

DEPARTMENTAL SPENDING

								BUDGET
Acct	OFFICE OF CITY CONTROLLER	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	1,328	382	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	132,573	137,895	141,731	147,050	149,755	151,054	151,079
4016	FICA/MEDICARE TAX	10,142	10,509	10,801	11,114	11,836	12,729	11,558
4017	PENSION CONTRIBUTION	4,501	2,492	3,410	9,557	15,213	14,027	16,903
4018	GROUP INSURANCE	29,538	23,922	30,030	32,492	27,699	38,628	51,325
4020	WORKERS COMP INSURANCE	615	610	612	700	367	1,484	668
4021	DEFERRED COMPENSATION	373	1,998	2,084	2,870	3,453	3,206	3,022
4031	OFFICE SUPPLIES	1,496	1,673	1,458	2,425	1,123	1,306	1,850
4033	OPERATING SUPPLIES	55	39	26	73	20	-	100
4039	CONSUMABLE ITEMS	2,076	926	713	489	380	191	1,000
4041	PROFESSIONAL SERVICES	-	-	-	5,720	4,025	1,638	5,500
4043	EDUCATION & TRAINING	872	-	825	791	590	671	1,350
4045	COMMUNICATION	-	-	-	89	474	493	600
4046	POSTAGE	231	340	296	370	111	267	400
4052	ADVERTISING	-	-	-	-	-	-	500
4056	REPAIR/MAINT SERVICES	697	656	435	459	324	764	1,050
4059	OTHER SERVICES/CHARGES	477	429	847	833	562	837	655
4065	MISC INSURANCE AND BONDS	-	-	-	-	-	1,518	-
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	2,034	-	-	1,489	2,191	-	-
		185,680	181,489	193,270	216,522	219,453	229,193	247,560

Financial Observations

Spending in the controller's office has increased from \$185,680 in 2000 to \$229,193 in 2005, an increase of \$45,513. This represented an annual increase of 4.7% for the period. Salaries and wages increased from \$132,573 to \$151,436, an increase of 2.8% per year. Benefits increased from \$44,181 to \$64,934, an increase of 9.4% per year. The largest dollar increases occurred in health insurance and pension contributions, which increased by \$9,090 and \$9,526 respectively for the period. Discretionary spending for the office actually declined from \$7,938 to \$7,685 for the period.

The 2005 actual expenditures were within 92% of the 2005 budget figures. The 2006 adopted budget was approximately 1% less than the 2005 budget.

During the course of the last year or so, the controller has gained access to portions of the accounting system so that he can perform pre-audit functions. This enables him to stop payments for unbudgeted items.

SIGNIFICANT ISSUES, CHALLENGES & PROBLEMS

The controller recognizes the city's challenges and understands the need to cut costs and consider additional revenue increases.

During the coming year, the controller is committed to having the office work with the new mayor and council to improve the city's fiscal performance. In addition, the office would like to upgrade the computer system; and begin to perform program audits. The time to do program audits can be gained by cutting back on the scope of the pre-audit from all transactions to a sample of transactions. The golf course and the municipal garage operations are areas that appear ready for program audits.

- ***The city should consider redirecting the controller's office toward program audits and cutting back on the scope of the pre-audit function.***
- ***The controller, working with the finance director, local universities, and the private sector, should develop an intern program for undertaking cost accounting reviews of various city functions.***

TREASURER'S OFFICE

MISSION, FUNCTIONS & TASKS

The mission of the office is “to efficiently and accurately collect city taxes and distribute them appropriately”.

The tax collection functions are limited to the property tax for all three taxing bodies. Mortgage companies are billed on electronic media. Approximately 80% of the residential taxes are collected through mortgage companies. The office uses a lock box to collect the taxes. The lock box cannot be used if the payment does not match the tax bill and the taxpayer then has to come into the office with the payment. The city collects 99% of the adjusted net levy.

Taxpayers are allowed to pay their taxes in four installments. They are billed for each tax at the beginning of the discount period for the tax, and then again after the end of the discount period. Because they are billed twice and can pay in four installments, some taxpayers are confused by the process.

The county and the school district each pay the office \$100,000 a year to collect their property taxes. At one point, the office was reimbursed on the basis of actual costs. Each taxing body paid 1/3 of the costs. Delinquent taxes are turned over to the county's Tax Claim Bureau.

The finance department collects the earned income tax. The treasurer's office did collect the earned income tax, but this function was transferred to the finance department a number of years ago.

The office collects liens for the CDBG program. The program has recently begun to reimburse the office for this service.

The office is also responsible for depositing monies received by the city, regardless of where they are collected. Fines and fees are collected by a number of departments and then forwarded to the treasurer's office. These transactions are first recorded on a five-part carbon receipt form and then entered into the accounting system. The office is not responsible for investing the funds. The finance department handles the funds once they are deposited.

Both the treasurer and the controller endorse all city checks.

STAFFING

The office has six staff, including the elected treasurer.

CITY OF ERIE TREASURER'S OFFICE	
Staff	2005
Elected Treasurer	1
Deputy Treasurer/Office Manager	1
Auditor/Accountant	1
Teller	2
Chief Lien Clerk/Teller	1
Total	6

The staffing has been reduced by one from 2004 to 2005. The position of executive assistant has been eliminated.

The deputy treasurer/office manager is responsible for the day-to-day operations of the office and has a strong IT background. The remaining staff report to him.

DEMAND FOR SERVICES

The volume of services provided by the office remains relatively constant on a year-to-year basis.

There are fluctuations in the level of activity during the year. School district taxes are due at discount by February 28, city taxes by March 31, and county taxes by April 30. In order to meet the school district deadline, the office needs the property file from the county in December. Because the Erie School District is the only district with such an early due date, there have been problems getting the file on time. There has been discussion about moving the school district due date until the fall. This could, however, create a cash flow problem for the district.

DEPARTMENTAL SPENDING

	OFFICE OF CITY TREASURER	2000	2001	2002	2003	2004	2005	BUDGET 2006
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	225,765	227,075	247,439	256,106	249,618	236,782	224,861
4016	FICA/MEDICARE TAX	17,271	17,420	18,929	19,258	19,780	17,958	17,202
4017	PENSION CONTRIBUTION	7,866	4,156	5,714	16,725	26,623	21,041	25,355
4018	GROUP INSURANCE	51,618	39,906	52,547	58,053	65,875	77,257	85,225
4020	WORKERS COMP INSURANCE	1,075	1,017	1,069	1,228	636	2,170	1,022
4021	DEFERRED COMPENSATION	665	3,200	2,786	2,505	2,279	2,215	4,497
4031	OFFICE SUPPLIES	5,871	4,842	6,555	9,885	4,572	7,242	8,800
4039	CONSUMABLE ITEMS	3,999	387	2,886	-	-	-	850
4041	PROFESSIONAL SERVICES	11,212	10,901	13,375	12,975	12,490	-	-
4043	EDUCATION & TRAINING	2,328	3,210	2,757	1,221	528	831	1,750
4045	COMMUNICATION	3,327	4,860	6,080	1,613	514	73	500
4046	POSTAGE	25,296	5,784	10,182	15,222	15,000	13,059	14,300
4056	REPAIR/MAINT SERVICES	837	1,335	882	1,497	405	2,365	1,500
4058	TELLER OVERAGE/SHORTAGE	-	-	-	-	-	-	-
4059	OTHER SERVICES/CHARGES	121,488	104,257	104,627	115,253	30,125	20,501	42,270
4065	MISC INSURANCE AND BONDS	-	-	-	-	1,875	1,875	2,000
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	20,280	81,528	18,942	3,543	3,624	-	-
	TOTAL OFFICE OF CITY TREASURER	498,898	509,878	494,770	515,084	433,944	403,369	430,132

Financial Observations

In reviewing spending in the treasurer's office there are three cost centers – city tax collections, county tax collections, and school district tax collections. During 2000, 2001, and 2002 the office expenditures were broken down into these three categories. Since 2003 all of these costs were shown under the overall treasurer's office expenditures. To more accurately reflect the overall costs of these functions, the above table combines the detailed spending for the period into one table.

Overall spending has actually decreased for the 2000 to 2005 period, going from \$498,898 in 2000 to \$403,369 in 2005. In 2003, spending peaked at \$515,084 and has declined in both 2004 and 2005. The largest areas of decrease from 2003 occurred in salaries and in professional services, which declined by approximately \$25,000 during the 2003 to 2005 period.

Actual 2005 expenditures exceeded 2005 budget by \$10,348, or 2.6%. The 2006 adopted budget of \$430,132 was an increase of 9.4% over 2005, budget and an increase of 6.7% over 2005 actual expenditures.

Prior to 2003, the office costs were split three ways between the city, school district, and the county. During 2000, 2001, and 2002, the city received an average of approximately \$165,000 from the school district and the county. Since 2003, the city has received \$100,000 per year from the school district and county. Thus, the city's costs have increased from approximately 33% of the treasurer's office costs to between 54%-61% of the costs. The actual dollar increase to the city ranged from \$55,000 to as high as \$136,000 as a result of the reduction in school district and county sharing of costs.

SIGNIFICANT ISSUES, CHALLENGES & PROBLEMS

The round of lay-offs by the city in late 2005 led to employees bumping into other positions based on seniority. It is not possible, with the present job descriptions and classifications, to stipulate all of the skills that are needed by employees who are bumping into a position in the treasurer's office. For example, the teller's position calls for two years prior experience as a cashier with at least one year of experience as a teller. The applicant is expected to operate data entry equipment. There is no mention of skill with a typical package of office applications. The treasurer tries to insist on Excel skills.

Because of the potential turnover in the office with bumping, the treasurer has made sure that employees are properly cross-trained. The loss of one employee will not result in the loss of the function that the employee performed.

Reimbursement by the County & School District

- ***The city should renegotiate the reimbursement arrangement with the other taxing bodies. The county and the school district should each cover one-third of the costs associated with collecting current real estate taxes.***

Consolidation of Teller Windows

- ***The city should consolidate collections in one office. This does not need to be the treasurer's office, but it would make sense to have the treasurer's office perform this function as all of the collections eventually are funneled through the treasurer. Currently, there are three teller windows on the first floor of the city's municipal building. These include parking tickets, traffic tickets, and the treasurer's office. Golf fees are collected on the third floor and fees for building permits on the fourth floor. There was a sewer and refuse window, but this function was transferred to the water authority.***

- ***In consolidating the teller functions, the city should streamline the process so that data is entered into the accounting system and receipts for transactions are printed out when they are needed. The city should eliminate the use for the five-part carbon receipt form.***

The consolidation of these functions in one office should reduce the staff required to manage these functions.

Position Descriptions

- ***Employees should be expected to have up-to-date office skills including familiarity with Microsoft Windows applications. The position descriptions in the treasurer's office (and in other departments) should be brought up-to-date to include computer skills. This could increase the likelihood that employees bumping into positions in the treasurer's office will have the needed skills. The introduction of the Windows interface in the accounting system should ease this transition.***

Role of Treasurer in City Government

- ***Unless changed through the adoption of a home rule charter by the city, the treasurer will remain an elected position and an integral part of city government. The treasurer should have full access to revenue account information. The administration and the treasurer should have a cooperative working relationship.***

PILOTS

- ***A number of tax-exempt institutions make payments in lieu of taxes. These payments are based on one-half of what they would have paid in the year the agreements were made. Since executing these agreements, some of these institutions have improved their properties. No adjustments to the payments have been made. The agreements should be updated to reflect current property values.***

Tax Abatements

- ***The city has granted 10-year tax abatements for all new construction and building improvements. The city should keep track of these abatements so that the city will be able to tax these properties once the abatements end.***

CITY CLERK

MISSION, FUNCTIONS & TASKS

The office of the city clerk serves as the secretary for the city council and is responsible for preparing and maintaining the records for the council. This office is required under the Third Class City Code. Duties include: advertising meetings; preparing resolutions and ordinances; preparing correspondence; keeping minutes; codifying ordinances; and maintaining other required records. The clerk prepares special reports requested by council. The clerk also serves as a notary public for the city.

The city ordinances are regularly codified under the direction of the clerk. Council minutes are now indexed and up-to-date using a software system in the clerk's office. Prior to the recent installation of the new software, minutes had not been indexed for about 20 years. Council agendas and minutes are now available on-line.

STAFFING

The staff of the office includes the clerk, the deputy clerk, and a legislative aide. The clerk and his staff have been in their positions for years, with the clerk having been in his position for 33 years.

DEMAND FOR SERVICES

The workload in the office does not change greatly from year-to-year.

DEPARTMENTAL SPENDING

								BUDGET
	OFFICE OF CITY CLERK	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	761	381	500
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	117,499	122,689	129,249	135,871	141,065	142,588	139,913
4016	FICA/MEDICARE TAX	8,989	9,392	9,888	10,424	11,194	10,877	10,742
4017	PENSION CONTRIBUTION	3,376	1,869	2,558	7,168	11,410	10,521	12,677
4018	GROUP INSURANCE	22,154	17,946	22,517	25,428	27,979	34,072	43,843
4020	WORKERS COMP INSURANCE	462	457	459	525	340	1,395	501
4021	DEFERRED COMPENSATION	301	1,357	1,419	1,437	1,159	1,060	2,798
4031	OFFICE SUPPLIES	2,064	1,612	973	2,454	1,954	788	2,000
4033	OPERATING SUPPLIES	46	282	287	513	140	353	350
4039	CONSUMABLE ITEMS	1,670	1,006	726	555	-	74	750
4043	EDUCATION & TRAINING	713	-	-	-	-	-	-
4045	COMMUNICATION	591	598	635	539	544	562	550
4046	POSTAGE	1,139	749	907	988	460	951	1,000
4052	ADVERTISING	7,083	3,270	6,160	5,347	4,494	7,045	5,500
4054	RENTALS	-	-	-	-	-	2,075	2,500
4056	REPAIR/MAINT SERVICES	438	475	569	1,739	1,575	1,857	2,075
4059	OTHER SERVICES/CHARGES	5,471	8,011	2,082	5,026	9,124	2,161	3,500
4079	OFFICE EQUIPMENT	1,577	1,244	-	-	-	-	-
TOTAL OFFICE OF CITY CLERK		173,573	170,955	178,427	198,013	212,198	216,761	229,199

Financial Observations

The table above shows the detailed spending for the office of the city clerk for the 2000 to 2005 period. Spending for the period increased from \$173,573 in 2000 to \$216,761 in 2005, an increase of \$43,188 for the period. This amounted to an average increase of approximately 5% per year in office spending. There was a significant increase in spending from 2002 to 2003. Personnel related costs increased from \$152,781 to \$200,894, an increase of 6.3% per year for the period. These increases were largely due to increased benefit costs, which increased approximately 11% per year for the period.

Actual 2005 expenditures ran approximately 1.2% under budget. The 2006 budgeted number is an approximate 5% increase over the 2005 budget.

SIGNIFICANT ISSUES, CHALLENGES & PROBLEMS

The city is putting forth an effort on developing a working relationship between the new mayor and his staff, and city council and its staff. The relationship between the past mayor and council was somewhat strained and often made it difficult to conduct the city's business in a productive manner.

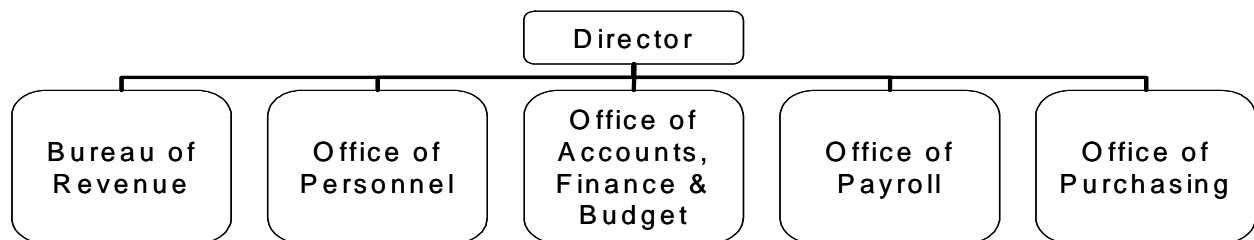
- ***The city clerk's office should continue with the increasing use of the city's website for council agendas, minutes, and other documents that could be of interest to the residents of the city.***

DEPARTMENT OF FINANCE & ADMINISTRATION

MISSION, FUNCTIONS & TASKS

The finance and administration department is responsible for the core administrative services performed by the city including: budget and finance; accounting; payroll; purchasing; human resources management; and revenue collections, particularly income tax collections.

The department in the past has gone through a series of reviews and reorganizations. The current department is comprised of the following offices and bureaus all coming under the director of finance and administration:



STAFFING

The department current has a staff of 19, including the director. This is down from 23 positions in 2004. The current director and assistant director are new and were appointed by the new administration. The following positions were eliminated:

- Office of personnel (2)
- Office of accounts, finance, and budget (2)

DEMAND FOR SERVICES

The demand for services in the department has increased as a result of the city's financial crisis. Department leadership is often pulled in numerous directions and is constantly faced with the need to constantly deal with crisis issues. There is a need for the implementation of many operating policies and procedures in all phases of the department's core areas of responsibility. Additionally, there is a real need to begin identifying opportunities for change in the way the city provides certain services.

DEPARTMENTAL SPENDING

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>BUDGET</u> <u>2006</u>
FINANCE & ADMINISTRATION							
OFFICE OF DIRECTOR	115,157	168,935	158,569	128,336	74,925	80,141	88,473
BUREAU OF REVENUE	494,926	512,062	753,614	644,929	785,668	857,263	339,410
OFFICE OF PERSONNEL	244,466	193,236	246,246	297,261	265,754	301,574	238,727
ACCOUNTS, FINANCE & BUDGET	372,722	276,962	315,546	269,056	316,975	309,014	349,302
OFFICE OF PAYROLL	N/A	N/A	N/A	166,393	222,099	196,786	180,994
OFFICE OF PURCHASING	168,839	161,554	158,720	115,014	97,900	92,219	116,639
TOTAL FINANCE & ADMINISTRATION	1,396,110	1,312,749	1,632,695	1,620,989	1,763,321	1,836,997	1,313,545

Financial Observations

As part of this review, each individual office within the department is examined on its own. However, it is important to review the overall department spending for the 2000 to 2005 period.

The department has seen a steady increase in expenditures over the period. The largest increase occurred in the bureau of revenue, which increased from \$494,926 in 2000 to \$857,263 in 2005. In 2000, 2001, and 2002, these expenditure numbers were accounted for under the collection of income and occupation tax in the treasurer's office. This approximate \$362,000 increase in expenditures was a 73% increase over 2000 expenditures. When one examines the cost of collection vs. the actual revenue collected via EIT, OPT, and other 511 taxes, the cost of collections runs extremely high relative to the cost of these services on the private market. These high costs of collection can be substantially reduced by privatization of this service. A further benefit of privatizing this effort may be in increased current collections.

SIGNIFICANT ISSUES, CHALLENGES & PROBLEMS

- There is a lack of adequate job descriptions which reflect current position responsibilities and requirements. Thus, the lack of such descriptions does not allow the city to "disqualify" individuals when jobs are posted.
- The department does not function as an overall "department", but as a series of individual "bureaus" with no real sense of being part of a larger "department".

- The department has in the recent past operated in a “crisis” mode which has prevented department leadership from addressing longer-term issues.
- The city lacks an overall document management system. The utilization of technology has increased, but is nowhere near where it should be for a city the size of Erie. There are too many paper-based systems being utilized throughout the city. Additionally, when documents are saved electronically, they are not always saved correctly.
- The accounting system has not been fully implemented and utilized, and the lack of staff training in the system is evident.
- ***The department should update its job descriptions in the immediate future to more accurately reflect the duties, responsibilities, and requirements of each position.***
- ***The department should initiate efforts to function as a true “department” and hold department level meetings to address issues relative to the department’s overall mission, and the important role that each office/bureau plays in the overall mission.***
- ***The department needs to identify its top three to five long-range priorities and begin addressing these through the utilization of inter- and intra-department task forces who are given the responsibility and authority for addressing the particular issue.***
- ***The city should pursue a “document management solution” to address the storage and retrieval of city documents, and lessen the amount of paperwork stored throughout the city.***
- ***The city needs to implement the latest upgrades to its Pentamation accounting systems and develop a series of training sessions for all personnel to fully understand and utilize the system.***

Office of Personnel

BACKGROUND

The City of Erie employs approximately 700 employees. The city office of personnel is responsible for all aspects of the city’s personnel/human resource functions. The current human resource (HR) manager reports directly to the director of finance and administration. She recently assumed these duties having previously served as the benefits coordinator. In addition to the human resource manager, the office is staffed with a benefits coordinator and an audit/safety clerk.

Many of the duties and responsibilities within the office of personnel are performed by the HR manager, including: maintaining a close relationship with the solicitor's office, particularly for employment litigation; preparing data and information for use in negotiations; preparing data for utilization in arbitrations under Act 195, or Act 111 police and fire arbitrations; the day-to-day management of all the personnel matters; and the day-to-day administration of various labor contracts which include grievance meetings and hearings.

The employee benefits coordinator serves as a liaison between the city and the various insurance carriers, and: coordinates with underwriters and inspectors; administers workers compensation claims; administers employee benefits; and conducts new employee orientation, as well as exit interviews. With respect to the benefits area, she maintains the census and also participates on the safety committee.

The audit/safety clerk is primarily responsible for all safety issues and processing various workers compensation reports and claims.

OFFICE SPENDING

	OFFICE OF PERSONNEL	2000	2001	2002	2003	2004	2005	BUDGET 2006
4006	OVERTIME WAGES	-	-	-	-	-	-	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	156,953	134,910	166,248	204,708	167,318	197,655	138,753
4016	FICA/MEDICARE TAX	11,906	10,007	12,698	14,708	13,659	15,493	10,615
4017	PENSION CONTRIBUTION	5,064	1,869	2,768	9,557	15,213	17,534	12,677
4018	GROUP INSURANCE	33,231	19,071	26,279	28,776	33,572	40,296	43,189
4020	WORKERS COMP INSURANCE	692	457	519	702	480	2,003	668
4021	DEFERRED COMPENSATION	444	2,607	2,732	3,166	3,131	2,788	2,775
4031	OFFICE SUPPLIES	1,189	2,013	2,356	2,242	1,475	686	1,000
4033	OPERATING SUPPLIES	807	22	-	150	69	22	100
4035	REPAIR/MAINT SUPPLIES	-	-	-	257	-	-	-
4039	CONSUMABLE ITEMS	373	489	-	-	-	-	-
4041	PROFESSIONAL SERVICES	22,303	14,587	25,982	22,447	22,617	23,020	25,000
4043	EDUCATION & TRAINING	-	189	-	1,680	720	-	250
4045	COMMUNICATION	-	-	338	381	155	150	200
4046	POSTAGE	27	-	15	(15)	-	511	500
4052	ADVERTISING	1,002	1,381	1,106	3,051	2,427	68	1,500
4054	RENTALS	-	-	-	-	-	-	-
4056	REPAIR/MAINT SERVICES	80	185	65	-	39	1,348	1,500
4059	OTHER SERVICES/CHARGES	2,767	5,449	5,140	5,173	4,880	-	-
4079	OFFICE EQUIPMENT	7,629	-	-	278	-	-	-
	TOTAL OFFICE OF PERSONNEL	244,466	193,236	246,246	297,261	265,754	301,574	238,727

Financial Observations

The office of personnel's costs ranged from a low of \$193,236 in 2001 to \$301,574 in 2005. From 2000 to 2005, costs increased by \$57,108, or an average of 4.7% per year for the period. Personnel and benefit costs increased by \$67,479, or 6.5% per year for the period, while all other costs decreased by \$10,372, or 1% per year for the period.

The costs for 2005 were approximately 97% of the budget. The 2006 budget is approximately \$72,000 less than the 2005 budgeted figure, and is largely due to the decrease in personnel.

STAFFING

The office of personnel has been downsized in recent years, going from six to three full-time positions. During this same period the data and documentation generated by the office has steadily increased. The office appears to be understaffed and lacks the tools necessary to adequately support the city's human resource needs. With the recent downsizing the city needs an overall reorganization of the office to provide a more efficient delegation of responsibilities.

- ***The office should be restructured and many of the duties currently being performed by the HR manager should be delegated to her subordinates.***
- ***All positions should be restructured:***
 - ***The benefits administrator should be classified as the assistant to the HR manager.***
 - ***The audit/safety clerk's duties should be expanded.***
- ***The city should consider adding a full-time clerical position in this office, OR the city should entertain proposals to outsource the entire HR function.***

Outdated Job Descriptions

The city lacks updated job descriptions. Many of the existing job descriptions do not accurately reflect current duties and responsibilities of a position. No one can recall when or if a proper job analysis was ever conducted by the city.

Job analysis is critical in implementing the Americans with Disabilities Act (ADA), particularly the need to describe the essential and non-essential functions of a job. The best methodology to accomplish job documentation and the specification of duties and responsibilities is through job analysis.

Although the ADA does not specifically require employers to have job descriptions, it is clear that they serve as a vehicle for employers to document essential job functions and state the physical/mental, organizational, and environmental factors inherent in all positions to provide a defensible basis for personnel decisions. The written job description is considered evidence of the essential functions of a job.

- ***The office of personnel should complete a thorough job analysis by reviewing all existing job descriptions to determine current duties and responsibilities, and to specify them in formal updated job descriptions.***

No Centralized Personnel Policies

The city lacks an updated personnel policy manual. Many of the policies are excerpted from the various labor contracts. It is obvious in employment law that personnel policies and procedures must be uniformly and consistently applied to all employees. The inconsistent application of a policy could mitigate an otherwise appropriate management action. In other words, management could have a very sound basis for its action; however, it could be cancelled if an employee can demonstrate disparate treatment or the inconsistent application of the policy under which the action is taken.

Based on emerging trends in employment law, personnel actions must be carefully documented; personnel records must be updated and centrally maintained; and the access to personnel records must be strictly limited.

- ***Accordingly, to avoid unnecessary exposure and to adequately protect the city's management rights, the city should update and centralize all policies and procedures.***

No Employee Handbook

The city currently lacks an updated employee handbook. Applicable law requires that specific personnel policies be communicated in writing to employees, i.e., Equal Employment Opportunity, Sexual Harassment, Discrimination, Family and Medical Leave Act requirements, Cobra notification, etc.

- ***The city should develop an employee handbook and conduct information sessions with all employees so that everyone clearly understands the city's personnel policies and procedures.***

No Performance Evaluation Procedures

The city currently lacks a formal performance evaluation process. The genesis of a performance evaluation system is a valid classification plan which results from a thorough job analysis of current positions, which includes a determination of all the primary tasks and subtasks, and the documentation of specific job responsibilities into formally written updated job descriptions.

The updated job description constitutes the foundation of a performance evaluation system. The basic job description defines the tasks integral to the job and specifies the qualifications, skills, and ability to perform that job. The system establishes the scope of responsibility and accountability, and the delineation of performance standards in each position.

In developing a performance evaluation system, two issues are critical. The first pertains to the identification of performance dimensions. That is, the work behaviors or outcomes necessary to accomplish an organization's goals and objectives. The second issue involves establishing performance standards for each dimension upon which judgments can be made about whether an employee is performing satisfactorily or unsatisfactorily.

The overall evaluation process must be formalized, standardized, and be as objective as possible. The standards of performance being measured must be related to job criteria. The appraisal instrument must consider the essential functions delineated in the job description and the performance outcomes desired. The criteria used to assess the performance of employees must be stated in measurable and/or behavioral terms.

- ***The city should develop a performance evaluation system consistent with its overall operational goals and objectives. This evaluation should be conducted on an annual basis by all city departments.***

Office of Revenue

MISSION, FUNCTIONS & TASKS

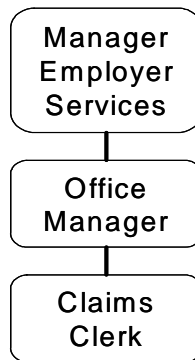
The function of the office of revenue is to collect all Act 511 taxes imposed by the city. In doing so, the office deals with employers and individual taxpayers. In addition, the office collects earned income tax (EIT) from employees who work within the city limits and who reside outside the city. In this fiduciary responsibility, the city must distribute or remit to the various taxing bodies.

The function had been outsourced to a tax collection agency prior to 2003. However, in 2003 to 2005, the city brought the collection back in-house. Current plans are to once again outsource tax collection to a private firm, Berkheimer Associates, in 2006.

The income tax collection office has been part of the office of revenue, along with sewer and refuse billing. Sewer and refuse billing has been transferred to the water authority effective January 2006.

STAFFING

The office has a staff of three augmented by an outside vendor. The vendor is entering data for the department. At one point, the office had a staff of six. Once this function has been completely outsourced a further reduction in staffing is appropriate.



DEMAND FOR SERVICES

The demand for services should remain constant. The use of an outside tax collector should alleviate some of the past problems with reporting and distributions. This activity is a high priority of the city and requires a great deal of city focus. An outside private collector should increase the development of the city's data base of taxpayers, as well as improve the rate of collections.

FINANCIAL OBSERVATIONS

The following table shows the revenue collected by the Office of Revenue for the 2000 to 2005 period:

		2000	2001	2002	2003	2004	2005	2006	2006 Budget
3148	SPEC EIT LEVY FOR PENSION	-	-	-	-	-	3,236,139	730,000	2,700,000
3149	EIT SPECIAL REVENUE	-	-	150,000	48,473	47,608	82,919	-	48,000
3150	INCOME TAX NON-RESIDENT	-	-	750,000	-	325,859	289,412	55,000	250,000
3151	INCOME TAXES	5,077,686	5,500,000	5,730,437	6,325,598	5,455,060	5,707,872	1,416,384	5,800,000
3152	INCOME TX-INTEREST INCOME	-	-	154,986	-	-	-	-	-
3154	INCOME TAXES-PRIOR	-	-	-	-	427,456	48,962	-	48,000
3182	REALTY TRANSFER TAXES	582,192	535,029	649,896	727,027	831,232	798,800	132,987	750,000
3183	OCCUPATIONAL PRIV TAXES	325,159	320,000	260,000	310,000	320,000	1,580,000	-	2,800,000
3184	OPT-INTEREST INCOME	-	-	5,604	-	-	-	-	-
3185	OPT-SPECIAL REVENUE	-	-	-	4,650	4,800	4,800	-	-
	Total	5,985,037	6,355,029	7,700,924	7,415,748	7,412,015	11,748,904	2,334,371	12,396,000

The main source of revenue collected by the office is the EIT and the EIT special levy for pension purposes. Current EIT increased every year from 2000 through 2003, increasing an average of 8% per year during the period. Between 2003 and 2004, there was a significant drop of approximately 16%. In 2005, the collections returned to 2002 levels. During the period there were significant reductions in employment at many employers in the city. The newly imposed EMS tax in 2005 and the significant increase in 2006 is the other large source of revenue collected through the office.

The following table identifies the costs associated with the office of revenue for the 2003 to 2005 period. Prior to 2003, the functions were outsourced at a percentage of collections.

								BUDGET
	DEPT OF REVENUE	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	7,932	3,110	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	-	-	54,133	475,024	423,278	414,967	102,053
4016	FICA/MEDICARE TAX	-	-	4,141	32,086	34,145	31,775	7,807
4017	PENSION CONTRIBUTION	-	-	-	22,024	30,426	45,589	12,677
4018	GROUP INSURANCE	-	-	-	87,723	74,921	95,455	43,843
4020	WORKERS COMP INSURANCE	-	-	-	1,837	697	4,452	501
4021	DEFERRED COMPENSATION	-	-	-	5,255	6,545	5,567	2,041
4024	TOOL ALLOW/UNIFM BENEFITS	-	-	-	248	-	-	-
4031	OFFICE SUPPLIES	-	-	-	3,447	2,128	1,943	1,000
4033	OPERATING SUPPLIES	-	-	-	1,894	1,531	12,470	25,000
4035	REPAIR/MAINT SUPPLIES	-	-	-	7	188	12	13
4039	CONSUMABLE ITEMS	-	-	-	1,222	805	840	375
4041	PROFESSIONAL SERVICES	-	-	-	23,398	95,171	125,896	100,000
4043	EDUCATION & TRAINING	-	-	344	2,601	314	98	100
4045	COMMUNICATION	-	-	-	3,731	1,723	1,592	500
4046	POSTAGE	-	-	-	38,230	40,594	59,691	11,250
4052	ADVERTISING	-	-	-	-	-	146	-
4054	RENTALS	-	-	-	-	-	-	-
4056	REPAIR/MAINT SERVICES	-	-	-	2,623	2,231	1,985	1,000
4058	TELLER OVERAGE/SHORTAGE	-	-	-	-	-	(6)	-
4059	OTHER SERVICES/CHARGES	-	-	-	101,900	63,039	51,680	31,250
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	-	-	-	15,008	-	-	-
4997	EIT RECONSTRUCTION PROJ	-	-	133,161	(159,194)	-	-	-
	TOTAL DEPT OF REVENUE	-	-	191,779	659,064	785,668	857,263	339,410

Since 2003, the cost of the office has steadily increased from \$659,064 in 2003 to \$857,263 in 2005, an increase of \$198,199, or an increase of 30% for the two-year period. A review of the numbers indicates the largest increases occurred in: professional services, \$102,498; pension contributions, \$23,565; postage, \$21,461; operating supplies, \$10,596; and group insurance, \$7,732. All other expense categories, including salaries, declined during the period.

In 2006, expenditures will be significantly reduced as a result of the transfer of sewer and refuse billing to the Erie Water Authority. Expenditures will be further reduced when all 511 tax collectors are turned over to an outside vendor.

FINDING(S)

- The office has been able to resolve some past problems related to revenues that were collected by the office and not distributed to other municipalities and school districts. The office has been able to make a significant reduction in the \$5 million in suspense accounts. About \$1 million remains to be resolved. The resolution of the remaining \$1 million is a significant problem that needs to be resolved over the next 12-18 months.

Database Utilized By the City Lacks Sophistication

- The database will be upgraded as a result of privatizing this function. Currently, the city utilizes an Excel spreadsheet. The software available at private providers is much more sophisticated and will allow the city to extrapolate data more readily. The privatizing of this function should not only increase the performance, but will significantly reduce the costs associated with this function.
- ***The city should, as soon as possible, outsource all the Act 511 tax collection currently being undertaken in-house to a private experienced vendor.***
- ***The city should resolve the remaining issues relative to the fiduciary suspense accounts during the next 12-18 months.***

Payroll

The payroll office prepares the payroll for the city. The city pays on a bi-weekly basis. In one week, the “big payroll” is processed and paid, in the other week, the “small payroll” is processed and paid. The “big payroll” includes all regular employees. The “small payroll” includes part-time and temporary employees.

The payroll is processed in a three-step process. In the first step, the time and attendance information is collected in the individual departments. In the second step, the information is entered into the city’s accounting system. In the third step, the checks are printed and direct deposits made.

There are 23 clerks throughout city government who prepare timesheets that are sent to the payroll office. These clerks depend on a combination of paper and time clock records to prepare the timesheets. The timesheets are done in Excel and printed out for delivery to the payroll office. The sheets are not transmitted electronically. Because of the complexity in keeping police and fire time, the timesheets for these two departments are prepared in the payroll office. These timesheets are not standardized.

Timesheets reach the payroll office at the beginning of the week. The clerks in the office manually enter the information into the payroll system. Once this is done, the payroll and supporting documentation is sent to the controller. After the controller has approved the payroll, it is sent to council for its approval.

At the end of the week, the clerks prepare checks and pay stubs. These are stuffed in envelopes and distributed to employees. The employees are paid by check and direct deposit.

Because information is not transmitted electronically until the final step, the payroll information can be recorded manually up to three times. The employee records his or her own time. The department clerk then enters this information into an Excel sheet. The payroll office takes a copy of the sheet and enters the information in to the accounting system.

STAFFING

There are three clerks, a senior payroll clerk and two payroll clerks. The clerks have some cross-training so that each one is able to handle the payroll from all departments. In the recent past there was a fire payroll clerk who handled only the fire payroll. This clerk now handles both police and fire payroll. At mid-year 2005, the staff was reduced from four to the present complement. The payroll staff has done a commendable job carrying out the workload, particularly with the antiquated and cumbersome time/attendance reporting system.

In addition to the staff in the payroll office, there are 23 clerks in the individual departments who are responsible for submitting timesheets to the payroll office.

FINANCIAL OBSERVATIONS

The following table shows the detailed expenditures for the payroll office for the years 2003 to 2005:

	PAYROLL	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
4006	OVERTIME WAGES	-	10,485	1,475	5,000
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-
4009	VACATION WAGES	-	-	-	-
4010	SICK WAGES	-	-	-	-
4011	SALARIES	100,380	134,414	109,722	100,810
4016	FICA/MEDICARE TAX	7,496	10,928	8,442	8,094
4017	PENSION CONTRIBUTION	9,557	15,213	14,027	12,677
4018	GROUP INSURANCE	36,469	39,374	51,889	44,171
4020	WORKERS COMP INSURANCE	702	299	1,255	501
4021	DEFERRED COMPENSATION	1,933	3,026	1,670	2,016
4031	OFFICE SUPPLIES	2,217	1,797	2,534	3,375
4033	OPERATING SUPPLIES	-	-	22	-
4035	REPAIR/MAINT SUPPLIES	-	-	21	-
4039	CONSUMABLE ITEMS	117	-	-	-
4041	PROFESSIONAL SERVICES	5,425	4,162	4,275	-
4043	EDUCATION & TRAINING	615	345	-	500
4045	COMMUNICATION	-	-	7	-
4046	POSTAGE	-	-	444	500
4056	REPAIR/MAINT SERVICES	737	963	1,003	1,250
4059	OTHER SERVICES/CHARGES	-	1,093	-	2,100
4079	OFFICE EQUIPMENT	745	-	-	-
TOTAL PAYROLL		166,393	222,099	196,786	180,994

Expenditures increased from \$166,393 in 2003 to \$196,786 in 2005, an increase of 18% over the period. The 2005 expenditures were approximately \$25,313 less than 2004 due mainly to the reduction in personnel during 2005. During the 2003 to 2005 period, the office did manage to come under budget each year. The 2006 adopted budget was approximately \$58,647 less than the 2005 budget, primarily due to the staff reduction and subsequent benefit reductions.

The above numbers do not take into consideration the additional personnel costs involved in the various department personnel who participate in the payroll process at the department level relative to accumulating time/attendance information.

If we assume the city issues paychecks to 700 employees 26 times per year, the cumulative paychecks issued by the city are approximately 18,200. For rounding purposes, it will be assumed the city issues 20,000 paychecks over the course of a year. At 2005 costs, the city pays approximately \$9.84 per issued check. This number is significantly higher than private payroll service companies. This number does not include additional costs of the processing of time records within the individual departments.

FINDING(S)

Antiquated Time/Attendance Reporting System

- The city employees keep time on paper timesheets. The current use of a paper timekeeping system and non-standardized timesheets is time-consuming and inefficient. The adoption of a standardized, electronic timekeeping system could lead to a reduction in the workload in the payroll office and the departments. The city has in the past considered centralizing and automating time and attendance recordkeeping. The current Pentamotion payroll module was installed about five years ago and has not been upgraded. Upgrades available from the vendor include automated time and attendance-keeping modules.

The current manual reporting of time and attendance is not efficient and must be constantly audited for error. Further options relative to outsourcing the total payroll function are not available until the automation of the time/attendance records.

- In 2002, the city, via an outside consultant, undertook an extensive review of the payroll process. That study concluded, “the collection of time, attendance, and employee benefit records was very cumbersome and antiquated due to the lack of an automated system.”

The estimated savings via an automated system was projected to be as high as \$400,000 per year through a combination of better control of overtime and a potential reduction in staffing throughout the city. It was anticipated that a net reduction of three clerks would be possible throughout the city departments. The recommendations of the study were not implemented at the time.

Overtime

- The city pays approximately \$2 million in overtime each year. The overtime is not carefully monitored. Industry experience indicates that monitoring overtime can reduce the cost by 15%-20%. A 15% reduction would save the city \$300,000 a year. Monitoring overtime can reduce its use by making managers more conscious of the cost; by identifying and eliminating abuses; and by improving scheduling so that overtime is not built into the work schedules.

- ***The city should centralize and automate the entire payroll system. This would significantly reduce the time spent on timekeeping and preparing payroll. If the city accepts this recommendation, the city may be able to eliminate additional clerk positions in the city departments.***
- ***Once the time/attendance system is automated, the city can review its options relative to outsourcing the check preparation process.***
- ***The city should analyze overtime payments to identify the overtime that has been structured into work schedules and to reduce the structured overtime. This is particularly important when there are staff reductions because managers may use overtime to replace lost staff.***

The fiscal impact of these recommendations could be a savings of as high as \$700,000 per year.

POLICE DEPARTMENT

MISSION, FUNCTIONS & TASKS

The City of Erie Police Department is a full service, seven days a week, 24 hours a day police agency. The 156-member police department provides patrol services, traffic enforcement, crime prevention, investigative services, and drug enforcement for its 115,000 residents. The department responded to a total of 72,775 calls for service in 2004. In 2004, the city experienced 3,827 Part I UCR Offenses, and 8,196 Part II UCR Offenses were committed.

The department maintains a fleet of 120 vehicles. The fleet includes 18 motorcycles. Approximately 10 new vehicles are purchased annually.

This management review of the City of Erie Police Department is intended to provide ideas for efficiency and cost-cutting, while maintaining an effective level of police presence, crime suppression, and crime solving. As the consultants reviewed organizational charts, staffing levels, and officer deployment throughout this study, it became immediately apparent that the previous staffing level of 204 officers allowed for adequate shift coverage and unit specialization. Units such as SWAT, auto theft, insurance fraud, narcotics, neighborhood action team, motorcycles, traffic, and adult and juvenile detective units have provided a necessary and effective crime fighting entity.

With the depletion of manpower, funds, and resources, the consultants believe it is now necessary for the agency to reorganize. A recommendation of no fewer than 180 police officers has been made based on the predicted crime rate, calls for service, and level of UCR crimes. City officials must determine what the actual staffing level will be, and the agency must be restructured according to that number.

STAFFING

Currently the structure of the department is based on a staffing level of 204 officers. The number of vehicles, special units, schedules, and most importantly, service levels have been modified due to layoffs and retirements. The department has had to adjust to and deal with the adversity the staff reductions have caused. Furthermore, there are an excessive number of corporals and sergeants in the department due to mass promotions by a previous mayor. Many of these positions are unnecessary and only serve to disrupt the chain of command.

Chief Bowers has announced his retirement effective in the spring of 2006.

- ***The consultants recommend the incoming chief of police reorganize the department based on a newly established staffing level. Included in the reorganization should be:***
 - ***Elimination of non-essential specialty units not fully funded by grants or outside revenue sources;***
 - ***Establishment of command level officers to oversee newly organized agency divisions;***
 - ***A new chain of command establishing unit, squad, and department heads;***
 - ***Utilization of ranking officers in appropriate supervisory positions (avoidance of paying supervisors for doing patrolmen work);***
 - ***Consolidation of units where possible, i.e. adult/juvenile detectives, insurance fraud, and car theft units;***
 - ***Maintain SWAT team and negotiators due to the high level of violent crime, number of team callouts, and estimated time of arrival of PA state police team; and***
 - ***Use of civilian personnel where possible.***

Many of these recommendations have already been approved or initiated. The consultants cannot provide recommendations for specific staffing levels of special units, but the agency reorganization must be based on:

- Approved staffing level
- Service levels
- Funded programs
- Crime problems

In 2004, 20 officers retired from the police department. These officers were not replaced. The vacancies created by these retirements caused overtime to increase by \$256,164. In 2005, the city laid-off 13 police officers and is planning to lay off additional officers in 2006. The city estimates the savings yielded from the layoff of 12 additional police officers to be \$700,000.

Projected manpower for 2006 is 162 officers, which is a 23% reduction from the 2002 levels. Additional vacancies have occurred due to injuries, short-term disabilities, and disciplinary actions.

Police departments owe their existence to supporting the activities of the patrol officers. From the secretary/records clerk, through each rank to the chief of police, each member of the police department should focus their efforts to support the patrol officer. These combined and focused efforts are to provide services directed towards the achievement of public goals. Progressive police departments are becoming more and more responsive to the needs of the community. The effectiveness of the department, its image, and relationship with the community will be directly related to its ability to achieve these public objectives.

Although the police administrator must be responsive to the needs of the community, he cannot lose sight of preventing and controlling crime. This becomes difficult since the typical police department spends only 15% of its time in this area, while 85% is spent providing services to the community and in other activities not associated with criminal activity. In the final analysis, however, the effectiveness of the department will most often be judged on its ability to cope with crime when it occurs.

The most utilized measurement of police effectiveness is the Uniform Crime Report (UCR). This is a national standard for measuring crime in the United States, which has been in place since 1930. The Federal Bureau of Investigation (FBI) regulates the UCR. Municipal police agencies submit specific information to the Pennsylvania State Police (PSP) on all criminal activity reported to the local agency each month. This information is recorded by the State Police and subsequently forwarded to the FBI.

The UCR is broken down into two major sections, Part I and Part II crimes. The Part I crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny theft, arson, and vehicle theft. Part II crimes include eighteen less serious classifications. This information is used to determine the patrol needs of a police department. In jurisdictions like Erie that experience high levels of violent crime, Part I crimes are given greater weight in calculating force needs. The analysis below utilizes crime data for 2004 and 2005.

Calculating Patrol Force Staffing Needs

Step 1.

Determine the number of complaints or incidents received and responded to in a year by the police agency. Complaints and incidents include all forms of police activity when an officer responded and/or took an official action. It does not include situations where advice was given over the telephone, delivering messages, handling internal police department matters, etc.

Based on 2004 Statistics

Calls for service	72,775
Weighted calls for service	83,246

Based on 2005 Statistics

Calls for service	69,115
Weighted calls for service	78,351

Step 2.

Multiply the total complaints or incidents by 0.75 (45 minutes). It is generally accepted that 45 minutes is the average time necessary to handle a complaint or incident.

Based on 2004 Statistics

Calls for service	$72,775 \times .75 = 54,581.25$
Weighted calls for service	$83,246 \times .75 = 62,434.50$

Step 3.

Multiply by three to add a buffer factor and time for preventive patrol. General experience has shown that about one-third of an officer's time should be spent handling requests for service. Other requirements for servicing police vehicles, personal relief, eating, and supervision must be considered. Time for preventative patrol must also be taken into consideration. Multiplying by three makes up the unknowns.

Based on 2004 Statistics

Based on calls for service	$54,581.25 \times 3 = 163,743.75$
Weighted calls for service	$62,434.50 \times 3 = 187,303.50$

Based on 2005 Statistics

Based on calls for service	$51,836.25 \times 3 = 155,508.75$
Weighted calls for service	$58,763.25 \times 3 = 176.289$

Step 4.

Divide the product by 2,920, the number of hours necessary to staff one basic one-officer patrol unit for one year (365 days x 8 hours = 2,920).

Based on 2004 Statistics

Based on calls for service	$163,743.75 / 2,920 = 56.08$
Weighted calls for service	$187,303.50 / 2,920 = 64.15$

Based on 2005 Statistics

Based on calls for service	155,508.75 / 2,920 =53.27
Weighted calls for service	176,289 / 2,290 =60.37

According to the application of the IACP formula, it will take between 53 and 56 patrol elements to handle an average complaint load. When complaints are weighted for more violent crimes, the analysis recommends between 60 and 64 patrol elements.

If police officers worked everyday of the year without any time off, then seven to eight officers would be all that would be needed in the City of Erie. Since police officers cannot be expected to work every day, the amount of time an officer is actually on duty must be determined to establish precisely how many officers are required to staff the patrol elements. A review of the labor agreement and department records indicates that the average police officer in the police department has the following amount of time off-duty.

**Time-Off Chart
(Non-Available Patrol Officer Time)**

<i>Type of Time Off</i>	<i>Days</i>	<i>Hours</i>
Regular pass days (104 days x 8 hours)	104	832
Holidays (11 days x 8 hours)	11	88
Vacation (25 days x 8 hours)	25	200
Sick leave (15 days x 8 hours)	15	120
Bereavement leave (5 days x 8 hours)	5	40
Personal days (2 days x 8 hours)	2	16
Birthday (1 day x 8 hours)	1	8
Training (10 days x 8 hours)	10	80
Comp time (8.5 days x 8 hours)	8.5	68
Total	181.5	1,452

Of the 2,920 hours needed to staff one patrol element, a police officer is not available 1,452 hours, or is available 1,468 hours. To determine how many officers are necessary to staff one patrol element, divide the 2,920 hours needed for one year by the number of hours available (2,920 / 1,468 = 1.99). This means that 1.99 officers are required to fill each of the patrol elements. By multiplying the availability factor (1.99) by the number of patrol elements, you determine the number of patrol officers needed. This 1.99 factor is extremely high and is well beyond the typical ratio. The following table shows other calculations completed by the consultant in other recent EIP engagements:

OFFICERS REQUIRES TO FILL 1 PATROL UNIT	
<i>City</i>	<i>Ratio</i>
Butler	1.84
Erie (highest)	1.99
New Castle	1.71
Oil City	1.69
Titusville	1.78

Based on 2004 Statistics

Based on calls for service 56.08 patrol elements x 1.99 = 111.60
Weighted calls for service 64.15 patrol elements x 1.99 = 127.66

Based on 2005 Statistics

Based on calls for service 53.27 patrol elements x 1.99 = 106.01
Weighted calls for service 60.37 patrol elements x 1.99 = 120.14

Due to non-available officer time and review of both population and calls for service, data suggests a need for 86 patrol officers based on population, 112 patrol officers based on calls for service, and 128 patrol officers based on weighted calls for service.

- ***The consultants do not recommend that the staffing level of the City of Erie Police Department be maintained below 180 total officers, with approximately 120 assigned to patrol. Levels below this could allow violent crime problems to escalate and endanger police officer safety.***

Use of Patrol Resources

The chief has informed us that each shift has a minimum staffing level of 12 officers. These 12 officers are assigned as follows:

- Four patrol units are staffed by a single officer
- Four patrol units are staffed with two officers
- This calculates to 64 patrol unit hours

As stated earlier, the police department received 72,775 calls for service in 2004. Of that total, 3,827 are reported Part I offenses and 8,196 are reported Part II offenses. The following chart breaks these totals down to show the average level of each category of call per day and per shift:

2004	Annual	Per Day	Per Shift	Patrol Unit
Part I	3,827	10.49	3.5	0.43
Part II	8,196	22.45	7.48	0.94
All Other Calls	60,752	166.44	55.48	6.94
Total Calls	72,775	199.38	66.46	8.31

The following chart provided the same breakdown of calls for service in 2005:

2005	Annual	Per Day	Per Shift	Patrol Unit
Part I	3,374	9.24	3.08	0.39
Part II	7,301	20.00	6.67	0.83
All Other Calls	58,440	160.11	53.37	6.67
Total Calls	69,115	189.36	63.12	7.89

The IACP formula assumes that the average call takes forty-five minutes to complete. It is important to keep in mind that although twelve officers staff each shift only eight patrol units are realized since two officers are assigned to four of the patrol units. Since there are eight patrol units working eight hours, a total of 64 patrol unit hours are realized.

Utilizing the above information it is possible to calculate how much of each patrol unit's time is being spent in responding to calls for service.

Year	Calls Per Shift	Average Time Per Call For Service	Time Spent Answering Calls
2004	66.46	.75 (45 minutes)	49.85
2005	63.12	.75 (45 minutes)	47.34

This may lead one to believe that current staffing is adequate. Before arriving at any conclusions based on this calculation, additional information must be entered into the equation. Officers are permitted time for lunch and breaks. They also need time for roll call and to gas their unit. Allowing 45 minutes for lunch, one break of 15 minutes, fifteen minutes for roll call, and 10 minutes to gas the patrol unit, an additional 1.66 hours per patrol unit is spent. Multiplying that by eight patrol units adds 13.33 hours to the total number of hours spent.

Year	Calls	Breaks/Misc. Time	Total Time Used	Remaining Time for Patrol Unit
2004	49.85	13.33	63.18	.21 hours
2005	47.34	13.33	60.67	.42 hours

Based on the above calculations, patrol units are consuming, on the average for 2004, 49.85 hours answering calls for service, and another 13.33 hours of personal and preparation time, for a total of 63.1 hours of time spent per shift, resulting in 12.6 minutes left per patrol unit for routine patrol.

In 2005, patrol units consumed 47.34 hours answering calls for service, and another 13.33 hours for personal and preparation time for a total of 60.67 hours of time spent per shift, resulting in 25.2 minutes left per patrol unit for routine patrol.

Diversionsary Call Program - The chief recognized the strain the level of calls for service is having on his department. In an effort to relieve some of this strain, a diversionsary calls for service program is in place. This program funnels miscellaneous calls to civilian call takers. This program handles approximately fifty-nine hundred (5,900) calls per year. The following chart shows the average level of each category of calls per day and per shift taking into consideration the diverted calls for service program.

2004	Annual	Per Day	Per Shift	Per Officer
Part I	3,827	10.49	3.5	0.43
Part II	8,196	22.45	7.48	0.94
All Other Calls - Diverted Calls	54,852	150.28	50.09	6.26
Total	66,875	183.22	61.07	7.63

Revising the same calculations that were performed on the previous chart after the call diversion program was implemented provides the following information:

64 patrol unit hours

$61.07 \times .75 = 45.80$ hours spent answering calls for service

$45.80 + 13.33$ hour for lunch, roll call, vehicle service, etc. = 59.13

Based on the 2004 calculations, patrol units are consuming 45.80 hours answering calls for service, and another 13.33 hours for personal and preparation time, resulting in a total of 59.13 hours of time consumed. The time remaining for routine patrol by eight patrol units is 4.87 hours. This calculates to 36.6 minutes of patrol time for each of eight patrol units.

2005	Annual	Per Day	Per Shift	Per Officer
Part I	3,374	9.24	3.08	0.39
Part II	7,301	20.00	6.67	0.83
All Other Calls –Diverted Calls	52,540	143.95	47.98	6.00
Total	63,215	173.19	57.73	7.22

Performing the same calculations using 2005 data provides the following information:

64 patrol unit hours

$57.73 \times .75 = 43.30$ hours spent answering calls for service

$43.30 + 13.33$ hours for lunch, roll call, vehicle service, etc. = 56.63

Based on the 2005 calculations, patrol units are consuming 43.30 hours answering calls for service, and another 13.33 hours for personal and preparation time, resulting in a total of 56.63 hours of time spent. Then, 7.37 hours remain for routine patrol by eight patrol units. This calculates to 55.2 minutes of patrol time for each of eight patrol units.

- ***It is apparent that this diversionary program has a positive impact on the amount of time patrol officers have for routine patrol. The analysis above suggests routine patrol time has been doubled. Every effort should be made to improve on this program.***

REORGANIZATION OF PATROL SHIFTS

The department currently maintains three squads of 24 patrolmen each to staff patrol on a 24/7 basis. These officers work a 4/2 schedule. As noted above, minimum staffing is 12 officers and a supervisor per shift. Each shift maintains four two-man cars. These two-man units are assigned to dangerous high crime areas. Due to the need for four two-man cars and at least a two officer response to a majority of calls, there is not sufficient staffing in patrol with a 12 officer minimum.

- ***The consultants recommend that the chief of police review the current patrol schedule in order to determine the costs associated with it in terms of time off, court time, and overtime vs. a 5/2 schedule or use of power shifts. Utilization of power shifts on alternating shift times can sometimes provide adequate coverage at reduced costs. The consultants realize that there are other issues related to this recommendation, but believe other options should be explored in order to provide maximum coverage at the lowest cost.***
- ***The consultants have given the department a schedule memorandum from the City of Allentown as an example of how other commonwealth agencies similar in size to Erie operate which could benefit the city in its scheduling practices.***

ISSUES, PROBLEMS & RECOMMENDATIONS

Rank Officers

When one examines the current staffing levels of the police department, two things stand out. One is the amount of supervisory personnel that exist. The current rank structure was determined by the past practices of a mayor and a staff level of 200+ officers. Second, there are individuals holding rank that do not have any subordinates to supervise.

A significant issue regarding transfers from special assignments and units to patrol is the inordinate amount of rank within the police department. A previous mayor promoted 42 officers immediately prior to leaving office. The chief of police is hampered by this unbalanced rank structure in terms of decreasing special units full of ranking officers to staff patrol officer positions. Many units have nothing but supervisors working in them.

RANK/UNIT BREAKDOWN

PATROL

Corporals	13
Sergeants	10
Lieutenants	5

OFFICE OF THE CHIEF

Captains	1
Lieutenants	1
Sergeants	7
Corporals	2

SUPPORT DIVISION

Lieutenants	3
Sergeants	6
Corporals	1

CRIMINAL INVESTIGATIONS DIVISION

Lieutenants	6
Sergeants	15
Detectives	15

The criminal investigations division is a good example of the problem. As documented above, supervisors in the investigations unit outnumber detectives. Not only is this structure inefficient, it is expensive. A 15-year lieutenant earns \$2,000 more than a comparable sergeant, and \$4,351 more than a class A patrolman. A 15-year sergeant earns \$2,422 more than a class A patrolman.

- ***The consultants recommend considerable reduction in rank through attrition. It is recommended that no positions of rank be replaced when a member leaves the service, particularly corporals and sergeants. The chief of police should conduct a planned assessment study for agency organization once it is determined what the staffing levels will be long-term.***

Use of Civilian Staff

One means of supplementing a police force during shortages is the use of civilians to staff positions currently filled by sworn officers. Areas where the change seems most appropriate are in property control and evidence. Elimination of a sergeant and detective from this function and the utilization of civilian personnel under the supervision of a support division lieutenant could result in the potential savings of \$52,000 to \$75,000 annually.

10-year sergeant	base salary	\$ 51,273
10-year detective		49,809
	30% fringe	<u>30,092</u>
Total		\$131,407
Two civilians	base salaries	\$ 60,000
	30% fringe	<u>18,000</u>
Total		\$ 78,000

A second area for consideration may be the identification unit which now utilizes three detectives and two sergeants. The use of civilian personnel within this unit could yield an annual savings of \$100,000 to \$150,000 depending upon how the unit is re-staffed.

Additional areas that should be considered for civilian staffing include:

- Criminal intelligence/analysis 1 sergeant
- Fleet and towing operations 2 sergeants
- Information management 1 lieutenant
- Communications 1 lieutenant
- Warrant control/quartermaster 1 corporal
- Building security 1 corporal
- Traffic court/boot officer 1 sergeant & 1 officer

Utilizing civilians in lieu of two corporals, four sergeants, two lieutenants, and one officer could yield a potential savings of \$122,797 per year.

Civilian Cost Savings Breakdown

(4) 10-year sergeant salaries (2006 rate)	\$205,093
(2) 10-year corporal salaries	99,617
(2) 10-year lieutenant salaries	106,455
(1) 10-year patrolman salary	<u>48,833</u>
Total	\$459,998
30% fringe	<u>13,799</u>
	\$473,797
 (9) Civilian employees @ \$30,000	 \$270,000
30% fringe	<u>81,000</u>
	\$351,000
Net Savings	\$122,797

The consultants reiterate the fact that drastic measures must be considered due to the severe lack of revenue and funding faced by the City of Erie and its police department. These recommendations for the use of civilian personnel in no way suggest that the sworn officers previously performing these jobs did not do so efficiently and effectively. The use of civilians can provide for cost savings and the use of sworn officers in enforcement positions.

The consultants warn that assignment of non-uniformed staff to patrol has historically resulted in increased sick time and on the job injuries due to a drastic change in required job performance and in decreased morale.

- ***The consultants recommend a complete review of agency functions in order to ascertain where civilians can replace officers as a substantial cost savings without adversely affecting efficiency.***

FINANCIAL OBSERVATIONS

								BUDGET
POLICE CIVILIANS	2000	2001	2002	2003	2004	2005	2006	
4006 OVERTIME WAGES	-	-	-	-	146,503	108,663	100,000	
4007 SHIFT DIFFERENTIAL WAGES	-	-	-	-	23,924	24,122	20,000	
4008 HOLIDAY WAGES	-	-	-	-	-	-	-	
4009 VACATION WAGES	-	-	-	-	-	-	-	
4010 SICK WAGES	-	-	-	-	-	-	-	
4011 SALARIES	1,175,358	1,325,797	1,431,365	1,422,220	1,324,544	1,316,370	1,452,289	
4012 EMPLOYEE PAYOUTS	-	-	-	-	-	-	165,000	
4014 CROSSING GUARDS	-	-	-	-	78,944	169,294	132,903	
4016 FICA/MEDICARE TAX	90,130	97,803	109,868	108,737	123,770	123,356	173,256	
4017 PENSION CONTRIBUTION	38,258	23,671	32,406	105,128	59,024	136,066	524,668	
4018 GROUP INSURANCE	251,077	215,325	292,765	393,364	158,682	179,940	157,183	
4020 WORKERS COMP INSURANCE	13,539	5,792	5,962	7,715	1,282	10,621	26,735	
4021 DEFERRED COMPENSATION	2,047	13,242	15,214	13,639	17,379	16,750	2,040	
4024 TOOL ALLOW/UNIFM BENEFITS	-	-	210	-	7,510	1,181	150	
4031 OFFICE SUPPLIES	-	-	-	-	-	-	500	
4041 PROFESSIONAL SERVICES	294	-	-	-	-	-	-	
TOTAL POLICE CIVILIANS	1,570,702	1,681,629	1,887,789	2,050,804	1,941,561	2,086,364	2,754,724	

00206130000	BUREAU OF POLICE	2000	2001	2002	2003	2004	2005	BUDGET	
								2006	2006
4006	OVERTIME WAGES	-	-	-	-	974,563	642,525	585,000	
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	153,425	150,432	130,000	
4008	HOLIDAY WAGES	-	-	-	-	-	-	-	
4009	VACATION WAGES	-	-	-	-	-	-	-	
4010	SICK WAGES	-	-	-	-	-	-	-	
4011	SALARIES	8,749,779	9,325,678	9,398,527	10,324,819	9,776,051	9,431,198	8,833,395	
4013	SEASONAL WAGES	-	-	-	-	-	-	-	
4016	FICA/MEDICARE TAX	72,338	79,100	88,678	99,331	122,036	120,033	102,468	
4017	PENSION CONTRIBUTION	-	144,796	-	882,758	657,982	671,014	873,332	
4018	GROUP INSURANCE	1,959,704	1,494,783	1,896,444	2,440,697	1,837,728	1,878,359	1,823,724	
4020	WORKERS COMP INSURANCE	415,808	424,613	434,233	474,743	344,652	352,650	312,422	
4021	DEFERRED COMPENSATION	-	9,110	145,751	151,747	158,432	196,845	174,045	
4024	TOOL ALLOW/UNIFM BENEFITS	184,537	206,603	201,536	215,291	220,147	153,263	164,090	
4031	OFFICE SUPPLIES	22,385	24,063	23,850	30,664	19,503	19,039	31,350	
4033	OPERATING SUPPLIES	165,159	159,916	150,951	204,130	220,932	251,668	260,000	
4035	REPAIR/MAINT SUPPLIES	106,626	91,168	105,625	85,708	109,160	111,313	125,000	
4039	CONSUMABLE ITEMS	26,502	22,056	35,113	14,184	20,690	4,749	16,000	
4041	PROFESSIONAL SERVICES	5,613	2,448	6,200	6,287	3,294	4,208	58,560	
4043	EDUCATION & TRAINING	72,493	46,811	81,915	82,240	63,137	58,874	70,000	
4045	COMMUNICATION	34,258	39,242	48,843	52,322	42,917	41,319	28,000	
4046	POSTAGE	2,891	2,900	4,503	5,140	2,462	5,944	5,500	
4047	HEAT,LIGHT,POWER/WATER	-	-	-	-	1,365	980	1,000	
4052	ADVERTISING	-	57	3,112	64	1,475	100	100	
4054	RENTALS	-	-	-	864	-	-	-	
4056	REPAIR/MAINT SERVICES	80,671	83,553	110,457	133,159	94,867	98,489	120,000	
4059	OTHER SERVICES/CHARGES	172,974	155,534	101,026	78,055	74,289	65,751	80,000	
4072	LAND/BUILDINGS	-	-	-	68,260	2,872	-	-	
4078	MACHINERY/EQUIPMENT	3,403	28,168	-	5,543	1,499	61,110	84,430	
4079	OFFICE EQUIPMENT	7,925	-	-	-	-	-	-	
4096	OPERATING TRANSFER OUT	23,624	-	-	-	-	170,208	-	
TOTAL BUREAU OF POLICE		12,106,691	12,340,599	12,836,763	15,356,003	14,903,477	14,490,070	13,878,416	

Police bureau expenditures increased by \$2,383,379 from 2000 through 2005, an increase of 20% over the period, or an increase of 4% per year. The 2006 adopted budget shows a decrease of 4.2% in department spending as a result of the personnel reductions.

The excessive rank within the department is costing tens of thousands of dollars. The purpose of rank is to provide oversight, guidance, supervision, command or management of personnel. In units such as the detective squad there are more ranking officers than workers. Most of these ranking officers are not providing supervision to any subordinates but are collecting supervisor pay. As stated at the beginning of this report, the consultants recommend a complete reorganization of the agency once a new staffing level is established. An effective rank structure cannot be developed until reorganization occurs. The consultants can not effectively recommend the number of ranking officers without knowing the provisions of an actual reorganization.

Police civilian expenses increased by \$515,662 during the period for an increase of 33%, or an increase of 6.6% per year. The adopted 2006 budget further increases this budget category by 32% with significant increases budgeted for payouts, group insurance, and pension contributions. Additionally, the city's costs associated with the school crossing guards have steadily and drastically increased.

The city does receive reimbursements and revenue from numerous programs for police services, including:

1. Weed and Seed program
2. Community Development Block Grant
3. Tobacco compliance initiatives
4. Neighborhood Action Team
5. District Attorney's Drug Task Force
6. Insurance fraud initiatives
7. Community oriented police and probation programs

These reimbursements and grants offset the overall cost of the department's operations to the general fund.

- ***The consultants recommend the city conduct a thorough review of all police related revenue and reimbursements to ensure it is being credited against expenditures accurately through the general fund.***
- ***The consultants recommend the cost of the city's school guards be turned over entirely to the school district. Due to the severity of the budget crisis and the real possibility of escalation of violence and street crime with the elimination of police officers, this arrangement is necessary. The resulting savings to the City would be approximately \$180,000 to \$190,000 annually, or the equivalent of three police positions.***

Police Benefits

The consultants have reviewed the Erie police contract, as well as the arbitration award, for the years 2006-2008. The consultants strongly recommend that the city review the sick leave buy-back provision and attempt to limit sick time to 100-120 days, and to eliminate the additional vacation day provision for sick days over 150. Overtime and vacation days awarded due to sick leave accumulation and comp time result in undue expenses to the city and should be reviewed closely during the next contract negotiations.

A review of the police department medical benefits indicates a number of cost savings opportunities. A 10% premium share, \$20 doctor visit co-payment, and higher prescription drug co-payments are commonplace in financially secure communities. The consultants recommend that the City of Erie attempt these changes during the next contract review.

Review of Patrol Unit

The current minimum staffing for patrol is 12 officers. Discussed elsewhere in this report is data showing that the crime rate in Erie is so significant that the 12 officers staffing shifts are busy for seven and one-quarter hours of their eight hour shift handling calls. The consultants have recommended expanding the diversionary call program to decrease the call impact on patrol. The addition of two more one man patrol units would further improve the call volume overload on patrol. Currently funding and manpower levels prohibit such an expansion.

- ***The consultants recommend that agency officials explore the use of power shifts to further supplement regular patrol shifts (7 pm-3 am, 8 pm-4 pm, noon to 8 pm, etc.). Many agencies utilize K-9 officers during peak hours on power shifts to supplement patrol staffing.***

In order to continue patrol coverage, the chief of police has had to transfer officers from special units to patrol. These transfers have included 10 motorcycle officers, 11 criminal investigators, and the elimination of the officer neighborhood action team which consists of seven officers. Although the primary function of the police department is to answer 911 calls and provide patrol services, a number of problems will arise due to the layoffs and subsequent transfers.

Review of Detective Unit

As discussed elsewhere in this report, the detective unit is overstaffed with excessive rank. Before mass layoffs occurred, there were six lieutenants, 15 sergeants, and 15 detectives in the criminal investigations division.

- ***The consultants recommend consolidation of units within the criminal investigations division as caseload and manpower permit.***
- ***To adequately maintain workload and clearance rates, the consultants recommend consideration of the use of a priority matrix. This matrix can be based on service levels determined to be appropriate based on staffing levels and available resources. Detectives can be assigned cases based on their priority, solvability, and placement in the matrix.***

With consolidation of detectives, there may be a need for fewer ranking officers in the criminal investigations unit. These supervisors could be transferred to patrol or other special units.

Review of Motorcycle Division

The motorcycle officers account for 50% of the traffic citations issued in the City of Erie. As a result of their transfers, there may be a reduction of traffic citations by as many as 5,000-6,500. Although patrol officers can issue citations, call volume and crime statistics indicate little or no time for proactive or specialized enforcement by patrol units. Revenue may be decreased by as much as \$200,000 per year, in addition to lost revenue from the 2,600 parking tickets motorcycle officers issue annually.

- ***The consultants recommend at least a portion of the motorcycle unit be considered for reinstatement as manpower and staffing levels permit. The transfer of these officers has resulted in a loss of revenue that could amount to \$200,000 per year. Without traffic enforcement, violations will increase, accidents will increase, and public safety will be adversely affected.***
- ***Once a determination has been made regarding the unit's staffing level, the consultants recommend the sale of any extra motorcycles if the unit is not returned to 18 officers.***

Review of Neighborhood Action Team

Elimination of the seven officer neighborhood action team will cause a breakdown in focused enforcement and relationships with the residents and the business owners in those areas most in need of additional support. The team is responsible for high numbers of arrests and a successful problem oriented policing strategy in crime ridden areas. Layoffs and transfers will likely result in a return of street crime and narcotics trafficking. The transfer of investigators and other desk assigned officers will cause a decrease in the ability to investigate and solve crimes already committed.

- ***The consultants recommend that this team be reinstated and returned to duty. The team's relationship with the community and impressive positive impact on crime make it one of the most effective tools within the agency's arsenal. Officers replaced with civilians, consolidation of units, or reassignment of officers to a staffing level of 180 would permit reinstatement of this unit.***

Review of SWAT

The SWAT team is expensive, time consuming, and believed by some to be a luxury that Erie cannot afford. The team has been involved in numerous callouts providing sound, tactical, and well-planned resolution to violent incidents. The Erie SWAT Team is recognized in the region as one of the most cohesive, well-trained, and effective tactical teams in the area.

Due to the large number of violent and life threatening incidents occurring in the City of Erie, the consultants recommend that the team be kept in service. The team's high level of training and tactical experience raises the skill level of all officers on the team, those working with team members and receiving training direction from team members, and instructors.

- ***The consultants recommend that the agency review team training schedules and work to establish a training curriculum that utilizes minimum overtime and comp time. Safety and skill levels, however, cannot be diminished through this process.***

Traffic Court

	OFFICE OF TRAFFIC COURT	2000	2001	2002	2003	2004	2005	BUDGET 2006
4006	OVERTIME WAGES	-	-	-	-	256	-	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	207,952	224,907	267,405	252,055	256,375	240,944	149,590
4016	FICA/MEDICARE TAX	15,908	17,271	20,456	19,315	20,350	18,305	11,443
4017	PENSION CONTRIBUTION	9,002	4,989	7,633	21,503	26,623	28,055	12,677
4018	GROUP INSURANCE	59,077	47,853	60,060	82,061	68,899	81,532	73,618
4020	WORKERS COMP INSURANCE	1,231	1,219	1,223	1,577	503	2,371	2,127
4021	DEFERRED COMPENSATION	835	3,802	4,821	5,044	5,361	4,689	2,992
4024	TOOL ALLOW/UNIFM BENEFITS	-	240	132	578	604	220	425
4031	OFFICE SUPPLIES	15,499	7,220	14,691	16,807	7,125	8,518	8,500
4033	OPERATING SUPPLIES	304	328	-	28,608	-	-	1,250
4035	REPAIR/MAINT SUPPLIES	-	-	-	-	-	-	125
4039	CONSUMABLE ITEMS	5,115	1,829	557	460	-	-	125
4043	EDUCATION & TRAINING	-	-	1,299	2,402	-	-	300
4045	COMMUNICATION	192	-	-	-	-	-	-
4046	POSTAGE	53,000	30,000	10,000	45,000	20,071	24,790	17,500
4056	REPAIR/MAINT SERVICES	254	3,265	1,127	695	530	498	325
4059	OTHER SERVICES/CHARGES	193,085	193,350	193,085	181,103	97,000	100,000	100,000
4078	MACHINERY/EQUIPMENT	-	-	8,100	-	-	-	-
4079	OFFICE EQUIPMENT	1,143	6,187	-	-	-	-	-
	TOTAL OFFICE OF TRAFFIC COURT	562,597	542,460	590,588	657,207	503,695	509,922	380,997

The City of Erie currently employs clerks to process both parking tickets and traffic citations. There are six district justices within the city limits. Each district justice handles approximately 9,000 cases per year utilizing a staff of three clerks each. The City of Erie processes 23,000 traffic cases through "traffic court" utilizing five clerks. The chief of police estimates revenue from parking tickets at approximately \$1,000 to \$1,500, and revenue from moving violations at approximately \$300,000 to \$400,000 annually.

- ***Traffic citations should be processed and handled by the district justice who has jurisdiction. Citations should be marked according to the district court area in which a violation occurred and submitted to the appropriate court office for processing.***

Elimination of this function by the city will result in personnel costs savings of approximately \$256,000, plus a savings of approximately \$7,000 for supplies and miscellaneous office items, for a total savings of approximately \$263,000 annually.

- ***The consultants recommend that the city retain processing of the parking tickets issued within the city, and that handling and processing of moving violations be turned over to the county.***

Communications & Dispatch

The City of Erie is currently initiating a consolidation of police and fire communications. It is estimated that there will be a savings of approximately \$877,000 per year as a result of this action. There is currently a proposal for the reduction of 10 fire alarm operators from the communications center.

- ***Although the consolidation must be accomplished quickly, the consultants recommend cross-training of all current communications employees. There is no practical reason why each call taker and dispatcher can not be trained in both fire and police call handling. Cross-training and task sharing allow for fewer employees per shift due to the elimination of specialization. Communication employees should be trained in all areas of public safety. If layoffs are to take place there will be less impact if remaining staff are trained and competent to perform the tasks associated with the vacated positions.***

Hearing Attendance

The chief of police reports that his staff initiated a screening process of all police related hearing attendance in October 2005. By reducing the number of officers attending hearings through this process, the department realized a savings of \$9,000 in overtime for the month.

For instance, in the case of drunken driving arrests, the officer who observes the violation, pulls the vehicle over, conducts field sobriety tests, and makes an arrest should be the only one necessary for court attendance. This screening may require cooperation with the district attorney's office and the district justices.

The City of Erie police department made 248 DUI arrests in 2004. If just one officer was screened from hearing and court attendance in each of these cases the city would save 1,488 hours of overtime, or approximately \$52,000 annually.

This process can be applied to all traffic and criminal cases. Obviously, complicated narcotics investigations and other serious criminal matters will require a larger number of officers to attend court.

- ***The consultants recommend that the hearing review process continue and be utilized for criminal court proceedings as well. The consultants recommend that supervisors be tasked with the responsibility of regulating the number of officers recorded on department prosecution sheets as necessary for court attendance. Continued screening of hearings alone will save \$108,000 annually.***

Drug & Vice Unit

If layoffs are going to continue, it will be necessary for the chief of police to discontinue or severely reduce service levels. The patrol component must be fully staffed at all times. Reduction in specialty units such as the drug and vice unit will result in the loss of revenue and a serious increase in violent crime. Elimination of these units or their functions will be necessitated due to layoffs, retirements, and restrictions on transfers due to excessive rank and the current labor agreement.

The drug & vice unit and the neighborhood action team are responsible for the arrests of over 92% of the identified street crime offenders (drugs, violence, and vice). In just two years, the drug and vice unit made 117 arrests, and seized 16 fire arms and 18 vehicles. They seized \$157,120 in cash and \$689,000 worth of illegal drugs. Due to regulations by the district attorney's office, all of the seized money is turned over to their office for distribution throughout the county as they deem appropriate.

- ***The consultants recommend that the city negotiate an arrangement with the district attorney regarding distribution of seized property to help fund this unit. At least a 50/50 split should be considered. If the city must eliminate this special unit, the district attorney's office will not realize any of this revenue. This arrangement could yield \$40,000 a year for the city plus revenue achieved through the sale of seized vehicles (\$14,000 annually utilizing a \$3,000 average sale and a 50/50 proceed share).***

Review of Training

Officers are qualified and trained at the firearms range at least four times per year. The department noted that all officers receive state mandated training, CPR, and first aid as required by the Commonwealth. Officers receive another two days of use of force training. Each vehicle is equipped with less lethal devices and patrol rifles. It is quite obvious that the agency does an excellent job training, equipping, and preparing their officers for use of force encounters. Faced with a high crime rate and frequent violence, the officers must maintain their readiness and skill level to deal with these threats.

The City of Erie Police Department has done an outstanding job of equipping, preparing, and training officers to face the violent environment in which they work. This is especially impressive given their financial and manpower limitations. Reorganization and reduced staffing due to revenue shortages greatly increases the challenge of preparing and training officers. Due to retirements, turnover, and layoffs, it is more important than ever to have a professional, well-trained, balanced workforce. Many officers trained in specialties find themselves working assignments and positions not associated with their specialized training. Cross-training and balanced training provides for a well-rounded foundation and better prepared officers to face reassignments when necessary.

An example of a potential problem is the mass promotion of 42 officers by a former mayor. None of these officers received formal training in supervision or management such as that offered by the University of PA, including "Posit", "Polex", and "Advanced Polex". Integrating 42 newly promoted officers into the workforce without career path development or fundamental supervisory training poses a potential problem.

Without a structured promotion procedure where only the most prepared and well-suited candidates are promoted, the city may face great liability if one of these officers fails to perform appropriately as a supervisor.

- ***Absent from the department's training curriculum is subject matter not related to the use of force or state mandated training. It is suggested that the department implement additional training as resources become available. Suggested subject matter would include:***
 - ***Management training for command level officers***
 - ***Supervisory training for sergeants and lieutenants***
 - ***Joint response training with fire and EMS***
 - ***Crime scene handling for patrol officers***
 - ***Preliminary investigations***
 - ***Defensive and pursuit driving***
 - ***Interview schools***
 - ***Career path development oriented training***
 - ***Court testimony/case preparation***
 - ***Technology related training***

Review of the Agency Fleet

Motorcycles	18
Patrol	23
K-9	8
Criminal investigations	23
SWAT	10
Drug enforcement	9
Misc.	<u>29</u>
Total	120

The Erie police department fleet is based on an agency staffed with 204 officers. The elimination of a portion of the fleet can lead to a savings in the maintenance budget, minimal insurance cost savings, and other vehicle related costs. The consultants recommend that the agency conduct a review of the fleet and evaluate the agency's vehicle needs as well as vehicle conditions. Marked patrol cars require more maintenance, break down frequently, and are involved in the largest number of vehicle accidents. Maintenance of the current number of marked patrol cars is recommended. Based on data provided to the consultants, it appears that a reduction of the fleet by 10% could result in maintenance savings of approximately \$10,000 annually.

- ***The consultants recommend reduction of the fleet by 10-15% based on the chiefs recommendations regarding vehicle priority and usage.***
- ***The agency routinely purchases ten new vehicles each year. Nine were purchased in 2005. The consultants recommend that the police department explore the Ford Motor Credit Leasing Program. This program allows for vehicle costs to be spread out over two or three years. At the end of the lease period, the city can purchase the vehicle for \$1, or trade it in. The lease interest rate is approximately 5%.***

Facility Review

The Erie police facility is aging, cramped, and in need of repair and updating. As is the case with all aspects of the agency, the police command staff is doing a commendable job working with the resources they have. No one questions the need for renovation of the police quarters. As funding becomes available and manpower issues are resolved, the facility needs to be repaired, updated, or replaced.

Job Descriptions

The issue of job descriptions was addressed during the police department review. The Chief advised that job descriptions exist but are outdated and not generally referred to.

Priorities within the agency at this time are directed toward maintaining safe and adequate staffing and finding adequate funding in order to survive day to day. With mass layoffs, reassignments, and necessary reorganization within the agency, job descriptions are more important than ever because of the required shifting of expertise, experience, and exposure.

- ***The consultants recognize the dilemma faced by the chief and his staff. With Chief Bowers's retirement and the implementation of a new chief, and recommended reorganization of the department, the consultants recommend that job descriptions be developed for each position within the agency. These documents will provide the employees who fill those positions with direction and purpose, while allowing supervisors the ability to review, oversee, and evaluate personnel based on what is expected of them.***

Performance Assessment

The Erie police department currently does not perform regular performance assessments or evaluations. Chief Bowers advises that his staff is familiar with officer capability and performance and that any officer not performing at an acceptable level is dealt with as necessary. From all indications, officers of the Erie police department perform in exemplary fashion under very difficult circumstances.

The use of performance evaluations, however, not only holds employees accountable, it allows supervisors and command officers to identify employees' strengths and weaknesses. This information provides insight into training needs and deficiencies and identifies officers who are well-suited or not so suited for special assignments. Properly structured evaluations also allow employees to set and achieve desired goals and objectives.

Implementation of a performance evaluation program should coordinate with updated job descriptions and agency reorganization. There must be a clear vision for the agency and employees and an understanding of what resources, manpower, and funding will be made available to carry out their mission.

- ***All employees should be evaluated at least once a year by their immediate supervisor. Attached are sample job descriptions for review. Job descriptions specific to the City of Erie may be developed as deemed appropriate by the chief of police and the mayor***

Policy Development

As part of the management overview, the Erie police department's law enforcement policies and procedures (rules and regulations) were reviewed. This document was placed in effect in April 2005. Prior to completing this review, and to set the framework for the discussion of the law enforcement policies and procedures, some basic concepts must be understood.

The basic idea underlying the drafting of a manual is to provide guidance and direction to employees of the organization. It assures that the goals and objectives of the community and the police department are clearly defined and understood, and that procedures dealing with police problems will be consistently applied. Employees must know what is and is not acceptable behavior before they can be held accountable for their actions. Otherwise, discipline cannot be properly administered.

Policy provides generalized direction or a goal which is being sought. Procedures are step-by-step guidelines, or a course of action that provides more specific direction on how to achieve compliance with policy. In this way, policy and procedure complement one another.

In completing the task of generating policies and procedures, there are a number of things that must be kept in mind. Any policy, procedure, rule, or regulation must have three central characteristics. If these characteristics do not exist in the policy, procedure, rule, or regulation, it will be useless and subsequently abandoned at every level of the organization.

1. It must be reasonable.
2. It must be based on a need to insure group effort and discipline.
3. The goals that the policy was developed to address must be achievable by conformance to the rule.

The structure of the manual should follow a logical sequence. The sequence should include a mission statement, table of contents, the organizational structure, job descriptions of those individuals the policies are drafted to assist, chain of command, a method for dissemination of information, rules of conduct, and policy and procedure.

The passage of a new law or a recently rendered court decision can necessitate the revision of policies, procedures, rules, or regulations. This ever-changing environment mandates an annual review of policies, procedures, rules, and regulations in an effort to stay current.

Once the appropriate materials are drafted, they should be reviewed by council and department personnel for any problem areas which might have gone unseen. Feedback should be encouraged, and serious consideration should be given to any comments submitted. When the final draft is prepared, it should be submitted to the city's solicitor for review and finally presented to council for approval.

Upon approval, the process does not end. The municipality is obligated to provide its employees some instruction relating to this document. Furnishing this manual to department personnel and expecting them to read it on their own is a mistake. This error will become evident when an employee is held accountable for some violation of the manual and he fights whatever action is taken.

Although the responsibility of developing policy and rules of conduct usually falls upon the chief, a more effective process would be to include elected officials, the chief of police, and the officers. Additional benefits may be derived from the development of a labor management committee.

A labor management committee may serve to improve the relationship between the city, police administration, and the bargaining unit. If this committee is properly established and functions effectively, it will provide the best avenue to improve productivity, increase morale, reduce grievances, and improve the overall environment within the working unit.

There is an alternative to the labor management committee. As each section is edited or drafted, it should be placed in a binder and placed in the squad room. An order advising personnel that the rules and regulations are being revised and that their input is being sought should accompany the first section. Personnel should be made aware that any comments or suggestions they might have are encouraged and will be given serious consideration.

As stated earlier, the policy manual should contain a mission statement, table of contents, the organizational structure, job descriptions of those individuals the policies are drafted to assist, chain of command, a method for dissemination of information, rules of conduct, and policy and procedure.

Erie's policy manual is divided into five sections:

1. Introduction
2. Standards, Ethics, & Personnel
3. General Police Work
4. Use of Force
5. Special Operations

The introduction contains six pages. These pages discuss the value the policy manual has, and explain it can only be effective if supervisory personnel and the rank and file abide by these rules and regulations. There is also an explanation on how to use the policy manual, and a page for suggestions to the manual.

Section 2, standards, ethics and personnel begins with a mission statement followed by six objective statements established to accomplish the stated mission. The mission of the organization provides the legitimate basis to exist and forms the basis upon which the professional ethics, rules, regulations, operating policies, procedures, and practices of the agency rests. The mission is functionally defined by the powers established by legislated authority, as well as the demands the public makes upon the organization for services. Defining the mission is the direct and ultimate responsibility of the administration, and is an interpretation of public demands and the delivery of expected services.

A formalized system of dissemination of information is an absolute necessity. It is important to note section 2 also contains and describes a departmental directive system. An organization chart also appears in this section.

Since the title of this section is “standards, ethics & personnel”, one might logically expect to find job descriptions cited here. There are no job descriptions in any section of this manual.

It is the responsibility of the city to provide its employees with current, clearly defined job descriptions. The job descriptions should accurately define the job tasks and responsibilities for each position. When both the employer and employee have a clear understanding of expectations, the job performance of any position can be addressed. Since the job descriptions are not part of the policy manual, employees may not know they exist or where to find them.

Use of Force Policies - The policy manual does contain the majority of the rules commonly found in police department manuals. When a policy Manual is reviewed, particular concern is given to the areas presenting the greatest liability. Two of those areas are the “use of force” and “police pursuits”.

Use of force is a very difficult issue with which to deal. Material is available that makes this issue somewhat easier to address. One source of information is PPCT (Pressure Point Control Tactics) management system. This material was published in 1985 and remains one of the best sources of information on this subject. PPCT has drafted a model policy on this issue.

The use of force continuum recommended by PPCT Management System, a nationally recognized expert in the use of force, is as follows.

1. Verbal Direction - Most situations can be resolved through good communication skills or verbal direction. Mere presence of an officer and proper verbal direction may be sufficient.

2. Empty Hand Control

Soft Empty Hand Control - techniques that have minimal implication of injury

Hard Empty Hand Control - techniques that have a higher probability for subject injury

3. Intermediate Weapons - use of impact weapons & chemical agents

4. Lethal Force

The establishment of a use of force continuum is currently being questioned. Recently, two articles that have been published arguing continuums have outlasted their usefulness. These articles state that the problem posed by continuums rests with the way judges and juries view continuums. The articles state that judges and juries view continuums as a requirement, meaning that the officer must pass through every step in a natural progression. None of these continuums require this progression. A continuum simply identifies levels of force available to the officer to address varying levels of resistance.

Realistically, officers are faced with situations that can go from a peaceful conversation to an all-out brawl or gun battle in a matter of seconds. The use of the continuum should include provisions for immediate progression to better represent actions officers must take.

The department's "use of force policy" was reviewed. The first section should be a statement of policy. Five sentences comprise the two paragraphs, but they fail to make a policy statement.

The next section, "discussion", actually contains two sentences which define part of the policy statement. Those statements are:

This Department recognizes and respects the value and dignity of all human life without prejudice to anyone. It is also understood that vesting officers with the authority to use reasonable force and protect the public welfare requires a careful balancing of all human interests.

The finishing statement to complete this policy statement is:

Therefore, it is the policy of this department that police officers shall use only that force that is reasonably necessary to effectively bring an incident under control, while protecting the lives of the officer or another.

There are four procedural statements outlined in this policy. Each of these procedural statements contains one of the following words: “however,” and “unless or except that”. These denote some type of exception, which further complicates the procedure. For example, procedure 2 states:

“A peace officer making an arrest pursuant to an invalid warrant is justified in the use of any force which he would be justified in using if the warrant were valid, unless he knows the warrant is invalid.”

If a police officer serving a warrant knows it to be invalid, there is a real problem. If this is truly a concern, then the rule, not necessarily in this section, should read:

Prior to serving any warrant, the officer shall contact the issuing authority to insure that the warrant is current and valid.

The remaining exceptions in this policy can be rectified just as easily.

On page five of this policy, deadly force considerations are found. It is interesting to note that while “deadly force” is defined, other lawful, and less than lethal force is not. “Use of force” policies commonly define both of these types of force. This should be corrected to include a definition of the lawful “use of force” by an officer.

The final two paragraphs in this section are “firing from a moving vehicle” and “firing into a moving vehicle”. Both cite “extreme situations”, but there is no definition or explanation of an extreme situation. Rules are to provide guidance. Without any explanation of an extreme situation, it is difficult to ascertain how an officer is to know when he is confronted with one and is authorized to act accordingly.

Reporting Use of Deadly Force - The next section to be addressed is entitled “reporting use of force.” The first sentence begins with, “Members employing the use of deadly force”. The remaining content of this section relates to deadly force. The title of this section should be edited to reporting use of deadly force. Reporting the “use of force” should not be neglected as a policy topic.

Pursuit Policies - The pursuit policy was also reviewed. This policy is well written and covers all the aspects of a pursuit. The department has also made use of outside resources (helicopters) to assist in apprehending fleeing vehicles

Tactical Folding Knives - There is one policy in this manual unique to the consultants. The policy manual specifically addresses tactical folding knives. It authorizes each officer to possess and use a tactical folding knife, both on and off-duty. There are no procedures outlined to support this policy. There are specifications as to the types of knives the officers are permitted to carry, including switchblades.

As a result of discussion with the chief, the basis for this policy was discovered. This policy was recommended by a hand to hand combat instructor that the department brought in. Department personnel are in fact trained in the use of knives.

As stated earlier in this document the procedures should provide the information to assist the employee in achieving the policy. Each of these four statements contains an exception to the stated rule. This places an additional burden on the employee. These statements should be reworded.

Regular Review of Department Policies - Once a complete manual has been drafted and officially adopted, council must then realize these materials need reviewed on a regular basis to keep them current and continue to provide proper direction to department personnel. The passage of a new law or a recently rendered court decision can necessitate the revision of policies, procedures, rules, or regulations. For example:

1. As of December 5, 1994, Pennsylvania law mandated every police department must have a Domestic Violence Policy. (The consultant found two sections on Domestic Violence, one entitled Spouse Abuse, and the second, Mandatory Procedures in Domestic Violence Cases.) The second section complies with the mandate, but the fact that the first section remains could result in confusion.
2. Act 154, known as the Police Pursuit Policies Act, was passed December 27, 1994. This act requires police departments to develop and implement written policies for the pursuit of offenders. The Act requires that certain procedural elements be included in each policy.
3. The Crime Bill of 1994 also affects the content of domestic violence policies and the handling of domestic violence incidents. Specifically, it makes it a violation of federal law for the individual who is the subject of a court issued PFA to possess, purchase or carry a firearm. The unique problem is this, "What if one of your officers becomes the subject of a court ordered PFA?" Both of these issues need to be addressed in a domestic violence policy.
4. Changes in Handling of Juveniles - A variety of laws have been passed in 1996 specifically dealing with changes in the handling of juveniles. These new laws permit law enforcement officers to fingerprint juvenile offenders for a wider range of offenses, and permits departments to share juvenile information more readily with other law enforcement agencies. The section in existence is primarily concerned with how juveniles are held while in custody.
5. Zero Tolerance Law (passed in July of 1996) - This new law has affected three different sections of the motor vehicle code relating to minors (anyone under the age of 21 years) who operate vehicles with alcohol in their system. This law permits the arrest of a minor for drunk driving when their blood alcohol is 0.02 or higher.

6. On September 30, 1996 President Clinton signed the Omnibus Appropriations Bill (H.R. 4278). Section 658 bans individuals convicted of most criminal acts, involving domestic violence, from owning or possessing a firearm. This law makes no provision for applying this ban only to convictions after September 30, 1996. Law enforcement officers are specifically **not exempted** from this prohibition. This section can have serious implications on current personnel who have a previous conviction relating to domestic violence. Department should also carefully screen all new applicants for any such convictions.

This ever-changing environment mandates procedures be developed that require an annual review of policies, procedures, rules, and regulations.

Every municipality seeks to protect itself by purchasing liability insurance. Insurance carriers require certain policies exist covering specific issues. The following list was developed after reviewing insurance applications from four such liability carriers. The items in bold type are those found in the department's manual. The specific policies commonly requested include the following:

- Use of non-deadly force
- Use of deadly force
- Complaint review
- Vehicle "HOT" pursuit
- Domestic violence
- Aids
- Off duty conduct & powers of arrest
- Post shooting procedures
- Transportation of prisoners
- Evidence control
- Emergency vehicle warning devices
- Secondary employment

It must be noted that this list of policies is not meant to be all encompassing and are not the only policies needed to administer a police department. Additionally, the list may vary depending on the type of liability insurance and the company the municipality desires.

The IACP Model Policy Center has drafted a total of 94 model policies. All 94 policies can be purchased from the IACP. They have the policies broken into volumes.

- ***The police department should quickly move to update its policies. The IACP Model Policy Center has drafted a total of 94 model policies. It is recommended that the City of Erie Police Department join this program to jumpstart the review process. All 94 policies can be purchased from the IACP for approximately \$150.***
- ***The police chief should institute an annual review process for all department policies and update them as needed.***

Entry Level Testing

During the consultants visit to the Erie police department, a court decision was handed down ruling that entry level candidates who failed the Erie police department physical agility test must be reconsidered for employment. The use of physical fitness testing for entry level applicants must meet job criteria.

- ***The consultants recommend that the City of Erie adopt the physical fitness testing standards utilized by the PA Municipal Police Officers Training and Education Commission. These testing components are court approved as job related to police work. Included in this report are the MPOETC approved physical fitness standards and an article written by Beverly Young of The Training Commission regarding police fitness.***

FIRE DEPARTMENT

MISSION, FUNCTIONS & TASKS

The mission of the City of Erie Fire Department is to provide proactive and reactive fire, emergency medical, rescue, hazardous material, and emergency management services within the city. The fire department provides service, seven days a week, 24 hours a day, from six fire stations distributed across the city. The department's authorized staffing is 36 employees per shift with minimum staffing set at 30 employees per shift. This complement provides staffing for five engine companies, one truck company, and one combination company that can respond as either an engine or a truck depending on the incident. There is a contractually required four-person minimum staffing on each company.

The fire department is organizationally structured as a four-platoon system consisting of the fire chief and assistant chief who are exempt employees, and four platoons made up of a deputy chief, chief's aide, seven company officers (captains and lieutenants), eight drivers, and 19 firefighters each, all non-exempt.

The full-time staff works a schedule that consists of a 24-hour shift, followed by 72 hours off-duty. This arrangement results in an average 42-hour work week. All staff members are also subject to recall for large emergencies and periods of multiple simultaneous calls.

The non-exempt employees are unionized and are represented by the International Association of Firefighters (IAFF) Local 293. The union members are currently working under a contract that expires on December 31, 2007.

Perhaps the three most important findings in this report are that:

1. The current cost of fire department operations is extremely difficult to sustain given the City's current financial condition.
2. Because such a high percentage of the fire department budget is dedicated to personnel, the only opportunity for significant expenditure reductions is through staff adjustments.
3. Any duty shift staff reductions would only further weaken an already sub-standard fire delivery system.

Because of these conditions, the greatest opportunity for financial relief is through revenue development.

STAFFING

The appropriate staffing level for a fire department is determined by a process known as “Standard of Cover”. The basic premise is that in order to control a building fire within a reasonable time frame and minimal life and property loss, a fire department must be able to place an adequate amount of firefighters and equipment on the fire scene, ready to go to work, within a specified period of time.

The resource needs and time frame are driven by the growth process of a typical fire. Once ignition occurs, a fire does not grow in a linear fashion, it grows exponentially. Unchecked, it ultimately reaches a point known as “flashover”. At flashover, a fire changes from involvement of a limited area of the room to full fire involvement of the space. This event occurs almost explosively. Post-flashover, fire spreads rapidly through the building and occupant survivability drops dramatically.

Standard of Cover recognizes that control of a pre-flashover fire can be accomplished with fewer resources. Consequently, the standard calls for an initial firefighting unit to arrive within a short period of time (pre-flashover). The balance of the assigned units is expected to arrive within an additional time interval. The premise is that a pre-flashover fire is generally small enough to be controllable by a single unit and four firefighters. Post-flashover, the fire experiences rapid growth and requires substantially more resources. The standard further defines what functions need to be performed to achieve victim rescue and fire control, and the minimum number of firefighters necessary to perform those functions. This is all based on a fire in a single-family, 2,000 square foot home.

Considering the above, a fire department should be able to place the first responding unit and a minimum of four firefighters at a fire scene within five minutes of dispatch (one minute scramble time and four minutes travel time). Subsequent units with 10 to 11 firefighters should arrive within four additional minutes (one minute scramble time and a total of eight minutes travel time).

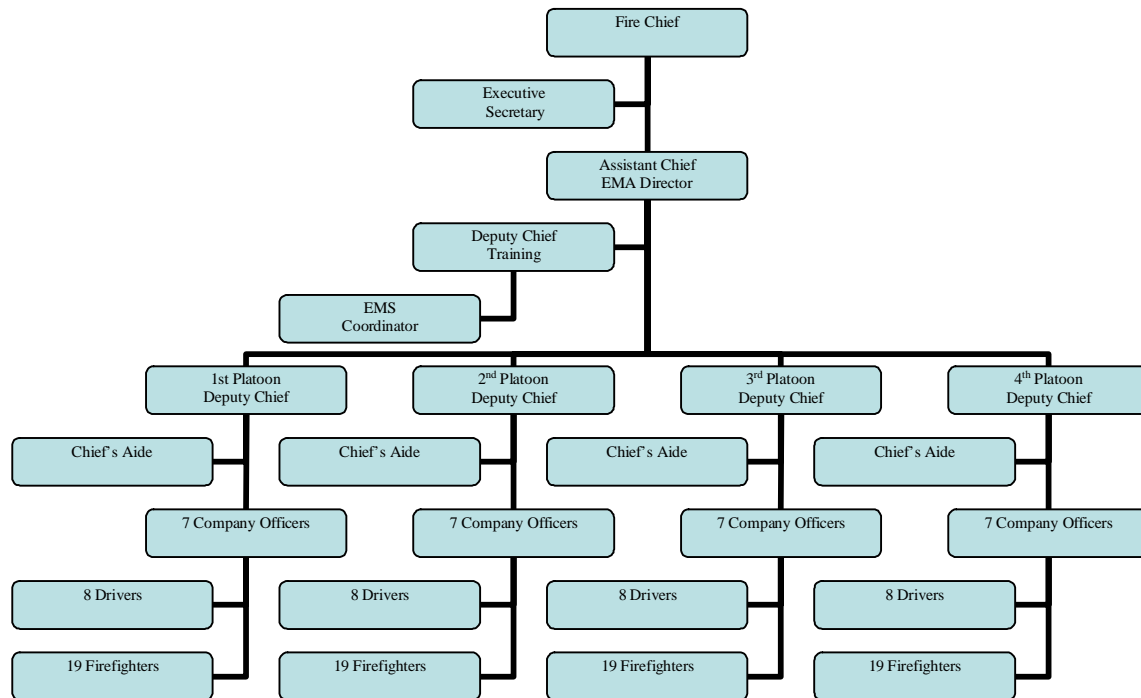
For medical emergencies, Standard of Cover recognizes that quick response of personnel with advanced life saving capabilities is crucial for a patient whose heart has stopped beating. Brain death typically occurs within four to six minutes after loss of oxygenated blood flow. Therefore, the first responding medic unit should also arrive within five minutes of dispatch. For both fire and emergency medical response, the response goals should be met at least 90% of the time.

The challenge that any community faces is how to achieve the above level of fire protection for its citizens at a cost that is affordable. Erie is like countless communities nationwide that are struggling with this issue. At the current resource allocation, Standard of Cover expectations are not being met, but even the present service level cannot be sustained economically.

With this in mind, the following discusses staffing from a perspective of the present situation, the areas of need, the constraints on making change to meet those needs, and recommendations that could deliver equal or improved service at a lower cost.

It must be remembered that some of the recommendations contained herein do not necessarily represent the preferred choices, but are being made in order to achieve a reduced net cost of operations while maintaining the highest possible level of fire protection.

The line or operations division of the fire department is organized into a four-platoon system as depicted in the following organization chart:



As noted above, all companies are contractually required to be staffed with four personnel. With an authorized strength of 36 and a minimum of 30 per shift, there are six personnel slots available to fill for staff that is off-shift due to vacation, holiday, or illness.

The current staffing represents a drastic reduction from a staffing level that formerly allowed for 13 engine companies and three truck companies. The most recent force reduction occurred in October, 2005 and resulted in the layoffs of 12 firefighters. It was at that time that the combination engine/truck company was created from what had previously been a separate engine and truck company.

The first expectation of Standard of Cover is that one unit and at least four firefighters arrive at an emergency within five minutes of dispatch. This requirement presupposes that sufficient units and firefighters are stationed in strategic locations, and they are deployed in a manner that places them within a four-minute travel time of any location in their first-due response area. It also presupposes that additional units are situated closely enough that within four minutes of the first arriving company, the remaining assigned companies will also arrive on scene.

The Insurance Services Office (ISO) grading schedule has determined that units can meet response time criteria if pumper trucks (engine companies) are located within 1 ½ miles of every building in the first due response area, and aerial apparatus (truck companies) are positioned no more than 2 ½ miles from every structure. This roughly equates to a maximum coverage area of 2.25 square miles per engine, and 6.25 square miles per aerial. The chart below illustrates the ISO standard and how it compares to Erie’s coverage level.

	ISO Standard	Erie with 6 Engines and 2 Aerials	Erie with 5 Engines and 2 Aerials	Erie with 6 Engines and 1 Aerial
Coverage per Engine (sq. mi.)	2.25	3.67	4.5	3.67
Coverage per Aerial (sq. mi.)	6.25	11	11	22

With a land area of approximately 22 square miles, Erie only provides one engine for every 3.67 square miles, and one truck per 11 square miles, when all equipment is staffed. In reality, with the combination company that functions sometimes as an engine and sometimes as an aerial, the coverage area varies at any given time from 3.67 to 4.5 square miles per engine, and 11 to 22 square miles per aerial.

Given the above, the fire department does not meet Standard of Cover requirements.

With a total of 144 employees, maintaining a staff complement of 30 per shift and accommodating all time-off is nearly impossible without substantial overtime expenditure. The table below illustrates the staff requirements to maintain a shift strength of 30.

Staffing Calculations (Four-Platoon System)

Hours of work per year to cover one shift (365 shifts x 24 hrs./shift)	8,760
Scheduled hours per firefighter in one year (91.25 shifts x 24 hrs./shift)	2,190
Time off per firefighter per year: <ul style="list-style-type: none"> • Vacation (ave. 7 days/employee @ 24 hrs./day) (168 hrs.) • Vacation Incentive (1.5 days/employee @ 24 hrs./day) (36 hrs.) • Personal Days (2 per. days/employee @ 24 hrs./per. day) (48 hrs.) • Sick Days (ave. 6 days/employee @ 24 hrs./day) (144 hrs.) 	396
Average hours worked per firefighter per year (scheduled hours less time off)	1,794
Staffing Factor (number of employees needed to fill one position)	4.88
Staff needed to maintain a shift strength of 30 without overtime	146.4

Considerable overtime is necessary to maintain the minimum shift strength. With a total of 144 employees, it would require 4,306 hours of overtime per year (1794 hrs. worked x 2.4 employees). At 2006 top firefighter wage rates, this would result in an overtime expenditure of nearly \$150,000, plus an additional \$21,000+ in fringe costs.

Clearly, under Erie's current economic conditions, this is not possible.

- ***The on-duty suppression force should be maintained at least at the current level. Comparing the number and distribution of companies against accepted standards reveals that Erie falls considerably short. As such, any reduction in staffed companies would further weaken an already sub-standard situation.***

Erie's current minimum staff requirement of 30 consists of the following:

5 engines @ 4/engine	= 20
1 aerial @ 4/aerial	= 4
1 engine/aerial @ 4	= 4
1 Deputy Chief	= 1
1 Deputy Chief's Aide	= <u>1</u>
Total	30

The deputy chief's aide, who is a line firefighter, has not been assigned to fill any vacant slots that were not covered by the authorized staffing. Although this position is integral to the deputy chief's job duties, it is prudent to utilize the chief's aide on an as needed basis to fill openings and conserve overtime expenditures. It is therefore recommended that the deputy chief's aide be utilized whenever needed to fill openings on companies that would otherwise result in an off-duty overtime callout. This would reduce minimum shift strength to 29, but would maintain four person minimums on the engines and aerials. The table below shows the difference in staff needs:

Staffing Calculations (Four-Platoon System)

Hours of work per year to cover one shift (365 shifts x 24 hrs./shift)	8,760
Scheduled hours per firefighter in one year (91.25 shifts x 24 hrs./shift)	2,190
Time off per firefighter per year: <ul style="list-style-type: none"> • Vacation (ave. 7 days/employee @ 24 hrs./day) (168 hrs.) • Vacation Incentive (1.5 days/employee @ 24 hrs./day) (36 hrs.) • Personal Days (2 per. days/employee @ 24 hrs./per. day) (48 hrs.) • Sick Days (ave. 6 days/employee @ 24 hrs./day) (144 hrs.) 	396
Average hours worked per firefighter per year (scheduled hours less time off)	1,794
Staffing Factor (number of employees needed to fill one position)	4.88
Staff needed to maintain a shift strength of 29 without overtime	141.52

Based upon these calculations, overtime would seldom, if ever, be needed to maintain the minimum shift strength. This would result in a savings of \$170,000+ each year.

- ***The Erie fire department should reduce the minimum shift strength from 30 to 29, and use the deputy chief's aide whenever needed to fill openings on companies that would otherwise result in an off-duty overtime callout.***

A more effective means of reducing expenses and meeting the city's fire protection needs is to change from a four-platoon system to a three-platoon system.

This proposal would allow the combination engine/aerial company to be reestablished as two separate units while yielding a substantial cost savings.

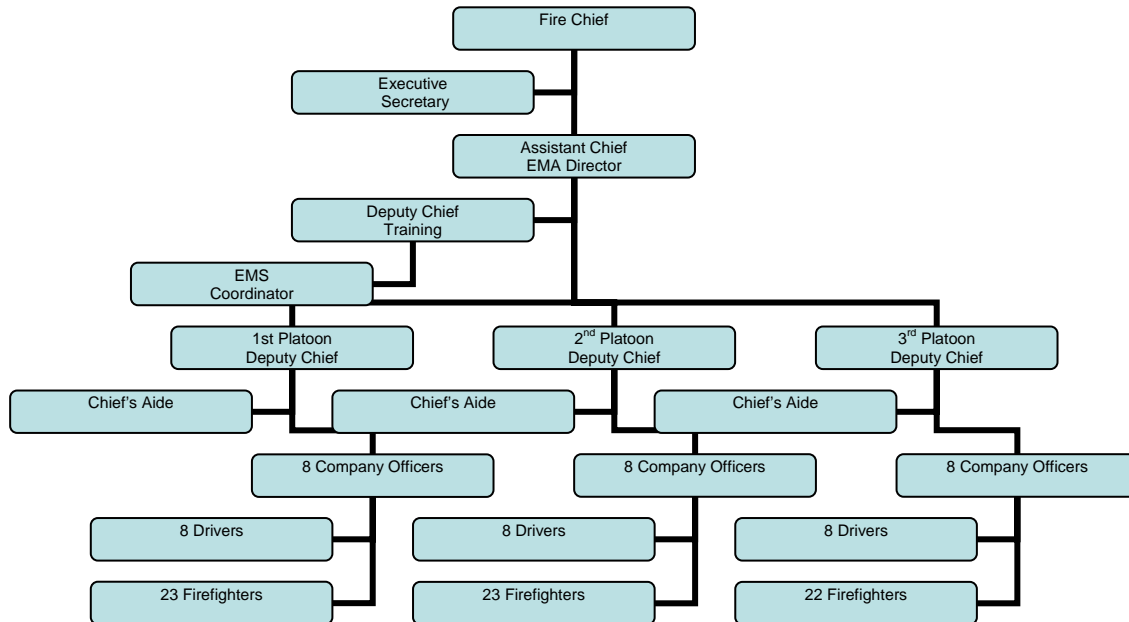
A three-platoon system is a common staffing model used by career fire departments throughout the United States. Many larger metropolitan fire departments, especially in the Washington, DC area, utilize this system. Scranton, PA, with a fire department similar in size to Erie is reportedly on the verge of a switch from four-platoons to three.

In this model, three platoons are used to provide 24-hour shift coverage. The average work week increases from 42 hours to 53 hours. Firefighters would work a 24-hour shift, followed by 48-hours off. Every 28 calendar days, each staff member would earn an additional 12 hours off, known as a Kelly Day. Kelly Days are used to keep the work week at 53 hours, the maximum permitted by the Fair Labor Standards Act without paying overtime. For the purposes of time off, existing vacation, holiday, personal day, and sick day definitions would not change. A staffing calculation chart is shown below to illustrate the staff needed to maintain a shift strength of 33.

Staffing Calculations (Three-Platoon System)

Hours of work per year to cover one shift (365 shifts x 24 hrs./shift)	8,760
Scheduled hours per firefighter in one year (121.66 shifts x 24 hrs./shift)	2,920
Time off per firefighter per year: <ul style="list-style-type: none"> • Vacation (ave. 7 days/employee @ 24 hrs./week) (168 hrs.) • Vacation Incentive (1.5 days/employee @ 24 hrs./day) (36 hrs.) • Personal Days (2 per. days/employee @ 24 hrs./per. day) (48 hrs.) • Sick Days (ave. 6 days/employee @ 24 hrs./day) (144 hrs.) • Kelly Days (12 hrs. off every 28 calendar days) (156 hrs.) 	552
Average hours worked per firefighter per year (scheduled hours less time off)	2,368
Staffing Factor (number of employees needed to fill one position)	3.70
Staff needed to maintain a shift strength of 33 without overtime (rounded)	122

The staff would be organized as depicted in the chart below:



This provides a total line staff of 122, the number necessary to meet the projected staffing needs without ongoing overtime expenditures. The personnel in each rank would be as follows:

- 3 – Deputy Chiefs
- 3 – Deputy Chief's Aides
- 24 – Company Officers (Captains and Lieutenants)
- 24 – Drivers
- 68 – Firefighters

The deputy chief of training and EMS coordinator shown in the organization chart would be available on an as needed basis to fill in for company personnel.

The potential savings from this change is illustrated in the table below:

	<i>Class A Firefighter</i>	<i>D.C. Aide</i>	<i>Driver</i>	<i>Company Officer</i>	<i>Deputy Chief</i>
Number Reduced	8	1	8	4	1
Unit Salary Savings Including Shift Diff.	50,015	50,971	50,971	54,319	59,580
Total Salary Savings	400,120	50,971	407,768	217,276	59,580
Longevity Percentage (average)	2%	2%	2%	3.75%	5%
Unit Longevity Savings	1,000	1,019	1,019	2,037	2,979
Total Longevity Savings	8,000	1,019	8,152	8,148	2,979
Unit Fringe Savings (~ 45% of salary)	22,507	22,937	22,937	24,444	23,832
Total Fringe Savings	180,056	22,937	183,496	97,776	26,811
Totals By Job Class	588,176	74,927	599,416	323,200	89,370
Total Savings Potential	\$1,675,089				

Clearly, a three-platoon system is not provided for in the current contract. The additional work hours would be met with a demand for increased compensation. Any such increase should be modest in size.

The 2000 United States Census indicates Erie's median household income is \$28,387 per year. Assuming 3% per year inflation, the 2006 median income should be about \$33,895. Erie's current firefighter contract results in a top-step firefighter compensation of \$50,015 per year including base salary, shift differential, and certification pay. If a 3% increase was granted for the change to a 53-hour work week, the resulting yearly salary would be \$51,515. Although this is more than \$17,000 higher than the median community household income, it would only be realized by working substantially more hours than the average citizen. In fact, the hourly rate for Erie firefighters would go to about \$18.69 per hour for all hours worked, while the average citizen making the median income in a 40-hour week would be earning about \$16.30 per hour. Given the nature of the job and risk involved, this compensation level is not unreasonable.

- ***The Erie fire department should consider a change from a four-platoon system to a three-platoon system to provide an increased level of service at a lower cost.***

If a 3% increase was granted in return for the 53-hour work week, it would reduce the savings shown above by about \$240,000 to \$1,435,089.

As noted above, the current union contract does not expire until December 31, 2007. Unfortunately, there are a number of provisions in the contract that unduly restrict the city's ability to manage service delivery and others that significantly increase personnel costs. If the existing contract can be reopened, or at the very least, for the next round of contract negotiations, the following changes should be considered.

Any overtime callout currently nets the employee being recalled a minimum of four hours. When these recalls are for fires and other emergencies, the incident is often likely to be concluded in less than four hours. The new contract should seek a lower minimum number of hours for callbacks. Suggested recall minimum is two hours.

- ***The minimum number of hours for staff recalls should be reduced.***

Not counting sick time, Erie fire department employees receive a substantial amount of paid time off. Between vacation, vacation incentive, and personal days, the average employee receives 252 hours of paid time off, the equivalent of ten and one-half 24-hour shifts. This is more than 11.5% of scheduled work time. To put it in perspective, a 40-hour per week employee who received 11.5% of scheduled time off would receive six weeks of vacation yearly. If paid time off was just reduced by 24 hours per employee, it would result in an hourly savings the equivalent of 1-½ employees.

- ***The total amount of annual paid leave should be reduced.***

In terms of types and amount of coverage, the health care plan provided to fire department employees is representative of plans provided by a significant number of private and public sector employers. But what sets Erie apart from many others is that the employees are not required to share in the premium cost.

In recent years, the public sector has followed the lead of private industry in recognizing the difficulty of fully funding increasingly expensive health care coverage. Common practice is for employees to pay as much as 25% of the premium costs. In addition to saving the employer money, it is believed that employees who share in the cost of their health care will become more responsible users of services, since premium increases will affect them directly. In time, this should ease the upward movement of health care costs. An initial employee share of 5% of premiums that increases over time to 10% would be a reasonable approach. At the current premium, a 5% employee share would save the city nearly \$100,000 per year.

Another initiative would be to offer a cash payment to any employee who is willing to use coverage available from a spouse's employer and decline city provided coverage. Typically these payments range from \$1,000 to \$2,000 per year. Depending on coverage, this can save the city \$10,000 or more per year per person opting out of coverage. There is no mention of such a plan in the current contract. If not already offered, it should be added as an employee option.

- ***Fire department employees should share in the cost of health care premiums.***

Sick benefits are provided at the rate of 30 days (12 hrs./day) per year. This is an excessive number considering the actual days worked. With just one year's sick time allotment, an employee could miss the equivalent of two months of work. A benefit of 12 24-hour days would be far more reasonable.

An unlimited number of days can be accrued. In many jurisdictions, sick day accumulations are limited to the time necessary for long term disability plans to kick in. This is usually six calendar months. Given Erie's current work schedule, this could be achieved with less than 100 sick days. Given the possibility of a three-platoon system, it is suggested that sick time accumulations be capped at 120 days.

- ***A new contract should provide no more than 12 days of sick leave for all employees, whether hired before or after 2003.***

The contract allows employees to accumulate an unlimited number of sick days, and at retirement, will compensate the employee based on the number of days accumulated at up to 75% of the daily pay rate. This could result in enormous payouts.

For example, consider an employee who retired after 25 years of service. During that time, he annually used 15 sick days and banked 15 sick days, which is mediocre attendance at best. At retirement, he would have accumulated 375 sick days and be eligible for a 75% payout. That is the equivalent of 187.5 24-hour work days. At the current Class "A" Firefighter rate, the employee would be entitled to a lump sum of \$98,250!

Given the number of employees and the fact that the cost of the benefit will only grow as salaries increase in the future, this is a huge liability.

If the benefit was limited to 50% pay for a maximum accumulation of 120 sick days, it would result in a payout of \$15,720, which is still a substantial sum.

- ***At retirement, the payout for unused sick time should be limited to a maximum of 120 days and paid at no more than 50%.***

The contract calls for retirees, their spouses, and any dependents to receive fully paid health care coverage from the time of retirement until age 65, so long as the retiree is not eligible for health care coverage from a subsequent employer. This is a very expensive benefit. For some retirees, this benefit could encompass over 20 years. Once again, this type of benefit is common, but in Erie's case, the amount of the benefit is excessive. In many communities, such a benefit is awarded based on a fixed dollar amount per month. A suggested reasonable amount would be \$400 to \$500.

Additionally, many communities do not closely monitor the status of retirees in regard to eligibility for health insurance. Whenever coverage is available through a spouse's employer or the retiree becomes employed in a job that offers a health care benefit, the former employee is no longer eligible for the post-retirement benefit.

- ***Post retirement medical coverage should be reduced. The city should carefully monitor the status of existing retirees to determine if benefits are being paid to individuals who no longer qualify.***

FINANCIAL TRENDS

Acct								BUDGET
	BUREAU OF FIRE	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	766,230	506,607	500,000
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	8,400,323	8,703,438	9,038,591	9,931,030	9,553,817	8,887,485	8,193,351
4013	SEASONAL WAGES	-	-	-	-	-	-	-
4016	FICA/MEDICARE TAX	79,868	109,887	97,403	103,931	115,623	120,769	150,531
4017	PENSION CONTRIBUTION	871,258	887,420	572,057	1,071,831	1,073,522	1,063,001	1,135,159
4018	GROUP INSURANCE	1,741,580	1,300,599	1,638,417	1,969,624	1,685,239	1,864,840	1,933,040
4020	WORKERS COMP INSURANCE	409,411	401,681	400,636	461,791	301,275	327,448	310,494
4021	DEFERRED COMPENSATION	329	2,301	158,819	165,083	167,764	163,741	163,867
4024	TOOL ALLOW/UNIFM BENEFITS	165,509	128,356	155,792	153,109	147,051	135,832	156,000
4031	OFFICE SUPPLIES	7,290	6,028	5,422	6,917	4,351	1,988	4,300
4033	OPERATING SUPPLIES	37,887	36,123	32,225	31,279	40,736	50,080	43,500
4035	REPAIR/MAINT SUPPLIES	73,189	69,858	60,419	63,352	51,939	48,631	55,000
4039	CONSUMABLE ITEMS	51,215	13,899	29,892	17,834	5,105	3,255	16,000
4041	PROFESSIONAL SERVICES	2,879	5,460	6,449	6,752	3,887	5,846	5,000
4043	EDUCATION & TRAINING	9,394	7,110	9,012	12,428	6,450	7,685	10,700
4045	COMMUNICATION	18,739	20,178	19,804	16,672	24,353	23,374	16,250
4046	POSTAGE	422	763	646	849	275	798	1,000
4047	HEAT,LIGHT,POWER/WATER	83,702	78,329	88,296	89,304	112,331	109,958	100,000
4054	RENTALS	1,680	1,752	1,494	1,753	2,419	1,734	1,000
4056	REPAIR/MAINT SERVICES	44,293	27,965	27,254	34,294	22,310	31,049	35,500
4059	OTHER SERVICES/CHARGES	13,658	12,602	15,482	15,041	17,527	8,906	16,000
4078	MACHINERY/EQUIPMENT	48,200	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	-	1,196	-	1,356	-	-	-
TOTAL FIRE DEPARTMENT		12,060,825	11,814,946	12,358,109	14,154,229	14,102,204	13,363,025	2,054,332

Review and analysis of the budgets and financial results for the years 2001 through 2005 yielded the following observations:

- From 2000 to 2002, the fire department budget was relatively flat. In 2003, there was a 14.5% increase, followed by a slight decrease in 2004, and another in 2005. The 2006 budget is reduced from 2005 by 3.9%, and is virtually the same as the 2000 budget. Unfortunately, cost containment has been at the expense of staff reductions.
- During the same period, fringe benefit costs steadily rose from \$3,102,446 to \$3,539,799, an increase of more than 14%.
- Personnel costs in 2005 consumed an onerous 97% of the fire department actual expenditures. Only \$429,134, or 3% was expended on non-personnel operating costs.
- Within the personnel section of the fire department budget, the only cost center with a realistic opportunity for cost containment is overtime. The 2006 budget is \$500,000 to cover for shift fills and emergency recalls. The number and duration of emergency recalls varies each year, but the shift coverage is more predictable. As discussed in the personnel findings above, a three-platoon organization structure and a lower minimum number of hours per callout could substantially reduce overtime costs.
- In 2004, the fire department expenditures were \$14,102,204. This represents 19.83% of the total city budget. The table below illustrates the cost of fire department operations as a percentage of the total city budget for Erie and other similar sized Pennsylvania Cities for 2004 (most recent data available, Reading 2005). Erie is the second highest in comparison, but within acceptable limits.

Fire Budgets as a Percentage of Total City Budgets

<i>City</i>	<i>Population</i>	<i>City Budget</i>	<i>Fire Dept. Budget</i>	<i>Fire Dept. % Of Tot. Budget</i>
Allentown	106,632	\$62,572,860	\$10,968,435	17.53
Reading	81,201	\$53,297,591	\$9,500,593	17.82
Scranton	76,415	\$60,949,591	\$13,095,744	21.49
Erie	103,717	\$71,090,856	\$14,102,204	19.83

- A review of past and proposed fire budgets indicates there are very little revenues currently being generated through fire department operations.

As stated earlier, the greatest opportunity for financial relief is through revenue development. The following are suggested initiatives that could be undertaken:

The following narrative is intended to discuss fire-based EMS delivery in Erie from the perspectives of capability, cost and revenue potential.

EMS Capability

Nationally, over 70% of emergency medical services (EMS) are delivered through fire departments. Many reasons account for this, but one of the most important is available “production capacity” of fire service personnel.

Every community has a moral and legal obligation to its citizens to provide fire protection. The catastrophic potential of fires in terms of life loss, property damage, loss of tax base and environmental threat has been realized time and again throughout the country. As fire prevention and public education efforts have become more successful, the incidence of serious fires has dropped dramatically. In fact, the total number of building fires in America in 2005 was approximately half the number that occurred in 1975. This is a remarkable improvement, but it does not negate the need to continue to provide reactive fire services. The potential for catastrophe, although reduced, still exists. And the danger posed by the fires that do occur has actually increased. Widespread use of synthetic materials in buildings and furnishings has increased fire’s lethality. This is born out by the fact that the reduction in civilian and firefighter deaths over the past thirty years is not nearly as great as the reduction in fires.

With fewer actual fires, firefighters have time or “production capacity” available for other duties and activities. One of the most prevalent of those new duties has been EMS. In most systems, the amount of available firefighter stand-by time has allowed EMS to be integrated with little or no additional personnel beyond the existing firefighting force. The following table shows the fire emergency call load for 2005 by the fire company:

**Average Daily Emergency Responses
(By Fire Company)**

	<i>Engine 3</i>	<i>Engine 6</i>	<i>Engine 8</i>	<i>Engine 11</i>	<i>Engine 12</i>	<i>Engine 13</i>	<i>Tower 1</i>	<i>Tower 2</i>
Total Calls	1,325	1,087	1,147	828	702	1,416	353	701
% EMS Calls	40	40	40	40	40	40	0	0
EMS Calls	530	435	459	331	281	566	0	0
Total Non-EMS Calls	795	652	688	497	421	850	353	701
Average Non-EMS Calls per Day	2.18	1.79	1.88	1.36	1.54	2.33	.97	1.92

There are several models that can be used to predict EMS responses in communities. One suggests that urban areas will experience between 1.5 and 2 calls per 24-hours per 10,000 population. It also anticipates 4.2 to 5 calls per 24-hours in high violence areas. Erie is an urban environment with some areas of high violence. As such, a factor of 3 calls per 24-hours per 10,000 population was used.

To check for validity, this call rate was checked against statistics from an urban EMS system covering 72,000+ people in a 14.38 square mile region. Those statistics were extrapolated to a population and coverage area the size of Erie. The two methods produced a predicted call volume of between 11,355 and 12,584 EMS calls per year. For the purposes of this report, 12,000 calls per year will be used.

It is recommended that five ambulances be staffed in the following locations:

- Central Fire Station
- South Central Fire Station
- Engine 8
- Engine 11
- Engine 13

By utilizing this number of medic units at these locations, there will be sufficient capacity to manage the predicted call volume and achieve acceptable response times. The table below illustrates the anticipated call distribution with the addition of EMS transport service.

**Average Daily Emergency Responses with EMS Transports
(By Fire Company)**

		<i>Engine 3</i>	<i>Engine 6</i>	<i>Engine 8</i>	<i>Engine 11</i>	<i>Engine 12</i>	<i>Engine 13</i>	<i>Tower 1</i>	<i>Tower 2</i>
Total Calls		3,195	3,052	3,088	2,897	702	3,250	353	701
% EMS Calls		75.1	78.6	77.7	82.8	40	73.8	0	0
EMS Calls		2,400	2,400	2,400	2,400	281	2,400	0	0
EMS Calls by Priority	Priority 1	1,600	1,600	1,600	1,600	0	1,600	0	0
	Priority 2	456	456	456	456	0	456	0	0
	Priority 3	344	344	344	344	0	344	0	0
Total Non-EMS Calls		795	652	688	497	421	850	353	701
Average Total Calls per Day		8.75	8.36	8.46	7.94	1.92	8.90	.97	1.92

Priority 1 – Life threatening or potentially life threatening emergency

Priority 2 – Non-life threatening emergency

Priority 3 – Non-life threatening emergency with low potential for worsening with delayed dispatch

Naturally, not all units will experience the same call volume and the daily call load will fluctuate, but the above chart shows a reasonable expectation of call distribution. By combining fire with EMS response, the anticipated call volume would be less than nine calls per day per unit. This number is well within the department's production capacity for a 24-hour shift.

Based on the above data, it is anticipated that the added responsibilities could be managed in a three-platoon system without additional staff.

The operations division personnel complement would be as follows:

- 3 Deputy Chiefs
- 3 Deputy Chief's Aides
- 27 Company Officers
- 27 Drivers
- 30 Firefighter/Paramedics
- 54 Firefighter/EMT's
- 144 Total

This will allow the following authorized shift strength:

- 1 Deputy Chiefs
- 1 Deputy Chief's Aide
- 9 Company Officers
- 9 Drivers
- 10 Firefighter/Paramedics
- 18 Firefighter/EMT's
- 48 Total

A suggested staffing model would establish a minimum shift strength of six at Engine 3, Engine 6 and Engine 13' and four at Engine 8, Engine 11, Engine 12, Tower 1 and Tower 2. Including the deputy chief, the minimum duty shift would be 39. The staff complement would be as follows:

- 1 Deputy Chief
- 8 Company Officers
- 8 Drivers
- 8 Firefighter/Paramedics
- 14 Firefighter/EMT's
- 39 Total

The staffing chart below illustrates the ability of existing staff to accommodate the personnel needs of this initiative:

**Staffing Calculations
(Three-Platoon System with EMS)**

Hours of work per year to cover one shift (365 shifts x 24 hrs./shift)	8,760
Scheduled hours per firefighter in one year (121.66 shifts x 24 hrs./shift)	2,920
Time off per firefighter per year: <ul style="list-style-type: none"> • Vacation (ave. 7 days/employee @ 24 hrs./week) (168 hrs.) • Vacation Incentive (1.5 days/employee @ 24 hrs./day) (36 hrs.) • Personal Days (2 per. days/employee @ 24 hrs./per. day) (48 hrs.) • Sick Days (ave. 6 days/employee @ 24 hrs./day) (144 hrs.) • Kelly Days (12 hrs. off every 28 calendar days) (156 hrs.) 	552
Average hours worked per firefighter per year (scheduled hours less time off)	2,368
Staffing Factor (number of employees needed to fill one position)	3.70
Staff needed to maintain a shift strength of 39 without overtime (rounded)	144

Costs

Although there would be no costs associated with hiring additional staff, there will be some other necessary expenditures to take into consideration.

Previously mentioned was an anticipated need to increase salaries a modest amount in return for changing to a three-platoon system. Other personnel costs would include premium pay for medical certification, initial training costs and continuing education costs.

Other costs include ambulances (recommend six new units and one used), ambulance supplies, insurances, medical command, equipment operations and maintenance costs. The table below provides an estimate of these costs.

**Advanced Life Support Transport Service
Estimated Annual Operations Costs**

<p>Paramedic Training –</p> <ul style="list-style-type: none"> • Recommend minimum of 30 (10 per platoon) to initiate service. • 15 staff receives training over a one year period in advance of service launch. <p>15 staff receives training in year after start up.</p> <ul style="list-style-type: none"> • Training completed partly on-duty and partly off-duty at straight time. • Estimate 300 hours of off-duty time per paramedic certification. <p>Total 4,500 hours/ yr. @ ave. 25.71/hr.</p>	\$115,695*
<p>EMT Training – all non-paramedics to be trained to EMT level</p> <ul style="list-style-type: none"> • 50% of non-EMT’s receive training prior to service launch • Remaining staff receive training in year after start up • Training completed partly on-duty and partly off-duty at straight time • Estimate 80 hours of off-duty time per EMT certification. Total 2,000 hours/yr. @ ave. 25.21/hr. 	\$50,420*
<p>Continuing Education – paramedics: 18 credits/year; EMT’s: 8 credits/year</p> <ul style="list-style-type: none"> • Training completed partly on-duty and partly off-duty at straight time • Estimate total 1,000 hours of off-duty time/year @ ave. 25.50/hr. 	\$25,500
<p>Premium Pay – compensation for extra duties associated with EMS certs.</p> <ul style="list-style-type: none"> • Estimated paramedic premium pay: 2,000/paramedic/year • Estimated EMT premium pay: 1,000/EMT/year 	\$114,000
<p>Ambulances – purchase six new and one used fully equipped</p> <ul style="list-style-type: none"> • Lease/purchase plan over 5 years 	\$340,000
<p>Operations Costs –</p> <ul style="list-style-type: none"> • Disposable Supplies • Equipment repair/maintenance • Insurance • Fuel 	\$175,000
Total Operating Costs	\$820,615

* After two years, initial training costs are eliminated resulting in yearly cost of \$654,500.

Revenue

The table below illustrates anticipated revenue from EMS transport operations. Transport percentages are based on statistical data from other EMS services. Revenue estimates are based on the Medicare payment schedule, other EMS systems collection experience and billing service vendor data.

**Advanced Life Support Transport Service
Estimated Revenues**

	<i>Priority 1</i>	<i>Priority 2</i>	<i>Priority 3</i>
Yearly Call Volume	8,000	2,280	1,720
Estimated Number of Transports (75% of calls)	6,000	1,710	1,290
Estimated Number of Medicare Transports (% of population 65 or older x 2 = 31%)	1,860	530	400
Estimated Medicare Payments (Priority 1 – 2/3@350;1/3@500; per transport; numbers rounded)	\$350/500	\$290	\$180
Estimated Medicare Revenue	\$744,000	\$153,700	\$72,000
Estimated Number of Non-Medicare Transports (Total transports less Medicare transports)	4,140	1,180	890
Estimated Non-Medicare Payments (includes oxygen 100% Priority 1, 50% Priority 2, mileage)	\$800	\$400	\$400
Estimated Non-Medicare Revenue	\$3,312,000	\$472,000	\$356,000
Revenue by Priority (Medicare plus Non-Medicare)	\$4,056,000	\$625,700	\$428,000
Total Revenue (Priority 1+2+3)	\$5,109,700		
Expenses			
• Write Downs/Write Offs (80% collection rate)	-\$1,021,940		
• Billing Service Charges (15% of collections)	-613,164		
Net Revenue	\$3,474,596		

Combining the data from the above tables yields the following results:

	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>Total</i>
Revenue (adjusted after 2006 by 3% for increased call volume and 2.1% fee increase)	\$3,651,800	\$3,838,042	\$4,033,782	\$4,239,505	\$15,763,129
Costs (adjusted after 2006 by 3.25% for contractual adjustments and commodity price increases)	\$847,285	\$874,822	\$720,410	\$743,823	\$3,186,340
Excess Revenue (Expenses)	\$2,804,515	\$2,963,220	\$3,313,372	\$3,495,682	\$2,576,789

Clearly, this is an initiative worthy of further exploration. It provides the opportunity to deliver an equal or improved level of fire protection, offers value added services in the form of high quality emergency medical services, and generates significant revenue for the City. Added benefits would include:

1. Potential funding assistance (not included in the above calculations), is available to certified agencies from the PA Department of Health, the Emergency Medical Services Institute, and other organizations.

2. Because fire and EMS services complement each other, the additional on-duty staff will deliver an overall higher level of service in both areas. Fewer overtime callouts would be needed to handle simultaneous fire and/or EMS calls. Also, the increased shift strength of the three-platoon system and the separation of the combined engine/aerial company would bring the department closer to meeting the requirements of Standard of Cover.
 3. The increased shift strength would also support the department's ability to become more active in inspections and other code enforcement activities, another source of potential revenue.
- ***The Erie fire department should further study and potentially initiate the provision of emergency medical response and transport services within the City of Erie, or the city should secure a franchise fee arrangement with the current ambulance provider that returns money to the city from the exclusivity arrangement..***

Rental Inspection

With 43.8% of Erie's residential properties non-owner occupied, the implementation of a rental inspection program could yield revenue from two sources: inspection fees and increased earned income tax. Required rental inspections would help to ensure better building conditions from a fire safety perspective and generate inspection income from the absentee landlords. Additionally, if Erie is like most communities, there are potentially a substantial number of renters not currently paying earned income tax. Typically, these individuals are able to move into and out of communities without being identified to the city tax office, and subsequently, pay no local taxes. With required inspections each time a property turned over, these individuals could be identified and added to the tax rolls.

From an inspection fee perspective, the following table illustrates the potential revenue from a rental inspection program:

Potential Rental Inspection Revenue

Number of Rental Units	~18,000
Predicted Yearly Turnover	20%
Potential Number of Yearly Inspections	~3,600
Suggested Inspection Fee	\$50
Potential Rental Inspection Revenue	\$180,000

- ***Firefighters, during stand-by time, should be utilized to conduct rental property inspections. The city should consider utilizing a private billing agency to manage invoicing and collections.***

The inspections staff is responsible for fire safety inspections of all commercial, multi-family residential, industrial, institutional, educational, and other high-risk properties. They are also tasked with providing public education programs, fire safety training to health care and other employee groups, and administering a program for child fire setters. An additional responsibility is fire investigation.

Prior to 2006, the inspections division consisted of a chief fire inspector and two fire inspectors. The 2006 budget eliminated one of the fire inspector positions. This severely constrains the fire department's ability to sustain even a minimally effective code enforcement program. Because of the revenue generating potential of the inspections division, the eliminated position should be restored and consideration should be given to adding an additional fire inspector.

- ***The city should consider restoring the fire inspector position eliminated in the 2006 budget, and consider adding an additional inspector.***

The fire inspectors should be actively involved in the plans review and final inspection of new construction or remodeling in occupancies covered by the International Building Code. Their role should not be to usurp the responsibilities of the building inspections staff, but to provide technical expertise in the areas of fire protection systems, hazardous materials, and other fire-specific concerns. Permit and inspection fees, over and above building permit fees, should be charged to the developer or contractor for performing these fire-specific services.

A suggested fee schedule is as follows:

Fire Related New-Construction Service Fees

<i>Description</i>	<i>Construction Permit Fee</i>	<i>Plan Review Fee</i>	<i>Inspection Fee/ Acceptance Test Fee</i>
Automatic fire-extinguishing systems	30.00	60.00	15.00 + 30.00/hr. per inspector during normal work hours. Increase by 50% for tests performed other than M-F daylight
Commercial hood system	30.00	30.00	Same
Compressed gas installation	30.00	60.00	Same
Fire alarm and detection systems	30.00	30.00/100 devices max of 300.00	Same
Fire pumps and related equipment	30.00	60.00	Same
Fire watch			Same
Flammable and combustible liquids installations	60.00	30.00	Same
Hazardous materials	60.00	60.00	Same
Industrial Ovens	30.00	30.00	Same
Life safety systems: emergency lighting, exit signage, and fire extinguishers	30.00	10.00/floor or occupancy	Same
Private hydrants	10.00	10.00	Same
Repair garages and motor fuel dispensing facilities	30.00	60.00	Same
Spraying or dipping	10.00	10.00	Same
Sprinkler system	30.00	30.00 – 120.00 dep. on # heads	Same
Standpipe system	30.00	10.00 plus 1.00 per outlet	Same
Tents or temporary membrane structures	30.00		Same

Fees of this type are anticipated by developers and builders and represent a very small portion of the overall project cost. This revenue is relatively easy to collect once the building community becomes aware of the fee schedule. Estimated revenue is \$10,000 to \$15,000 per year.

- ***The city should adopt a fee schedule for the fire department provided construction related services, and begin invoicing for these activities.***

The 2003 International Fire Prevention Code, which was recently adopted statewide, contains provisions for the issuance of fire permits and a mechanism for establishing fees for those permits. There are nearly 50 categories of building or occupancy operational activities covered by the code. Suggested fees for these permits are listed in the table below:

Suggested Fire Prevention Fee Schedule

<i>Description</i>	<i>Suggested Fee</i>
Cutting and Welding	25.00
Tents and temporary structures	25.00
Open burning	50.00
Pyrotechnics (fireworks)	60.00
Torch applied roofing	30.00
Storage of aerosol products	25.00
Heliports, helistops	100.00
Battery systems	30.00
Combustible dust-producing operations	60.00
Combustible fibers	30.00
Compressed gases	30.00
Covered mall buildings	100.00
Cryogenic fluids	60.00
Dry cleaning plants	60.00
Explosives	120.00
Flammable and combustible liquids	30.00 – 70.00
Floor finishing	30.00
Fumigation and insecticidal fogging	20.00
Hazardous materials	100.00
High piled storage	30.00
Hot work operations	30.00
HPM facilities	120.00
Indoor exhibits and trade shows	60.00
Industrial ovens	60.00
LP gas	60.00 – 100.00
Lumber yards and woodworking plants	90.00
Magnesium	60.00
Miscellaneous combustible storage	30.00
Open flames and torches	30.00
Organic coatings	60.00
Outdoor carnivals and fairs	25.00/event
Places of assembly	10.00 – 200.00
Private fire hydrants	10.00
Pyroxylin plastics	60.00
Remove paint with torch	30.00
Repair garages and fuel dispensing	30.00
Special amusement buildings	60.00
Spraying or dipping operations	40.00
Storage of scrap tires and byproducts	120.00
Tire-rebuilding plants	120.00
Waste handling	60.00

Each of the activities, processes, or conditions listed in the above table would require an initial permit and a yearly renewal. A city the size of Erie, with a diverse array of commercial, industrial, institutional, educational, and mercantile occupancies has an enormous number of the situations described above. Most of the required permits would need to be renewed annually, creating a sustainable revenue source. The revenue potential is difficult to quantify without a detailed listing of all city occupancies, but a conservative estimate is \$50,000 per year.

- ***The fire department should establish a fee schedule for fire prevention code required permits. A private billing agency should be utilized to manage invoicing and collections.***

Many homeowners and automobile insurance policies have provisions to pay for charges for certain fire department services. Nationally, fire departments have begun to establish fee schedules and bill insurance companies for specific response types. The Erie fire department responds to more than 5,000 emergency incidents per year. Approximately 700 of these incidents are potentially billable with possible revenue of \$500 or more each. If the city has not already done so, it should pass an ordinance authorizing this type of billing. The chart below illustrates the potential revenue available from this source:

Potential Billing for Service Revenue

Number Billable Calls per Year	700
Response Fee	\$250 - \$1,000
Consumables Fee	\$75
Average Revenue per Call	\$400
Recovery Rate	25%
Total Potential Yearly Revenue	\$70,000

To minimize clerical personnel needs, it is recommended that billing for emergency response or other activities should be outsourced to a third-party billing agency.

- ***The fire department should establish a categorized fee schedule for emergency response services and begin billing for those services.***

The fire department provides services to numerous tax-exempt properties in the city. Many of these services (emergency responses, fire safety inspections, witnessed fire drills, staff emergency training, etc.) are mandated by code or statute and use fire department resources without producing any revenue. Other city departments provide services to tax-exempt properties as well. Often, these occupancies require a disproportionate amount of service, but do not contribute to support the service. Many cities have negotiated PILOT programs to provide partial reimbursement for the services they provide. If possible, Erie should undertake such an initiative. If unsuccessful, the fire department should invoice the tax-exempts for any service provided that is mandated by an outside agency, code, or statute. Suggested charges are listed in the table below:

Suggested Fee Schedule for Non-Profits

<i>Type of Service</i>	<i>Fee</i>
Inspections	\$25 - 100
Employee Training	\$25 - 100
Public Education	\$25 - 100
Helicopter Standby	\$250

A reasonable estimate of revenue from this source is \$15,000 to \$20,000.

- ***The city should negotiate payment-in-lieu-of-tax (PILOT) fees for services to tax-exempt properties. In the absence of negotiated PILOT programs between the city and the various non-profits, the fire department should invoice for services.***

In today's world, many homes, businesses, and other facilities are protected by fire and burglar alarm systems. These alarms can provide crucial advance notice of an emergency need. They can also become an expensive nuisance when fire and police units are dispatched for accidental or false alarms. It becomes even more costly when those units are dispatched to an unoccupied building with no known key holder. Responding personnel are forced to choose between costly forcible entry to verify the nature of the alarm, or to take a chance and not fully investigate the incident. Many communities require all premises with alarm systems to obtain a permit that is renewed annually. The permit application requires detailed information on the alarm system, the premises, the occupants, and key holders. This information is maintained in a database available to police and fire units. Typically, a fee of \$25.00 to \$50.00 is charged for these permits. Although it is difficult to quantify the number of such alarm systems installed in Erie, other communities have as many as 15% of all buildings protected. Potential revenue is shown in the table below:

Potential Alarm Permit Revenue

Number of Occupied Buildings	~45,000
% Protected by Alarms	~10% - 15%
Total Estimated Alarm Systems	4,500 – 6,750
Suggested Permit Fee	\$50
Total Potential Yearly Revenue	\$225,000 - \$337,500

- ***The fire department should initiate a permit system for all occupancies within the city that are protected by alarm systems.***

As noted previously, alarm systems provide valuable protection to properties and their occupants, but they can also create a burden on the fire department. A certain number of false alarms are to be anticipated in premises with alarm systems, but whenever the number becomes excessive, corrective measures need to be taken. Frequently, false alarms are a consequence of poor system design or lack of maintenance. Without an incentive, many property owners are disinclined to invest in system improvement. Consequently, many communities charge fees after a certain number of false alarms in a year. The fees begin relatively small and increase as false alarm frequency increases.

A study of call volume indicates that more than 16% of department responses (823 in 2004) are false alarms. While all false alarms are not billable, and some that would be billable are not recoverable, a number of these responses could generate revenue.

The potential revenue from billing for excessive false alarms is difficult to quantify. Of the 823 false alarms in 2004, 132 were received from the Gamewell system street boxes. By discontinuing the Gamewell system, these alarms will be eliminated. Of the remaining 691, it is not known at this point how many represent more than two false alarms at the same address. Normally, a property owner is allowed two false alarms in a year before a bill is sent. A detailed analysis of false alarm reports needs to be undertaken to quantify the number of billable incidents. There is no doubt, however, that there is some revenue potential from this source.

The table below represents a suggested fee schedule for false fire alarms:

Suggested False Alarm Fees – Fire Alarms

First and Second False Alarm	Verbal Warning
Third and Fourth False Alarm	\$25 each
Fifth and Sixth False Alarm	\$100 each
Seventh and Eighth False Alarm	\$200 each
Ninth and Tenth False Alarm	\$300 each
More than Ten False Alarms	\$500 each

- ***The city should enact a false alarm fee schedule and aggressively invoice properties with frequent false alarms.***

The preceding discussion has identified a number of areas where changes could be made to allow the Erie fire department to deliver service in a more cost effective manner. Below are additional recommendations that would further enhance the department's capabilities:

- The fire chief does not participate in bargaining sessions with the union. He is the only person, outside of the bargaining unit, that could realistically assess the impact of union demands on department costs and operations.

- Along with participation in negotiations, the chief needs to have fewer restrictions in his ability to direct the department on a daily basis. As previously discussed, contract provisions concerning work schedules, callouts, and time off must be liberalized to allow the chief to make organizational deployment decisions that are in the best interests of the taxpayers, without creating a financial burden on them.
- ***The fire chief should be an active participant in all contract negotiations.***

The National Fire Protection Association (NFPA) publishes Standard 1901 – Standard on Automotive Fire Apparatus. In the standard, Appendix D addresses existing apparatus for the purpose of determining replacement schedules. It also discusses the wisdom of refurbishing apparatus versus purchasing new. Generally speaking, any apparatus over 15 years old should be considered for replacement. Even though such vehicles may still be serviceable, they will usually be obsolete from technical and safety perspectives. When not receiving heavy use, however, it is not uncommon to extend vehicle life to the planned 20 years.

The current major apparatus fleet consists of the following equipment:

<i>Fire Dept I.D.</i>	<i>Year</i>	<i>Make</i>	<i>Type</i>
Engine 3	2003	KME	Pumper
Engine 6	2000	KME	Pumper
Engine 8	1999	KME	Pumper
Engine 11	2003	KME	Pumper
Engine 12	2003	KME	Pumper
Engine 13	2003	KME	Pumper
Reserve E-3	1993	KME	Pumper
Reserve E-6	1987	KME	Pumper
Reserve E-8	1987	KME	Pumper
Reserve E-11	1971	Am. LaF.	Pumper
Reserve E-12	1990	Sutphen	Pumper
Reserve E-13	1993	KME	Pumper
Reserve E-3-2	1980	Am. LaF.	Pumper
Reserve E-8-2	1971	Am. LaF.	Pumper
Reserve E-13-2	1971	Am. LaF.	Pumper
Tower 1	2003	KME	Tower
Tower 2	1999	KME	Tower
Reserve T-1	1991	Grumman	Tower
Reserve L-2	1974	Am. LaF.	Ladder

As shown above, no first line apparatus is older than seven years. The next units to be replaced are the 1999 engine and tower. A year later, the 2000 engine is due, followed three years thereafter by four engines and a tower. Based on workload and NFPA Annex D guidelines, it is recommended that first line units be replaced at 15 years. The good news is no major equipment purchases should be necessary until 2014. The bad news is that eight engines and two towers will need replaced in a four-year timeframe. At today's prices, replacement cost for the units would total more than \$3.5 million. By 2014, the cost will be dramatically higher.

Because major fire vehicles are not purchased every year, it is often difficult to allocate sufficient funding to make such a large lump sum purchase. Consequently, needed capital purchases are often deferred until sufficient funding becomes available. While being necessary for short-term cash flow, such deferrals often cost more in the long-run because of increased maintenance costs and technological obsolescence. In order to establish a more predictable funding stream and a relatively consistent yearly budget, consideration should be given to purchasing major fire vehicles with a lease/purchase plan. When more than one unit must be ordered, a bond issue can also be considered. This would allow the vehicle cost to be amortized over its useful life.

One abundant resource available to the Erie Fire Department is reserve fire apparatus. With all first-line vehicles having back-ups and some having a second back up, it is very easy to keep companies in service when first-line apparatus are down for maintenance. Unfortunately, this convenience comes at a cost. The vehicles in reserve have to be housed, insured, and maintained. This necessitates expenditures for insurance, parts, and labor. The ISO Grading Schedule calls for one reserve engine for every eight first-line engines, and one reserve aerial for every eight first-line aerial. Conceivably, the city could reduce its reserve fleet to one engine and one aerial and meet the necessary ISO requirements. It would be more prudent, however to retain the three newest engines and one aerial. The remainder of the reserve fleet should be sold on the used fire apparatus market. The sale would net a small amount of one-time cash and eliminate the on-going costs of maintaining and insuring the vehicles.

- ***Because of the high cost of fire department apparatus, and to avoid dramatic fluctuations in yearly costs, it is suggested that the city consider buying fire vehicles through a lease/purchase plan.***

The fire mechanics perform maintenance and repair work on the fire department apparatus fleet and on the department's self-contained breathing apparatus (SCBA). These activities are performed in a facility separate from the city public works garage because the facilities at public works are not large enough to accommodate the size of the fire apparatus.

Previously, the fire department utilized a sworn firefighter to perform the function of quartermaster. In this capacity, he ordered, issued, maintained, and inventoried personal protective equipment and other department tools and soft goods. When this position was eliminated, these responsibilities were assigned to the mechanics.

Prior to 2006, the mechanical division consisted of a chief fire mechanic and two fire mechanics. The 2006 budget eliminated one of the fire mechanic positions. This has caused a serious overload on the two remaining employees and a work backlog.

Opening up the mechanical division to outside clients on a for-profit basis has the potential to pay for the city's fire apparatus maintenance costs and create a positive revenue stream.

Two jurisdictions that have taken this approach are Tualatin Valley Fire and Rescue Services in Aloha, OR and in Dayton, OH.

Dayton began the venture in 1999 with two clients that have grown to more than 20. They anticipate gross sales in excess of \$1 million by 2007. In the past three years, the revenues have been used to pay a bond used to build a modern maintenance facility, and have reduced the over all maintenance cost by 8%. In real dollars, the 2005 savings was about \$100,000. In 2006, savings will increase to \$120,000. Currently, the Dayton shop services 91 of its own apparatus and the 20 clients with a staff of seven mechanics and a manager. Shop revenues cover all salaries and benefits.

Erie has the garage capacity and with the restored fire mechanic, the staff capacity to follow the path taken in Dayton. Just as EMS transport can provide revenue utilizing excess capacity in the operations division, the maintenance business offers a similar opportunity for the mechanical division.

- ***The city should consider restoring the fire mechanic position eliminated in the 2006 budget if outside commitments are received to provide service to outside departments on a fee basis.***

The fire department deploys from six facilities. They are located as shown in the table below:

<i>Location</i>	<i>Equipment</i>
Central Station 208 West 12 th St.	1 Engine 1 Aerial Tower
South Central Station 3507 Peach St.	1 Rescue Engine 1 Aerial Tower 1 Water Rescue Vehicle
Engine Company 8 932 East Ave.	1 Rescue Engine
Engine Company 11 1747 West 8 th St.	1 Engine
Engine Company 12 1740 West 26 th St.	1 Engine
Engine Company 13 1027 East 28 th St.	1 Engine

These facilities are relatively evenly distributed across the city.

The city should develop a master plan for the systematic, long-term (10 to 20 years) replacement of all fire stations. Consideration should be given to the strategic location of existing facilities and the ability to achieve Standard of Cover requirements. Planning should be completed in the near term so that stations that should be relocated can be identified, and suitable building sites sought.

Prior to the construction of new facilities, however, measures should be taken to alleviate some of the present station shortcomings. One consequence of financial hardship is the deferral of routine maintenance. Many of Erie's fire stations would be dramatically improved with some paint, electrical and plumbing upgrades, and thorough cleaning. This would lessen the need for major upgrades and improve the living environment for the firefighters in the stations.

- ***The city should develop short and long-term plans to address the station needs of the fire department.***

Previously discussed in this report was Standard of Cover. Another measure of fire department service is the Insurance Services Office (ISO) Public Protection Classification Rating System. Using a scale from 1 to 9 (1 being best), the ISO rates fire protection in thousands of communities throughout the country. The rating is used by insurance companies to set premiums on the properties it insures. Commercial, industrial, mercantile, institutional, and multi-family residential properties are the most highly impacted properties when a city's rating changes. Erie's current rating is a 3/9. What this means is the portions of the city that are served by a public water system are classified as a Grade 3, and those without public water are a Grade 9. Improving either or both of these ratings could cause premium reductions of several percent for many of the above building types, saving thousands of dollars to their owners. Conversely, a drop to a Grade 4 would cost those same building owners thousands of dollars in increased insurance premiums.

The ISO rating is established through an evaluation of a community's water system, emergency communications system, and fire department. These evaluations are weighted as follows: communications – 10%; water system – 40%; fire department – 50%. Within the fire department evaluation, the single most important factor is staffing. The grading schedule's premise is that fires will be controlled quicker and with less damage when large numbers of staff are available. Full credit is given for each on-duty firefighter, but only one-third credit for any firefighter who is not on duty and responds to a recall.

If a three-platoon system were implemented with the same total staff complement, best case on-duty staffing would increase from 36 to 48. This is an increase of 33% above the present staffing. This is a dramatic improvement, and the ISO would credit the department accordingly

In the areas of the community currently classified as a Grade 9, the department should review any improvements that have been made to the public water system in that area since the last ISO evaluation. Wherever water service has been added, the ISO will adjust the grade. Additionally, if the fire department can demonstrate to the ISO that it has the capability to transport water to non-hydranted areas at a prescribed rate, the ISO will award points as though public water is available. Through a combination of tankers and long fire hose relays, many departments have been able to successfully receive an ISO grade for non-public water areas that is equal to those with public water. Erie does not have any tankers in its fleet, but some of the neighboring fire departments have tankers and expertise in rural water movement techniques. Establishing relationships with these fire departments and automatic aid response plans could enable an improved ISO classification in the Grade 9 areas.

- ***The fire department should review the most recent Insurance Services Office (ISO) grading report and current ISO rating to identify what is necessary to sustain the current grade, and also identify what steps would need to be taken during the next ISO review to receive an improved rating.***

The size of the Erie fire department minimizes the need for mutual aid into the city. Yet, a major fire or catastrophic event or multiple simultaneous incidents will overwhelm the capabilities of the on-duty force, necessitating assistance from neighboring jurisdictions. At these times, it becomes crucial that assistance is provided in a timely and seamless manner. To this end, written mutual aid and/or automatic aid agreements with neighboring fire departments are necessary. Joint training should also be conducted. Although surrounding fire departments may have long response times and may not always be able to produce adequate manpower, they represent the best available resource at these times.

An added benefit of utilizing outside departments in an automatic aid capacity is that the ISO will award partial credit for additional responding staff.

- ***Written automatic aid agreements should be established with neighboring fire departments.***

To receive full credit for firefighter training, the ISO requires a minimum of 20 hours of training per staff member per month. All training must be thoroughly documented to receive credit.

The training division consists of a deputy chief of training and an EMS coordinator who are charged with the responsibility of entry-level and in-service training for a staff of 140+. Currently, there is no additional staff assigned to the training division. Entry level training consists of an eight-week academy. Four of the weeks are devoted to firefighting instruction, and four weeks are spent on emergency medical technician (EMT) training. Because of staff limitations, the training deputy is able to provide very little in-service training. Instead, he is limited to maintaining training records and developing curricula and lesson plans that are delivered in the fire stations by company officers. The EMS coordinator is responsible for providing EMT training and conducting continuing education training necessary to maintain certification.

Although training is being accomplished, there is a lack of consistency that comes from multiple instructors with varied skill levels. The addition of a full-time instructor would allow a consistent program delivery for all incumbent staff.

- ***The training division has insufficient staff to adequately meet the departmental training needs. Future consideration should be given to the addition of a staff instructor. Thorough records of all staff training should be maintained.***

The electrical division consists of a chief city electrician and two electricians. The electricians are assigned a broad array of duties. Originally they were responsible primarily for maintenance of the Gamewell System – a fire emergency reporting system consisting of mechanical street corner fire alarm boxes connected through a series of city-maintained wires to a central receiving station. This system is also used to provide alarm receiving service to over 120 building fire alarms throughout the city. Additionally, the electricians are responsible for the maintenance of all traffic signals, school signs, pedestrian crossings, and the Relco traffic signal preemption system.

The 2006 budget eliminated the Gamewell system and reduced the electrical division from four electricians to the present staff of two.

With the discontinuance of the Gamewell system, there is no longer any reason to keep the electrical division as part of the fire department cost center. The electricians' primary duty of maintaining the traffic signals is a function that properly belongs under the umbrella of the public works department. Consequently, it is recommended that this group be moved to the public works cost center.

The fire electricians have historically maintained the Relco traffic light preemption system. The Relco system was “state-of-the-art” forty years ago. Today, unfortunately, there are a number of more technologically advanced systems, and the Relco product is not widely used outside of Erie County, PA. Discussions with fire officials have indicated the system is only partially operational and is very expensive and time consuming to maintain. A decision to decommission a system that speeds emergency response and improves the safety of emergency responders, pedestrians, and the motoring public is difficult. However, such a system that is unreliable may create more risk than it eliminates. Therefore, the recommendation here is to discontinue the Relco system until or unless it can be brought back to a functional status at little or no cost.

- ***The electrical division should be moved to the public works cost center. The Relco traffic preemption system should be decommissioned.***

A significant change included in the 2006 budget is the consolidation of the fire and police dispatch centers into a single operation serving both agencies from one location. The consultant strongly concurs with this decision; however there are definite concerns with the implementation. As originally conceived, the fire communications division would be eliminated and the fire dispatch center shut down. All ten fire dispatch staff would be furloughed and fire dispatching would be assigned to the current police dispatchers. This is problematic for many reasons, but the most significant is that fire incidents and police incidents differ significantly in how dispatch and communications are handled. Over time, staff can be cross-trained to skillfully handle both types of dispatch, but not immediately. It is essential that experienced fire dispatchers are retained to ensure consistent fire dispatch quality and minimal disruption during the transition.

- ***It is essential that the combined fire/police dispatch center is staffed with trained, experienced fire dispatch professionals. Once this internal consolidation occurs, the city must focus its attention on the overall move of all dispatch to the county and the city exiting the dispatch function.***

Historically, there has been little grant money available to fire departments. That began to change in 2001. Today, the Assistance to Firefighters Grant (AFG), the Staffing for Adequate Fire and Emergency Responders (SAFER), Homeland Security Grant and Fire Prevention Grant programs are all available from the federal government. Additionally, Pennsylvania legislators have a limited amount of funds they can distribute to local municipalities, and some private foundations are now giving grants for public safety purposes. Most of these grant opportunities have a matching requirement that forces the recipient to provide a local share. In some cases, communities have had to forgo grants because they were unable to produce the required matching funds. As part of the budgeting process, a line item should be included for grant matches. If grants do not materialize, the unspent money will go toward the year end fund balance. But if grants are awarded, this line item will leverage substantial amounts of otherwise unavailable dollars.

- ***The city should engage the services of a professional grant writer to identify grant opportunities and write grant requests. The city should consider a yearly budget item that funds any matching needs for grant applications that are being submitted. During the budget process, the city should work closely with the fire chief to establish a list of department priorities and apply for available grants that addresses those priorities.***

PUBLIC WORKS, PROPERTY, & PARKS

MISSIONS, FUNCTIONS & TASKS

The City of Erie does not have a specific overall city comprehensive plan or a specific mission statement; but, the functions, duties, and organization of the department of public works, property, and parks are identified in the city's administrative code as follows:

The department of public works, property and parks is organized and functions as described in section 117.05 of the city's administrative code under one director appointed by the mayor. The director, along with a deputy director and no more than three assistant directors, plus the city engineer appointed by the mayor shall be responsible for the administration of the city's public works, parks, playgrounds, public facilities, and public buildings not specifically delegated to the jurisdiction of another department as assigned to the following bureaus:

- A) Bureau of Engineering - *The Bureau of Engineering shall be headed by the City Engineer who shall perform such services as are required by statute and City ordinance and shall further furnish engineering services to all departments of the City, prepare plans and specifications for construction work, supervise and inspect all construction and maintain City maps and engineering data and records. In addition, the Bureau of Engineering shall supervise and direct the Bureau of Traffic Engineering and its Paint and Sign Division.*
- B) Bureau of Streets
 - 1) *The Bureau of Streets shall be headed by a Bureau Chief who shall be responsible for the upkeep and repair of streets, the paving of streets and the lighting of street.*
 - 2) *The personnel, properties, functions and duties of the following former offices, divisions and bureaus are assigned and transferred to the Bureau of Streets:*
 - a. *Bureau of Street Repairs;*
 - b. *Bureau of Asphalt Plant;*
 - c. *Bureau of Highways;*
 - d. *Division of Street Sweeping;*
 - e. *Division of Construction and Grading; and*
 - f. *Bureau of Street Lighting*
- C) Bureau of Water - *The Bureau of Water was absorbed into the Erie Water Authority by Ordinance 91-1990 passed December 26, 1990.*
- D) Bureau of Sewers
 - 1) *The Bureau of Sewers shall be headed by a Bureau Chief who shall be responsible for the construction, operation and maintenance of the sewer system of the City and the Sewerage Treatment Plant and facilities of the City.*
 - 2) *All of the functions, duties, personnel, equipment, plant and properties of the following former bureaus are assigned and transferred to the Bureau of Sewers:*
 - a. *Bureau of Sewers; and*
 - b. *Bureau of Sewerage Disposal*
- E) Bureau of Municipal Garage.
 - 1) *The Bureau of Municipal Garage shall be headed by a Bureau Chief who shall be responsible for the service, storage and repair of mobile equipment of all departments, bureaus and other subdivisions of the City government.*

- 2) *All former property, equipment, personnel and officers of the former Bureau of Municipal Garage are assigned and transferred to the Bureau of Municipal Garage. (Ordinance 59-1987 §1. Passed 9/23/87)*
- F) Bureau of Parks and Recreation.
- 1) *The Bureau of Parks and Recreation shall be headed by a Bureau Chief who shall be responsible for the development, care and maintenance of all public playgrounds, golf courses, recreation areas and recreation programs of the City.*
 - 2) *The personnel, properties, functions and duties of the following former bureaus and commissions are transferred and assigned to the Bureau of Parks and Recreation:*
 - a. *Bureau of the Zoo*
 - b. *Bureau of Parks; and*
 - c. *Golf Commission (Ordinance 4-1991 §1. Passed 1/09/91)*
- G) Bureau of Public Buildings.
- 1) *The Bureau of Public Buildings shall be headed by a Bureau Chief who shall be responsible for the care and maintenance of all public buildings and facilities of the City not specifically delegated to the jurisdiction of another department. It shall be the duty of the Chief of this Bureau to allocate space in such buildings to the departments of the City government as may require them and to care for and maintain all such public buildings and facilities.*
 - 2) *The personnel, property, functions and duties of the following bureaus are transferred and assigned to the Bureau of Public Buildings:*
 - a. *Bureau of Public Buildings; and*
 - b. *Bureau of Comfort Stations*
- H) Bureau of Refuse Disposal.
- 1) *The Bureau of refuse Disposal shall be headed by a Bureau Chief who shall be responsible for the operation, care and maintenance of all facilities of the City for the reception, collection and disposal of garbage, trash and refuse.*
 - 2) *The personnel, properties, functions and duties of the following former bureaus are transferred and assigned to the Bureau of Refuse Disposal:*
 - a. *Bureau of Garbage, Collection and Disposal; and*
 - b. *Bureau of Trash Disposal
(Ordinance 59-1987 §1. Passed 9/28/87)*

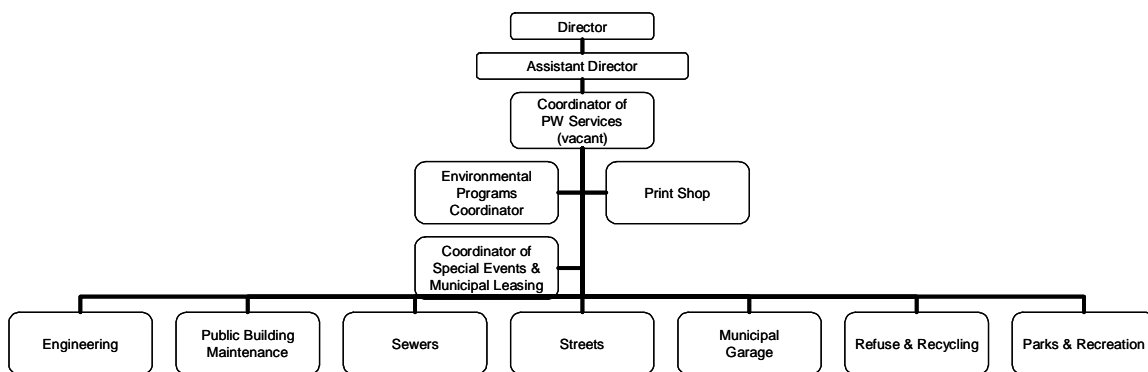
The department of public works, property, and parks has been reorganized over the years by the variety of changes:

- The paint and sign division of the engineering bureau has been moved to the street bureau.
- The city does not operate an asphalt plant under the bureau of streets.
- The bureau of water has been absorbed into the Erie Water Authority by Ordinance 91-1990 passed December 26, 1990.
- The sewer authority was created by Ordinance 66-1971 passed October 20, 1971.
- The Erie Municipal Park Authority was established by Ordinance 25-164 passed May 20, 1964 to operate a public zoo and park properties. The City of Erie conveyed the public zoo and park properties located at Glenwood Park to the park authority by Ordinance 36-1964; and by Ordinance 37-64 passed July 22, 1964, the city leased the zoo and park properties back from the authority for a period of 39 years.

STAFFING

The department of public works, property, and parks was reorganized again in January, 2006. An assistant director position was eliminated and replaced with a coordinator of public works services position. The city print shop containing two full-time employees and the city office of code enforcement containing 18 full-time employees was placed under public works.

**Department of Public Works, Property and Parks
Organization Chart – 2006**



The City of Erie owns, operates, and maintains a variety of facilities, property, and programs throughout the city and the neighboring region to serve its residents and the residents of the regional area. The city owns properties with an appraised value of over \$191,041,926, according to an industrial appraisal dated 1/1/2004. The department of public works, property, and parks are primarily responsible for many of these properties.

The City of Erie department of public works, property and parks is administered by the director of public works, property, and parks, an assistant director, and a coordinator of public works services that is presently vacant. The day-to-day operations are administered and supervised by the seven bureau chiefs, a variety of superintendents, a coordinator of special events and municipal licensing (vacant), and an environmental programs coordinator. The key administrative staff meets weekly on Tuesday mornings to arrange and coordinate work.

The department of public works, property, and parks presently employs 237 full-time employees, 97 seasonal employees, and 31 part-time on-call carriers. The department is administered and supervised by the director of public works, property, and parks, an assistant director, a coordinator of public works services, seven bureau chiefs, and a code enforcement manager. The central offices of the department of public works, property, and parks are located at room 504 and 507 in city hall. The environmental programs coordinator is housed at city hall.

The full-time union employees are either members of Local 2206 of the American Federation of State, County and Municipal Employees (ASFCME) Council 13, AFL-CIO, whose contract expired December 31, 2005; or Local 397 of the International Brotherhood of Teamsters, whose contract expires December 31, 2006.

The department eliminated 29 full-time positions over the last five years. The department further transferred/eliminated an additional 19 full-time positions in January 2006 from the general fund.

FINANCIAL OBSERVATIONS

	2000	2001	2002	2003	2004	2005	Budget 2006
Office of Director	\$ 151,505	\$ 158,844	\$ 215,282	\$ 224,762	\$ 187,698	\$ 176,717	\$ 133,608
Bureau of Engineering	\$ 587,194	\$ 558,642	\$ 530,467	\$ 487,216	\$ 461,420	\$ 437,439	\$ 426,834
Division of Traffic Engineering	\$ -	\$ -	\$ -	\$ 213,151	\$ 184,965	\$ 138,960	\$ 171,571
Bureau of Streets	\$ 2,866,376	\$ 2,644,417	\$ 3,059,144	\$ 3,146,631	\$ 3,494,001	\$ 3,636,585	\$ 3,600,275
Division of Paint & Sign	\$ 272,761	\$ 284,502	\$ 314,708	\$ 321,873	\$ 311,329	\$ 318,547	\$ 296,778
Municipal Garage	\$ 1,482,401	\$ 1,429,666	\$ 1,577,420	\$ 1,776,206	\$ 1,766,778	\$ 1,838,086	\$ 1,815,394
Division of Radio	\$ 164,901	\$ 158,201	\$ 183,190	\$ 168,791	\$ 228,628	\$ 237,469	\$ 203,358
Public Building Maintenance	\$ 687,267	\$ 674,890	\$ 727,268	\$ 906,942	\$ 844,102	\$ 755,269	\$ 625,471
Total Public Works	\$ 6,212,405	\$ 5,909,162	\$ 6,607,479	\$ 7,245,572	\$ 7,478,921	\$ 7,539,072	\$ 7,273,289

The department of public works, property, and parks expended \$7,539,072 in city general fund money on the public works operations in 2005. The department is budgeted to expend \$7,273,289 in general fund money on the public works operations in 2006. Overall department expenditures increased 21.4% from 2000 through 2005, an increase of 4.3% per year. In 2001, expenditures reached their low point at \$5,909,162 and have increased an average of 6.8% per year since that time. The 2006 budget reduces spending from the 2005 actual levels by 3.5%.

	2000	2001	2002	2003	2004	2005	Budget 2006
Operating Supplies	\$ 44,253	\$ 61,100	\$ 53,999	\$ 55,357	\$ 64,153	\$ 67,500	\$ 121,000
Repair/Maint Supplies	\$ 475,801	\$ 414,240	\$ 414,404	\$ 487,834	\$ 370,777	\$ 409,440	\$ 449,700
Consumable Items	\$ 17,180	\$ 16,149	\$ -	\$ 6,122	\$ 6,450	\$ 6,700	\$ 20,000
Education and Training	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ 800	\$ 800
Street Lighting and Traffic Signal	\$ 960,470	\$ 770,756	\$ 966,322	\$ 894,834	\$ 818,091	\$ 1,146,595	\$ 1,027,500
Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ 10,000
Repair/Maint Services	\$ 32,622	\$ 38,552	\$ 31,137	\$ 34,612	\$ 35,281	\$ 40,000	\$ 38,000
Refuse Tipping/Recycling Fee	\$ 4,622	\$ 7,248	\$ 2,585	\$ 232	\$ 4,022	\$ 10,000	\$ 8,000
Other Services/Charges	\$ -	\$ 437	\$ 207	\$ 9	\$ 2	\$ 200	\$ 200
Bridges/Streets	\$ 126,000	\$ 120,000	\$ 120,000	\$ 620,000	\$ 201,266	\$ 120,000	\$ 124,540
Machinery/Equipment	\$ 160,908	\$ -	\$ -	\$ -	\$ 13,200	\$ 152,260	\$ 126,260
Operating Transfers - Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,170	\$ -
Total Liquid Fuels	\$ 1,821,855	\$ 1,428,482	\$ 1,588,654	\$ 2,099,000	\$ 1,513,392	\$ 2,315,915	\$ 1,926,000

The department of public works, property, and parks expended \$2,315,915 in state Liquid Fuel Tax fund money on operations in 2005. The Liquid Fuel Tax fund budget expenses have increased \$494,060, or 27% from \$1,821,855 in 2000 to \$2,315,915 in 2005. Expenses are budgeted at \$1,926,000 for 2006.

Public works expenditures include:

- The office of director
- The bureau of engineering,
- The bureau of traffic engineering
- The bureau of streets,
- The division of paint & sign
- The municipal garage,
- The division of radio, and
- The bureau of public buildings maintenance

The public works budget is funded by:

- General fund tax funding
- Fees and charges created by permits i.e. curb cuts, etc.
- Pennsylvania State Liquid Fuel Tax fund
- Penn DOT winter road maintenance reimbursements
- Erie County's apportion of its Liquid Fuels Tax fund money
- Reimbursements from the city's sewer fund
- Government grants
- Bond moneys
- Municipal garage service and repair charges

Salaries and wages consume nearly 48% of the overall budgets contained in the department of public works, property, and parks. The department has worked diligently over the past six years to institute labor saving procedures to contain full-time employee wage costs. The department must continue to reduce these costs to continue to be a viable city operation. The bureau should target those bureaus and divisions with high percentages of wage increases, and high percentages of wages vs. total budget expenses.

City of Erie
Department of Public Works, Property & Parks
Wages vs. Total Expense Summary

	Wages 2005	Actual 2005 Total Expenses	Percentage Wages vs. Expense Total	Wages 2006	Budget 2006	Percentage Wages vs. Expense Total
Office of Director	\$124,722	\$176,717	70.58%	\$96,832	\$133,608	72.47%
Engineering	\$284,620	\$437,439	65.06%	\$243,723	\$426,834	57.10%
Traffic Engineering	\$82,467	\$138,960	59.34%	\$82,498	\$171,571	48.08%
Streets	\$2,035,046	\$3,636,585	55.96%	\$1,923,616	\$3,600,275	53.42%
Paint & Sign	\$177,521	\$318,547	55.72%	\$150,087	\$296,778	50.57%
Municipal Garage	\$795,930	\$1,836,778	43.33%	\$779,760	\$1,815,394	42.95%
Radio	\$147,417	\$237,469	62.80%	\$118,374	\$203,358	58.20%
Building Maintenance	\$248,930	\$755,269	32.96%	\$123,955	\$625,471	19.82%
Public Works Totals	\$3,896,653	\$7,537,764	51.69%	\$3,518,845	\$7,273,289	48.38%
Parks & Recreation	\$979,232	\$2,041,285	47.97%	\$552,964	\$1,359,988	40.66%
Golf	\$484,122	\$1,021,196	47.40%	\$397,724	\$1,166,381	34.10%
Sewer Treatment	\$2,795,014	\$13,954,878	20.02%	\$2,811,958	\$14,299,088	19.66%
Sewer Collection	\$774,152	\$5,720,394	13.53%	\$798,603	\$4,944,017	16.15%
Sewer Billing				\$61,340	\$574,801	10.67%
Sewer Totals	\$3,569,166	\$19,675,273	18.14%	\$3,671,901	\$19,817,906	18.52%
Refuse/Recycling	\$1,196,267	\$4,650,241	25.72%	\$1,813,157	\$5,311,700	34.14%

Note #1 Wage totals include the wages of full-time, part-time, and seasonal employees.

Note #2 Wage totals include identified shift differential costs.

The city must control the escalating costs of fringe benefits to keep the city's operations viable. The department public works, property, and parks group insurance costs have increased \$884,160 or 44.20% from \$1,909,919 in 2000 to \$2,754,079 in 2005. This figure does not accurately indicate the large increase in the city's insurance rates since it does not account for the decrease in full-time personnel over the past six years. The actual increase in insurance costs rates are higher on a per capita basis, but total costs have been controlled as a result of employee cuts.

**Department of Public Works, Property and Parks
Rise of Group Insurance Costs, 2000-2005**

	2000	2005	Amount of Increase/Decrease	% Increase/Decrease
Office of Director	\$ 14,769	\$ 13,348	- \$ 1,421	- 09.62%
Bureau of Engineering	88,616	74,535	- \$14,081	- 15.88%
Bureau of Traffic Engineering	*27,000	20,148	- \$ 6,852	- 25.38%
Bureau of Streets	373,221	520,933	+ \$147,712	+ 39.58%
Division of Paint & Sign	27,152	43,263	+16,111	+ 59.34%
Bureau of Municipal Garage	144,938	242,825	+ \$97,887	+ 67.54%
Division of Radio	20,364	42,521	+ \$22,157	+108.80%
Bureau of Public Buildings	70,295	128,040	+ \$57,745	+ 82.14%
Bureau of Parks and Recreation	194,076	293,708	+ \$99,632	+ 51.33%
Division of Golf	48,056	65,448	+ \$17,392	+ 36.19%
Division of Sewer Treatment	506,628	771,470	+ \$264,842	+ 52.28%
Division of Sewer Collection	190,552	232,318	+ \$41,766	+ 21.92%
Division of Sewer Billing	7,451	0	- \$7,451	
Bureau of Refuse & Recycling	196,801	305,522	+ \$108,721	+ 55.24%
Total	\$1,909,919	\$2,754,079	+ \$884,160	+ 44.20%

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

The population of Erie has steadily declined over the past 20 years. The municipalities that neighbor Erie have seen similar population declines and face similar problems. The city has also lost business and industry. All of these things have decreased the tax base that supports the services provided by the city. The current financial environment of the City of Erie, created by these changes over the years, has significantly reduced, the city's ability to fund personnel, operation, maintenance, program, and capital investment costs.

It should be pointed out that even though the population base has declined and the revenue base has declined, the amount of infrastructure to maintain remains at the levels when the city peaked in population. This infrastructure has gotten older and in more need of repairs. Thus, the city is in a catch-22 situation with its needs increasing and its resources to address the needs declining.

The city needs to create a proactive, affordable management plan based on its existing financial resources that will meet the community's needs. Listed below are some of the primary significant issues, challenges, and problems facing the department of public works, property and parks:

Personnel

The department of public works, property, and parks is a labor intense operation. From the long-term standpoint, serious thought should be given to continue to reduce the labor force and its associated wages and fringe benefits. Furthermore, work procedures should be developed to improve the efficiency of the department operations, and labor saving equipment should be purchased and implemented.

- ***The city should continue to reduce its full-time labor complement. The city should initiate a freeze on all vacant full-time job positions in the department. Job positions should be replaced on a case-by-case basis dependent on justified need. The bureau of public works, properties and parks has made significant cuts in its full-time labor force. The department should continue to reduce the number of its full-time employees through the development of labor saving practices and procedures and the privatizing of portions of its operations through managed competition.***
- ***The city should move toward a managed competition approach to certain city services through the department. Candidates for a managed competition/ privatization approach include the following:***
 - ***Refuse/recycling***
 - ***Municipal garage***
 - ***Sign shop/paint shop***
 - ***Division of radio***
 - ***Electrician division***

The city has deeply cut both full-time supervisory and union wage personnel over the past two years and replaced them with a large contingent of part-time and seasonal employees. As an example, the city has reduced 58% of the wages of the full-time work force in the bureau of parks and recreation in the past six years. There is a concern whether there is enough supervisory personnel now available in the bureau to effectively supervise this work force and provide effective results.

The city hires a large amount of seasonal and part-time employees to support the public works, properties, and parks. These individuals must be responsible and timely hired to avoid breaks in the maintenance operations. The timely hiring of part-time and seasonal employees can create problems in the parks and golf courses, particularly with the early grass mowing season in April and May.

- ***The city needs to reconsider the hiring of some non-union or union supervisory personnel to supervise the operations in the bureau of parks and recreation.***

- **Part-time and seasonal employees require a large amount of supervision to insure the jobs are successfully completed and on-time. The city needs to make sure seasonal and part-time employees are effectively supervised.**

The city partners with a large variety of non-profit and 501-3C organizations to provide recreation programming and special events for city residents and the regional area.

- **The city should place labor caps on the amount of hours, regular and overtime, in parks and recreation, in public works, and in public safety, it will provide to these organizations to operate these programs. The organizations, through program fees and charges, should be required to pay the city for the hours, both regular and overtime, expended over the cap limits.**

The city currently lacks a procedures and policy handbook for the operations of the department of public works, property, and park's bureaus and divisions. Such manuals would streamline operating procedures and instruct workers on the procedures and man hours needed to perform certain functions. Operations are better facilitated when employees know what equipment, materials, number of men, and man-hours an operation requires.

- **The city should develop a procedures and policy handbook for the operations of the department of public works, property, and park's bureaus and divisions. These manuals should have employee input. It should identify the city's maintenance standards and the maintenance tasks necessary to keep the public work's facilities in good operating order. Since maintenance standards will vary from city-to-city, the City of Erie will need to establish its own particular set of standards.**
- **The city should develop a written annual, monthly, and weekly operational plan. This plan should also have employee input. This department should post these plans in a variety of locations to give workers a sense of the work to be performed during that month or week. This would reduce preparation time at the beginning of shifts when workers are preparing for the day's work. The policy and procedures manual would detail the number of men and man-hours needed for specific operations.**

Sample Production Standards for Selected Maintenance Operations

Maintenance Operation	Crew Size	Average Daily Production
Pothole Patching	3	3 tons
Spot surface asphalt repair/replacement	8	450 square yards
Asphalt Overlay	14	4,000 square yards
Asphalt Surface Treatment	4	5,000 square yards
Crack Sealing	5	7,500 square yards
Curb and gutter installation/repair	3	25 lineal feet
Street Sweeping	1	30 curb miles
Clean catch basins	4	15 structures
Bituminous Surface Treatment	12	10,000 to 16,000 square yards

Finances

The City of Erie needs to continue to seek ways to better manage revenues and correspondingly reduce expenses to keep the department of public works, property, and parks operation viable. Below are some general suggestions that should be investigated. A more detailed list of specific bureau actions are identified in each specific bureau review.

- ***The municipal garage bills city departments, city bureaus, and outside agencies for vehicle and equipment maintenance, service, and vehicle fuels. A percentage of the municipal garage's overhead costs should be incorporated into all the city's billing for parts, labor, service, and vehicle fuels.***
- ***The city should consider reducing the energy costs of the city's street lighting system through the reduction of the street lights and/or the introduction of energy efficient street lighting. Street lighting and area lighting is now available based on solar cells. The city should continue pursuing action items identified by CLT Efficient Technologies Group relative to this issue.***
- ***The city should consider developing a capital equipment reserve fund as part of the city budget process. The fund would pay for the equipment needed to operate and maintain the public works facilities and structures. The fund would be based on a five-year capital equipment plan. The cost of the expenditures would be balanced over five years as part of the budget process and expended solely based on need and availability of monies. Unspent monies would carry-over from year-to-year. The fund would be identified as a separate item removed from the budget with expenditures scrutinized annually based on the capital equipment plan. The capital equipment plan would be updated biannually.***
- ***Funds from the Liquid Fuel Tax fund, the sewer fund, the golf fund, and the refuse/recycling fund would be budgeted and set aside annually to fund specific equipment purchases.***
- ***The city should consider revisiting the idea of installing natural gas wells on the city's properties, particularly in the large open spaces of the parks and golf courses. The city previously had a gas well in Glennwood Park, which provided natural gas service to the zoo for years. The well has gone dry. It now costs over \$200,000 to heat the zoo.***

- ***The city is strongly encouraged to budget monies and increase the reserve fund in the sewer fund above the minimum state approved balance of \$500,000. The reserve fund is designed to provide a financial source to cover emergency repairs in the sewer system. One emergency repair could devastate this fund balance; two could force the city to have to look for money.***
- ***The city should seek ways to reduce the energy costs throughout the city operations. The city should seek a state or federal energy grant to hire an energy consultant to determine ways the city can reduce its energy needs and accompanying energy costs.***
- ***The city should consider the creation of an endowment fund to help finance parks and recreation. The fund would be designed to provide monies to offset the costs of future development, programming, operations, and maintenance. It should be marketed through the county bar association where wills are being developed, and through the local mortuary associations.***
- ***The city should closely monitor its water, sewerage, natural gas, and electric costs. Utility/telephone costs are going up. Natural gas prices have gone up 60% to 75% in many areas of the state over the past two years. The use of energy saving devices should be incorporated into both existing and future city facilities and structures.***
- ***The city should closely monitor fuel costs with the price of fuels escalating nearly 125% over the past two years. The city should also monitor the costs of petroleum rated products.***

Operations

The department of public works appears to be well-organized, and serious attempts have been made to make the organization cost-effective. Support infrastructure improvements in the form of housing the streets, sign division, sewer division, and municipal garage off of 18th Street were made in 1996. The building improvements appear to be well thought out, allowing for expansion of the existing structures and further consolidation of the department as a whole into a single site operation.

- ***The department should network the department's bureau and division operations with the city's central AS400 computer. The city's AS400 computer system is more than capable to accept this networking. This should be established as a high priority item. The department's bureaus and divisions are all computerized with no networking between them. There should be significant improvements in the speed of operations and future cost savings when this occurs.***

- ***The department should collectively bid and warehouse where possible the purchase of materials, supplies, and equipment for the department as a whole and disburse and charge the bureaus accordingly. Significant cost savings and the timely reception of the needed materials and equipment occur when bulk purchasing occurs. The purchase of materials and equipment should be based on performance specifications.***
- ***The department should track the billings of the various bureaus and divisions.***
- ***The department should integrate the costs of operation in the various bureau and division's billings, fees, and charges.***
- ***The department should incorporate performance, payment, and maintenance bonding and specific project completion dates with penalties on all construction contracts let.***
- ***The department should require performance and payment bonding specific delivery and completion dates with penalties and warranties on all materials and equipment bids let.***

Equipment

The city should review the equipment needs of the various city departments, and in particular, the department of public works, property, and parks and develop a program to reduce operation costs, fuel costs, and labor costs. The age of city's vehicles and equipment vary from department-to-department. The city should insure that its vehicle and equipment inventory does not reach an age where equipment failures and down time could become a regular occurrence and threaten operations. The city department of administration and finance maintains a list of the city's vehicle fleet inventory of over 700 vehicles and equipment. The municipal garage also maintains a computerized inventory of over 1,000 vehicles and pieces of equipment it maintains that includes outside agencies.

- ***The city should develop a five-year capital equipment replacement plan for the city's vehicle fleet and the department of public works, property, and parks in particular. This plan should be updated bi-annually. It would permit the city to project both its long term needs and the financing necessary to complete them. The various bureaus equipment financed through the sewer fund, the state Liquid Fuel Tax fund, the refuse recycling fund, the golf fund, and other funding sources should be incorporated into the plan.***

The plan should be designed to:

- ***Replace existing equipment that has reached an age where it no longer performs efficiently;***
- ***Replace existing equipment that is not cost effective to operate;***
- ***Purchase new or specialized equipment that meets specific needs and would be labor saving; and***
- ***Purchase new equipment to respond to the needs of new facilities or programs.***

The city should provide its equipment needs by purchase, lease to purchase, lease, or rental. The city should avoid the purchase of equipment with high operating and maintenance costs. The equipment need must be evaluated on a piece to piece basis. The purchase must be affordable.

- ***The city should consider establishing a formal fleet management plan for the city's vehicle and equipment fleet. A fleet committee consisting of the mayor, members of city council, the finance director, the fire chief, the police chief, the director of public works, property, and parks, the bureau chief of the municipal garage, and the insurance director should sit and administer this plan. This committee would monitor and set policies regarding the capital equipment reserve fund, the five year capital equipment replacement plan, vehicle and equipment insurance, personal and CDL licensing, drug testing, vehicle and equipment fuel use, and the operation of the municipal garage.***
- ***There are many existing computer fleet management programs available to help the city establish this program. This program will provide long-term cost savings and centralize the fleet operations.***
- ***The city should obtain and use equipment that is sized right to fulfill the operation needs. The city should seek outside, knowledgeable people and in-house personnel when developing specifications for its equipment purchases. Under-sized equipment generally leads to high labor costs.***
- ***The city should purchase primarily commercial-type equipment for longevity reasons. An automobile should last six to 10 years; a dump truck should last 10 to 12 years; a pick-up truck, eight years; a utility tractor, 20 to 25 years; a tractor/mower, 10 years; push mower, seven to 10 years; and commercial grade small equipment, five to eight years.***

The city should consider purchasing for the street bureau 4x4, ton and one-half dump trucks with under the tail gate spreaders and two-way hydraulic plows to remove snow on many of the congested streets and alleys throughout the city. The trucks would not require operators with CDL licensing.

The city should purchase equipment for the parks bureau that are multi-functional; for example: a tractor that mows grass and drags ball fields in the summer, blow leaves in the fall, plows snow in the winter, and sweeps walkways and parking areas in the spring.

- ***The city should consider re-establishing a formal “reconditioning program” for its high mileage/low age vehicles in its equipment fleet. The city has previously reconditioned some police vehicles in-house. The cost to recondition a vehicle ranged from \$7,000 to \$8,000. The process tended to tie up garage space. The Pennsylvania State Police have been operating a reconditioning program for years. Police vehicles notoriously place 100,000 to 120,000 miles on their vehicles in two to three years. The engines, drive trains, transmissions, and suspensions are generally shot. The rest of the vehicles are fine. A police vehicle generally costs between \$21,000 and \$25,000. The cost to contract the recondition of the vehicles is generally between \$11,000 and \$12,000. You generally add three years of life to the original vehicle at one-half the price of a new vehicle. Please note: you generally should rust-proof and undercoat the original vehicle at purchase to insure the body of the vehicle will maintain its 6+ year life.***

Please see below a list of restorers that specialize in police vehicles:

- ***Patrol Car Specialists Ltd., 401 North Main Street, Manchester, PA 17345, 717-266-0911***
 - ***B&B Patrol Cars, 15 Lewis Lane, Felton, PA 173222, 717-927-9323***
 - ***Jim Locke Automotive, 549 Harrison City Road, Trafford, PA 15085, 412-372-3372***
 - ***Local Automobile Dealerships***
- ***The city should consider purchasing or leasing vehicles and equipment through the state’s piggyback program, federal equipment surplus program, or the council of governments (COG) programs to meet its long-term needs.***

The city should consider obtaining an associate membership to the Central Westmoreland Council of Governments (825 Western Avenue, Jeannette, PA 15644 - 724-523-2102) to purchase vehicles and equipment. The Central Westmoreland Council of Governments contracts for the vehicle purchases are often less than the state contracts.

- ***The city should strongly consider eliminating its policy of identifying a specific equipment manufacturer when bidding equipment. The bid specifications should be based on performance specifications. Naming a specific manufacturer closes the bid process and does not permit competitive pricing. The naming of a specific manufacturer’s vehicle chassis or specific vehicle or equipment type has cost the city tens of thousands of dollars in vehicle over-pricing over the past several years.***

- ***The city should consider purchasing “hybrid vehicles” to reduce the fuel costs of the vehicle fleet. The state is offering rebates for the purchase of hybrid vehicles.***
- ***The city should consider purchasing equipment with attachments for its present equipment to reduce the amount of time required to remove leaves through out the park system, golf courses, boulevards, and cul-de-sacs.***
- ***Leaf removal in the parks often requires a large amount of manpower. Leaf removal is necessary to reduce the threat of fires and keep the park turf areas in a grassy sod to prevent erosion and injuries.***



Leaf Blower Attachment



Tow-Behind Leaf Picker

Bureau of Engineering

The engineering bureau is responsible for providing engineering services to all departments in the city; preparing plans and specifications for construction work; supervising and inspecting all construction; and maintaining city maps, engineering data, and records. The bureau contains traffic engineering. The bureau is computerized with Computer Assisted Design and Drawings (CADD) for drawings and design, Global Positioning System (GPS) and Geographic Information System (GIS) technology to develop and identify work, and a Total Station System for surveying. The modernization of the bureau's functions is an ongoing process that has reduced the man-hours needed to complete work and has permitted staff reductions.

STAFFING

The bureau of engineering employs 16 full-time employees headed by the city engineer. The bureau has 11 non-union positions and four union positions. The four union positions are members of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO. The AFSCME positions are a senior clerk, two CADD technicians, a chief of party, and a transit person. The staff is housed at city hall.

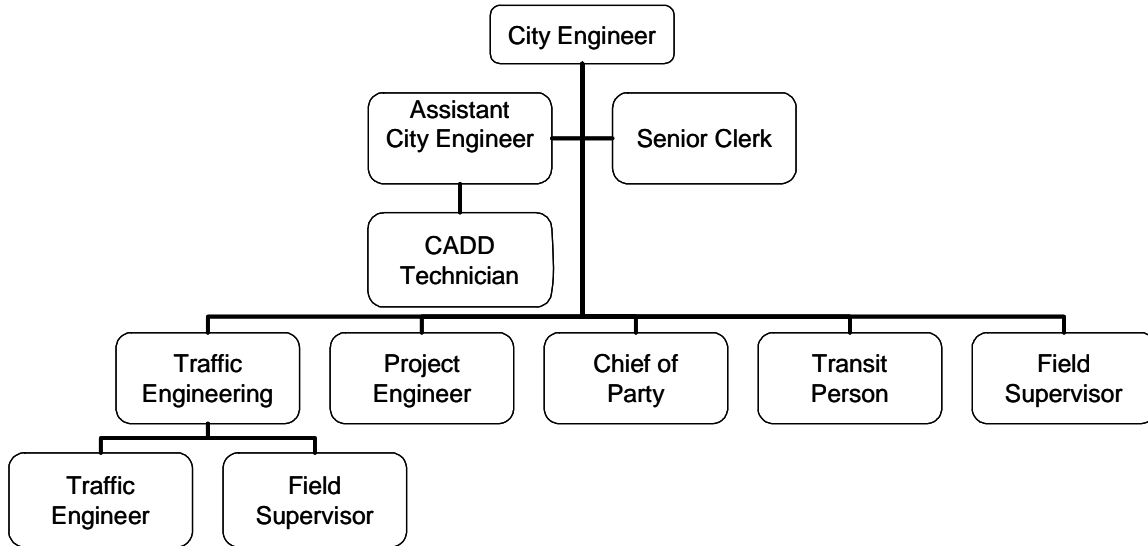
The normal work week is Monday thru Friday. The normal work shift schedule is either 7:30 AM to 3:30 PM or 8:30 AM to 4:30 PM. The employees work an eight hour day (seven hours paid with a one hour unpaid lunch period).

The bureau contracts some engineering and design projects when it does not have the time or the expertise to fulfill the project design requirements.

The bureau employees receive regular training to fulfill professional and licensing requirements.

The bureau has cut five positions in the last five years.

Bureau of Engineering Organization Chart



FINANCES

								BUDGET
	BUREAU OF ENGINEERING	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	71	-	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	474	465	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	417,702	391,105	379,629	333,109	314,359	284,620	243,723
4016	FICA/MEDICARE TAX	31,572	33,707	28,809	25,373	24,817	21,391	18,645
4017	PENSION CONTRIBUTION	13,503	7,484	5,641	21,503	26,623	24,548	25,355
4018	GROUP INSURANCE	88,615	72,125	90,079	76,289	62,638	74,535	83,233
4020	WORKERS COMP INSURANCE	1,846	1,829	1,101	1,578	13,469	16,149	16,704
4021	DEFERRED COMPENSATION	1,288	6,055	3,755	3,151	3,044	2,808	4,874
4024	TOOL ALLOW/UNIFM BENEFITS	283	-	564	375	104	172	300
4031	OFFICE SUPPLIES	3,465	2,432	4,448	3,399	2,384	2,606	2,000
4033	OPERATING SUPPLIES	5,846	2,646	1,702	1,714	2,366	1,124	2,000
4035	REPAIR/MAINT SUPPLIES	10,735	19,859	5,962	13,777	598	461	3,000
4039	CONSUMABLE ITEMS	3,670	1,275	2,636	2,463	850	517	1,000
4041	PROFESSIONAL SERVICES	55	2,374	-	-	400	-	15,000
4043	EDUCATION & TRAINING	2,706	1,182	360	1,449	199	33	500
4045	COMMUNICATION	517	476	321	17	486	1,666	1,500
4046	POSTAGE	980	622	789	1,045	1,186	642	1,000
4052	ADVERTISING	-	-	-	-	501	3,033	4,000
4056	REPAIR/MAINT SERVICES	3,613	2,609	4,356	1,612	6,824	2,407	3,500
4059	OTHER SERVICES/CHARGES	798	179	316	365	27	263	500
4077	OTHER IMPROVEMENTS	-	9,585	-	-	-	-	-
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	-	3,096	-	-	-	-	-
	TOTAL BUREAU OF ENGINEERING	587,194	558,642	530,467	487,216	461,420	437,439	426,834

Expenditures in the engineering bureau declined every year since 2000. The 2005 expenditures were \$149,755 less than 2000 expenditures, a decrease of 25.5% over the five-year period. The 2006 budgeted expenditures were further reduced by 2.4% from the 2005 numbers. The largest category that declined over the period was salaries, which decreased from \$417,702 in 2000 to \$284,620 in 2005, a decrease of \$133,082. Group insurance costs and FICA also reduced as a result of the decrease in personnel by five over the period.

Pension contributions and workers' comp insurance were two categories that saw significant increase from 2000 to 2005.

All in all, the city has done a commendable job in reducing the bureau's overall costs.

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

The engineering department provides plans and the operation needs for the city as a whole. The operation has been downsized as a result of computerization, the digitalization of maps and prints, and CAD programming.

- ***The city should seek ways to reduce the energy costs throughout the city operations, particularly street lighting. The city should carefully review recommendations made by CLT Efficient Technologies to determine ways the city can reduce its energy needs and accompanying energy costs.***
- ***The bureau should work with the street bureau and develop a 12-year comprehensive plan to maintain and upgrade the city's 350 miles of streets, alleys, boulevards, cul-de-sacs, parking areas, and support infrastructure. This 12-year plan should be based on the life expectancy of asphalt surfacing treatments.***
- ***The bureau should work with the street bureau to initiate a 12-year bridge management program as a companion to its twelve year street management program. The program should be developed by the city engineer as part of the bridge inspection process. Bridge replacement should be incorporated into the state's bridge replacement program.***
- ***The bureau should involve the various divisions of public works in the planning and design process. Do not build what you cannot maintain.***
- ***The bureau should continue to work with the bureau of sewer collections to develop a five-year capital improvement plan to upgrade and repair the city's sewer collection system.***
- ***The bureau should work with the bureau of sewer collection and the street bureau to develop a five-year capital improvement plan to maintain and upgrade the city's storm water drainage system.***
- ***The bureau of engineering should coordinate the implementation of the city's asphalt paving program with repairs and replacements to the city's sewer collection and storm water drainage systems to avoid a duplication of paving costs.***
- ***The bureau needs to incorporate the ADA rules and requirements into all city construction and renovation projects.***

Bureau of Streets

The street bureau is responsible for the upkeep and repair of the city's nearly 350 miles of streets, alleys, and boulevards, and their lighting. The bureau also maintains several bridges and a variety of designated state highways, including portions of interstate 79, within the city jurisdiction.

The bureau is divided into three subdivisions; the paving division/shift crews, the sweeper division, and the paint & sign division. The city has the capacity to asphalt pave its streets. The paint and sign division manufacturers, installs, and maintains the city street sign system. The division also provides the necessary painting of the streets and highways throughout the city.

STAFFING

The bureau of streets employs 56 full-time employees headed by a bureau chief. The bureau has four non-union supervisory employees, one union audit clerk who is a member of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO, and 51 union employees who are members of Teamsters Local 397 of the International Brotherhood of Teamsters. The bureau generally hires 12+/- seasonal employees annually.

The street bureau has three divisions: the paving division/shift crew headed by a superintendent, containing 28 full-time employees and 2+/- seasonal employees; the sweeping division headed by a superintendent, containing 19 full-time employees with 4+/- seasonal employees; and the paint and sign division headed by a union crew leader, containing three full-time employees and 6+/- seasonal employees.

The staff is housed at the public works complex in either the street garage or paint and sign shop on French Street.

The normal work week is a 40-hour work week, 7:00 AM to 3:00 PM, Monday thru Friday.

The bureau operates three four-man shift crews, 24 hours a day, seven days a week, and 365 days a year – one man answers the phone, one man pumps gas, and a two-man utility crew changes flat tires, installs barricades, or applies "dry-all", etc.

For winter maintenance, the bureau goes to a three shift, seven days a week staggered schedule operation with 24 men scheduled to work first shift, 12 men scheduled to work second shift, and 12 men scheduled to work third shift. The shifts never work at a full complement due to scheduled days off.

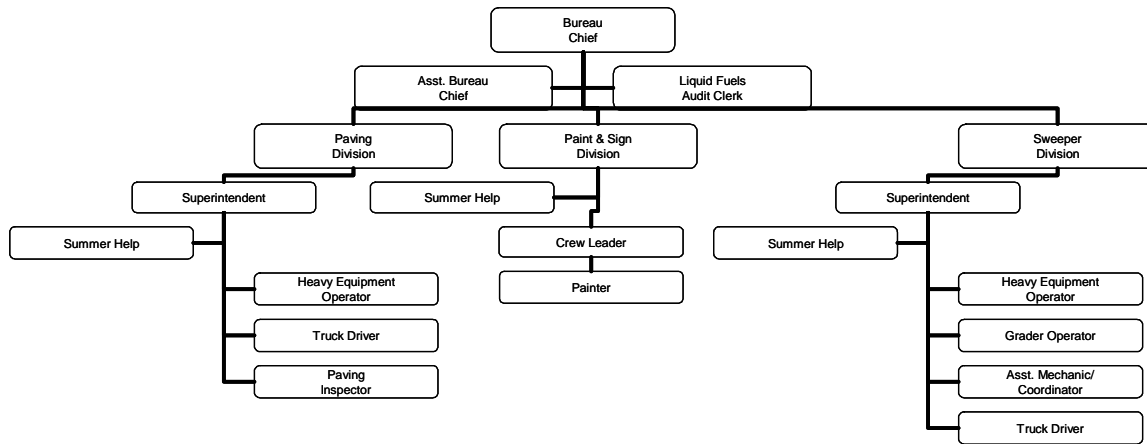
The audit clerk works an eight-hour day (seven hours paid with a one hour unpaid lunch period).

The bureau contracts the milling of roads as part of its paving operations.

All bureau employees have their Pennsylvania Commercial Drivers Licenses. The bureau employees receive training through the Penn DOT Key Tap and Municipal Training programs.

The bureau has cut eight positions over the past five years. The bureau cut an additional five union truck driver positions in January 2006 from the general fund.

**Bureau of Streets
Organization Chart (01/01/06)**



FINANCES

BUREAU OF STREETS							BUDGET	
		2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	113,850	174,753	170,000
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	1,139	1,054	1,843,616
4008	HOLIDAY WAGES	-	-	-	-	-	-	80,000
4009	VACATION WAGES	-	-	-	-	-	-	158,249
4010	SICK WAGES	-	-	-	-	-	-	207,062
4011	SALARIES	1,756,858	1,720,506	1,908,022	2,013,898	1,961,052	1,992,477	553,691
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	136,415
4013	SEASONAL WAGES	-	-	-	-	43,920	42,569	36,872
4016	FICA/MEDICARE TAX	136,081	144,531	147,921	154,432	164,819	172,373	12,500
4017	PENSION CONTRIBUTION	61,325	33,679	46,041	126,232	197,771	192,878	1,050
4018	GROUP INSURANCE	373,221	362,704	438,964	465,750	449,472	520,933	55,000
4020	WORKERS COMP INSURANCE	106,321	109,586	125,221	109,613	89,840	105,351	19,000
4021	DEFERRED COMPENSATION	3,684	15,545	19,820	23,095	25,617	26,633	8,000
4024	TOOL ALLOW/UNIFM BENEFITS	5,286	6,379	5,982	12,770	11,442	11,112	-
4031	OFFICE SUPPLIES	2,174	2,892	1,900	1,088	715	1,049	800
4033	OPERATING SUPPLIES	30,618	27,647	19,799	23,646	53,798	52,156	3,200
4035	REPAIR/MAINT SUPPLIES	18,141	14,408	17,765	19,786	20,947	23,780	70
4039	CONSUMABLE ITEMS	12,371	14,394	15,634	11,360	10,432	3,282	50,000
4041	PROFESSIONAL SERVICES	1,463	-	-	-	-	-	75,000
4043	EDUCATION & TRAINING	3,197	3,635	2,608	1,577	876	201	250
4045	COMMUNICATION	3,400	4,967	4,852	4,285	3,682	2,989	100
4046	POSTAGE	51	51	75	75	-	55	36,000
4047	HEAT,LIGHT,POWER/WATER	35,241	18,511	27,069	31,017	51,002	51,377	12,000
4049	ST LIGHTING/TRAF SIGNALS	100,180	107,629	108,000	95,681	81,329	80,398	1,400
4052	ADVERTISING	-	-	-	-	-	-	140,000
4054	RENTALS	1,478	176	553	541	394	104	-
4056	REPAIR/MAINT SERVICES	41,483	27,594	27,632	38,481	36,528	26,439	-
4057	REFUSE TIPPING/RECYCL FEE	14,391	10,620	9,171	10,000	12,383	10,980	-
4059	OTHER SERVICES/CHARGES	3,967	3,147	2,117	1,887	1,570	1,639	-
4075	BRIDGES/STREETS	155,444	15,817	130,000	-	161,425	142,005	-
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	-	-	-	1,416	-	-	-
TOTAL BUREAU OF STREETS		2,866,376	2,644,417	3,059,144	3,146,631	3,494,001	3,636,585	3,600,275

Expenditures increased by \$770,209 between 2000 and 2005, an increase of 27% over the five-year period. The 2006 adopted budget was to reduce expenditures by 1% from 2005.

Salaries during the period increased by 13.4%, or 2.7% per year. These increases have occurred even with the reduction of eight positions over the past five years. Group health insurance has increased from \$373,221 to \$520,993, an increase of 40% over the period. Another area of substantial increase was the city's pension contribution, which grew from \$61,325 in 2000 to \$192,878 in 2005, an increase of 215% over the period. Accounts 4031-4079, which are the non-personnel related accounts, decreased from \$423,599 in 2000 to \$396,454 in 2005, an increase of 6.4% over the period.

These numbers indicate the need to control personnel and related costs as opposed to just controlling non-personnel discretionary costs.

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

The street department services and maintains the city's 350 mile road and street system. It also maintains several state highways within the city limits. It generally operates as a first shift operation with a second shift three-man service crew and a third shift three-man service crew. The second and third shift service crews man the phones, pump gas, erect barriers, apply dry-alls when needed, etc. The bureau goes to a three shift, seven days a week operation for the winter season. It appears to be very effective. The following recommendations should be considered to improve operations further:

- ***The city should develop a 12-year comprehensive plan to maintain and upgrade the city's (350) miles of streets, alleys, boulevards, cul-de-sacs, parking areas, and support infrastructure. This 12-year plan should be based on the life expectancy of asphalt surfacing treatments.***

All roads and parking areas have a usable life:

- Brick Road Surfaces – 75 to 100 years***
 - Concrete Road Surfaces – 20 to 25 years***
 - Asphalt and Reconstructed Asphalt Surfaces – 12 years***
 - Asphalt Overlay Surfaces – 6 years***
 - Bituminous Surface Treated Surfaces – 4 to 5 years***
 - Slurry Sealed Surfaces – 3 years***
 - Bituminous Sealed Surfaces – 3 years***
 - Gravel and Unimproved Roads – Constant Maintenance***
 - Surface and Sub-Surface Drainage Systems – 25-35 years***
- ***The city should base its road maintenance plan on need and its available financial resources; i.e. Liquid Fuel Tax monies, Community Development Block Grant monies, and economic development monies should be utilized for street improvements where possible.***
 - ***The city should prioritize the use of Liquid Fuel Tax funding for street improvements, and not an increased use of these funds for street lighting purposes.***
 - ***The city needs to examine a number of issues relative to reducing its street lighting costs, including: reducing the number of street lights and implementing CLT's recommendations concerning street light acquisitions.***
 - ***The city should continue its street paving, street crack sealing, and street sweeping programs as part of this plan.***

- ***The city should consider developing a short-term and a long-term bituminous surface treatment, a bituminous seal coating, and/or a slurry seal program to maintain its low speed/low traffic, minimal heavy weight vehicle roads and parking areas as part of its 12-year road maintenance plan. The money saved as a result of this program should be used to expand the city's current asphalt paving programs.***

It is cheaper to surface treat or seal coat these areas rather than asphalt them. The program would extend the city's limited financial resources to maintain its 350 miles of streets, alleys, and roads. An excellent plan would be to bituminous surface treat these areas for two consecutive years, then bituminous surface treat or seal coat these areas every four years, thereafter. The program should be designed and phased so all of the areas do not come due for treatment at the same time.

The bureau could initiate this plan with Penn DOT as part of its agility program, contract the program with a private contractor, or develop the program with one of its neighboring municipalities that surface treat roads on an annual basis.

This program will pay long-term dividends.

- ***The city should initiate a 12-year bridge management program as a companion to its twelve year street management program. The program should be developed by the city engineer as part of the bridge inspection process. Bridge replacement should be incorporated into the state's bridge replacement program.***
- ***The sign shop is designed, sized, but not staffed to become an enterprise operation for the city. The city should investigate with neighboring municipal governments and agencies the possibility of using the sign shop to provide signing for their operations and expand the current staff to meet the increased operation needs, or consider outsourcing this operation.***
- ***The bureau of streets should develop a twelve month written operation plan. The work plan could be developed in the form of a check list where an employee could check off the work as completed. This plan would establish a 12-month maintenance schedule and prioritize the street operations.***
- ***The city should establish a volunteer program to help keep its roads and city facilities litter free. PA Cleanways can help you establish this volunteer program. You can contact PA Cleanways at 105 W. 4th Street, Greensburg, PA 15601, (724-836-4121), <http://www.pacleanways.org>.***

- ***The city should initiate training programs for its public works employees to improve work productivity. Volumes of information are available to help the local municipalities maintain their roads, trails, and parking areas. The Pennsylvania Department of Transportation offers municipalities a variety of helpful information and training classes that include the Local Technical Assistance Program (LTAP), “The Road Scholar Courses”, and a publication “Highway Specifications – Publication 408” to name a few. The city should take advantage of these programs and publications. Information on these programs can be obtained from your Penn DOT district engineer.***
- ***The city should develop a cooperative maintenance program between the street bureau and the sewer operations bureau to clean and flush the city’s street catch basins and storm water drainage systems. Improper and poorly maintained highway and street drainage systems greatly increase maintenance and operations costs and decrease the life expectancy of the roads.***
- ***The city should initiate a “neighborhood friend program” where volunteers are encouraged to help clean-up and maintain the neighborhood. The city’s investment in a little bit of time and money will go a long way. Start the program off with an “eager beaver day” in April and get the neighborhood businesses involved.***
- ***The city should consider the elimination of the street bureau’s three-man third shift service crew. The cost of the operation does not justify the need.***

**Roads and Parking Areas
Sample Seasonal Work Task Schedule**

Target Date	Description of Work Tasks
January 5	Steam clean trucks, trailers, and specialty equipment Begin winter preventive & corrective equipment repairs
January 9	Annual Crew Meeting
January 12	Begin repairs & paint park information signs
January 26	Cut & clear trees and brush along the road shoulders Begin to sandblast and paint equipment
February 5	Install new directional signs
February 15	Bid Surface Treatment of Roads & Parking Areas
March 1	Repair guide rail and low level vehicle barriers Check and clean drainage ways, catch basins, bridge drains Check road under drains, repair where needed
March 22	Remove and store snow fencing; mend or destroy unusable fence. Clean, paint, & store snow fence posts. Inventory and order replacement fence & posts. Treat road planters with pre-emergent weed controls
March 29	Begin repairs on road catch basins and head walls Remove, clean, and store winter sport signs Roll secondary roads & parking areas Make repairs to the road shoulders resulting from winter maintenance
April 5	Repair and straighten vehicle bumper blocks Order road crack sealing materials Sweep roads and parking areas Clean bridge decks & walkways
April 15	Hot mix asphalt available Clean, lubricate, and store winter snow maintenance equipment Begin to prepare roads & parking areas for surface treatment
April 20	Work with "PA Cleanways" for spring litter & dump cleanup
May 1	Seasonal Help begins Clean and straighten park direction & regulatory signs Treat guide rail, sign posts, and stone drainage ways with herbicides Begin mowing road shoulders & embankments
May 10	Begin Surface Treatment of roads & parking areas (Contract)
June 1	Begin road crack sealing program Begin summer catch basin repair & replacement program
June 15	Begin 2 nd mowing of road shoulders and embankments
June 15	Stripe parking area surfaces
July 1	Cut and clear brush & debris along the bridge abutments
July 15	Pressure wash, repair, and seal concrete bridge decks Asphalt pave the budgeted roads & parking areas (Contract)
July 26	Clean, sandblast, and paint winter snow removal equipment Order replacement parts for snow removal equipment
August 1	Pressure wash, clean, and paint service center Begin 3 rd mowing of road shoulders and embankment areas
August 16	Cut shoulders along the park roads as needed, reseed disturbed areas
September 1	Walk the roads & parking areas, begin to prepare for next year's budget
September 13	Prepare a list of signs needed for next year Prepare a list of equipment needs for next year
September 20	Complete last mowing of road shoulders & embankment areas
October 1	Prepare and service leaf clean up equipment
October 12	Complete all hot asphalt road and parking area repairs Order salt & anti-skid for winter road maintenance (Council of Governments)
October 25	Winterize all park vehicles & equipment Set up winter snow removal schedule (Crew Meeting) Prepare vehicles & equipment for winter snow removal
November 3	"Snow Tire Snow"?
November 8	Install winter sport signs Clean, lubricate, and store mowing equipment
November 15	Mark road catch basins & headwalls Install snow fencing where needed
November 22	Complete leaf pick up program Sweep roads & parking areas Clean, lubricate, and store leaf pick up equipment
December 1	Complete litter & debris pick up along park access roads (Good Neighbor Program), Clean catch basins

Bureau of Sewers

The sewers bureau is responsible for the construction, operation, and maintenance of the city's nearly 600 mile sewer and storm water drainage system, the sewerage treatment plant, and the sewer related facilities including pump stations. The sewer bureau also operates the city's composting operation.

- The City of Erie established the Erie Sewer Authority with Ordinance 66-1971 passed October 20, 1971.
- The City of Erie and the Erie Sewer Authority, beginning in 1971, established agreements with the Townships of Millcreek, Harborcreek, Summit, Lawrence Park, and Fairview, and the Borough of Wesleyville, to provide for the connection to the sewer system of the City of Erie, and to provide further for the basis of charges to be made by the City of Erie for the treatment and disposition by the city of sewerage emanating from the various municipalities and discharged into the sewer system.
- The City of Erie and the Commonwealth of Pennsylvania Department of Environmental Resources entered into a consent decree on November 30, 1989 to undertake and accomplish certain activities to come into and remain in full compliance with the Clean Streams Law, the requirements of its NPDES Permit, and applicable provisions of federal and state laws and regulations governing discharges from Erie's sewerage system.
- Addendums to these original agreements were created in 1993 and 1997 to cover the municipalities' obligated payments to the City of Erie for the transportation and treatment of sewage, and for the necessary additions and improvements to the sewer system including payments toward the municipalities' pro rata share of the costs of the Act 537 Plan, Phases I, II, and III.
- The Act 537 Plan has three phases:
 - Phase I - consisting of additions and improvements to the wastewater treatment facility;
 - Phase II - consisting of additions and improvements to the Eastside and Westside conveyance systems; and
 - Phase III - consisting of additions and improvements to the Center City conveyance system.

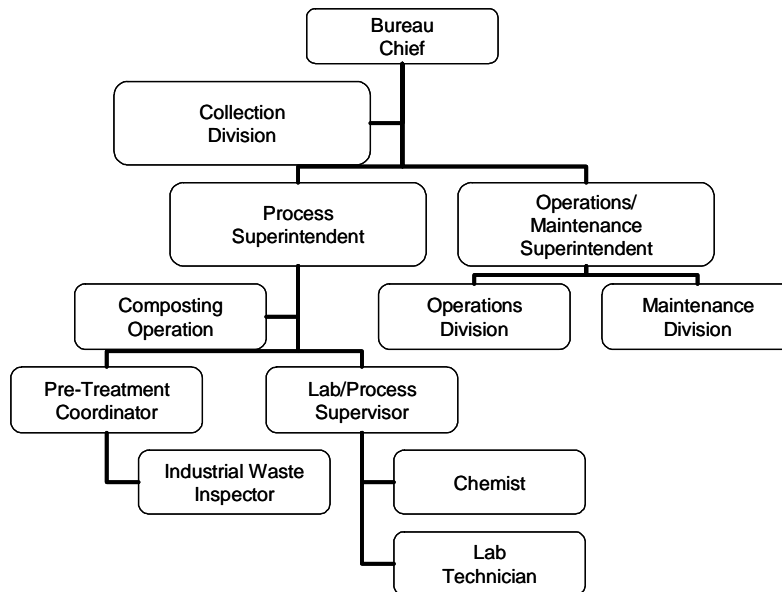
All phases for the additions and improvements to the sewer system needed to fulfill the Act 537 requirements were completed in 2005. The system is being monitored to maintain compliance.

STAFFING

The bureau of sewers employs 73 individuals headed by a bureau chief. The bureau has 12 full-time non-union positions, six full-time union positions who are members of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO, and 61 full-time positions who are members of Teamsters Local 397 of the International Brotherhood of Teamsters. The bureau began the hiring of some seasonal employees in 2005.

The bureau is divided into three distinct divisions: the process division which includes the composting operation headed by a superintendent, containing nine full-time employees; the operations & maintenance division headed by a superintendent and sub-divided into operations containing 28 full-time employees and maintenance containing 21 full-time employees; and the collections division headed by the bureau chief, containing 13 full-time employees.

**Bureau of Sewers
Organization Chart
(01/01/06)**



The sewer bureau staff is housed at the administration building, the treatment plant, or the maintenance equipment and personnel garage at the foot of Wayne Avenue or the wastewater treatment garage on Holland Avenue, part of the public works central complex. The staff of the composting operation is housed in an office trailer along Port Access Road.

The normal work week is a 40-hour work week, 7:00 AM to 3:30 PM, Monday thru Friday. The employees who work at the treatment plant work a three (3) shift operation: the first shift works 6:30 AM to 2:30 PM; the second shift works 2:30 PM to 10:30 PM; and the third shift works 10:30 PM to 6:30 AM. The six bureau employees who are union members of American Federation of State, County and Municipal Employees Council 13, AFL-CIO work an eight hour day (seven hours paid with one hour unpaid lunch period). The bureau employees who are members of Teamsters Local 397, International Brotherhood of Teamsters work a paid 40-hour work week and a paid eight hour work day, with an unpaid one-half hour lunch period.

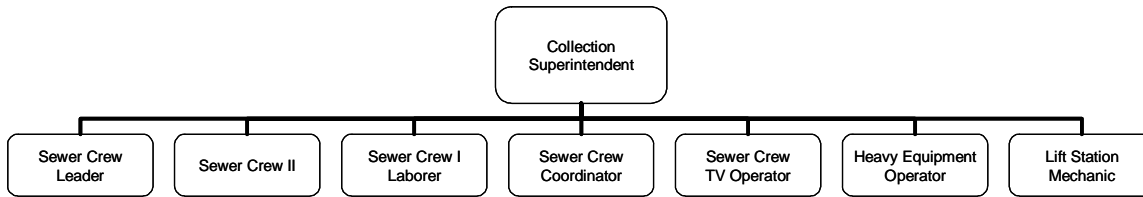
Work routines are based on a 30-day preventative maintenance work schedule and emergency repairs.

The bureau contracts the mowing at the administrative offices and treatment plant. The bureau also contracts for a computer consultant.

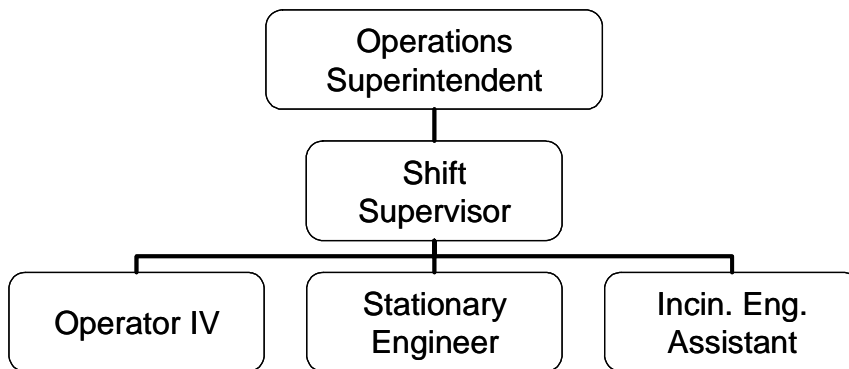
Money is budgeted and expended on a regular basis for employee training and professional license upgrading.

The bureau has cut five positions in the last five years. The bureau was re-organized in January, 2006 with the elimination of the operations division superintendent position and the collection division supervisor position, and the creation of two additional shift supervisor positions in the operations division. The bureau cut a relief operator position and a laborer position in sewer treatment, and a laborer position in sewer collection.

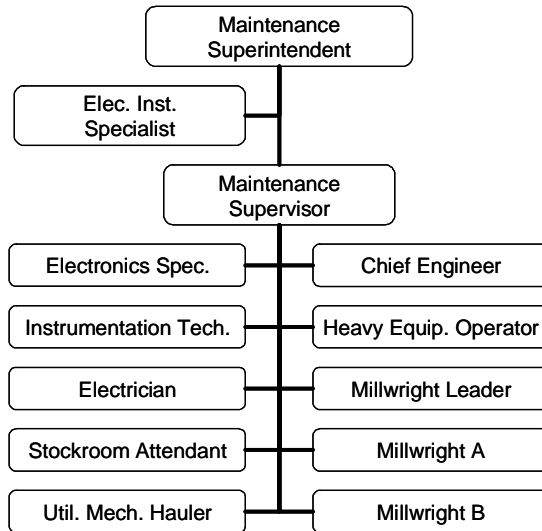
**Sewer Collection Division
Organization Chart (01/01/06)**



**Sewer Operations Division
Organization Chart
(01/01/06)**



**Sewer Maintenance Division
Organization Chart
(01/01/06)**



FINANCIAL OBSERVATIONS

Acct	SEWER TREATMENT							BUDGET
		2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	247,795	244,274	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	6,319	6,287	256,000
4008	HOLIDAY WAGES	-	-	-	-	-	-	6,200
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	2,527,179	2,643,225	2,620,866	2,936,641	2,757,203	2,780,986	-
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	2,790,758
4013	SEASONAL WAGES	-	-	-	-	-	14,028	15,000
4016	FICA/MEDICARE TAX	193,425	203,290	200,721	220,585	233,408	232,283	234,699
4017	PENSION CONTRIBUTION	135,580	125,864	130,900	210,896	270,034	252,494	295,803
4018	GROUP INSURANCE	506,628	598,125	649,999	613,741	666,341	771,470	866,098
4019	UNEMPLOYMENT COMPENSATION	-	-	-	-	-	5,115	-
4020	WORKERS COMP INSURANCE	117,993	205,089	213,290	229,320	127,682	152,020	206,014
4021	DEFERRED COMPENSATION	7,094	33,200	32,281	36,499	41,388	40,216	56,384
4024	TOOL ALLOW/UNIFM BENEFITS	5,499	8,349	10,066	11,914	13,952	14,763	16,800
4031	OFFICE SUPPLIES	3,875	5,385	4,833	4,663	5,092	3,514	5,000
4033	OPERATING SUPPLIES	421,881	344,864	395,192	421,087	382,625	373,789	482,300
4035	REPAIR/MAINT SUPPLIES	428,217	482,410	315,800	267,199	257,336	287,449	375,000
4039	CONSUMABLE ITEMS	19,013	16,204	16,631	13,399	9,271	6,810	9,450
4041	PROFESSIONAL SERVICES	17,255	21,451	17,135	30,073	50,665	53,111	78,200
4043	EDUCATION & TRAINING	4,800	1,951	4,752	2,341	4,148	2,747	10,200
4045	COMMUNICATION	7,840	10,529	9,798	10,352	11,871	13,205	13,380
4046	POSTAGE	1,259	825	2,639	3,075	1,470	754	3,975
4047	HEAT,LIGHT,POWER/WATER	1,822,384	1,680,468	1,298,485	1,540,656	1,548,958	1,571,434	1,700,000
4052	ADVERTISING	446	717	167	-	768	1,000	2,000
4054	RENTALS	10,694	17,945	4,312	541	2,514	1,063	2,000
4056	REPAIR/MAINT SERVICES	490,581	355,206	281,652	217,516	242,135	219,169	365,000
4057	REFUSE TIPPING/RECYCL FEE	225,546	207,089	172,791	176,575	176,937	175,941	152,590
4058	TELLER OVERAGE/SHORTAGE	-	-	-	(1)	25	48	-
4059	OTHER SERVICES/CHARGES	712,788	258,596	260,469	340,065	340,291	945,480	499,000
4061	GENERAL LIABILITY INS	5,011	5,512	8,260	10,000	191,846	37,025	38,900
4062	FIRE INSURANCE	18,160	19,976	29,964	36,000	210,239	182,275	191,400
4063	CASUALTY INSURANCE	2,842	3,126	4,689	5,800	8,648	8,648	9,080
4064	PROF LIABILITY INSURANCE	1,667	1,834	2,751	26,500	31,800	30,000	31,500
4067	CLAIMS	127,923	27,500	28,875	35,000	28,228	30,000	25,000
4072	LAND/BUILDINGS	15,365	15,702	16,165	-	-	3,500	-
4078	MACHINERY/EQUIPMENT	233,651	128,682	71,196	70	19,443	55,643	115,000
4079	OFFICE EQUIPMENT	10,956	14,895	6,763	-	-	2,062	7,500
4081	BOND PRINCIPAL	230,221	-	253,200	-	-	3,800	2,360
4083	BOND INTEREST	314,761	-	294,342	2,005,118	386,473	232,612	232,480
4086	LEASE AGREEMENT	5,209,960	5,711,219	5,104,634	5,256,670	5,207,694	5,199,862	5,204,017
4094	OPER TRANSF OUT-DEBT SERV	-	546,687	-	-	-	-	-
4098	CONTINGENCY ACCOUNT	-	-	-	-	-	-	-
	TOTAL SEWER TREATMENT	13,830,492	13,695,913	12,463,619	14,662,296	13,482,598	13,954,878	14,299,088

Sewer treatment expenditures increased from \$13,830,492 in 2000 to \$13,954,878 in 2005, an increase of \$124,386, or less than 1% for the period. Personnel and benefit costs, however, increased by \$1,011,274 for the period, while all other costs actually decreased by \$886,888 during the same timeframe. The largest areas of decrease occurred in: account code 4047, which declined by \$250,950; account code 4078, which decreased by \$178,008; and account code 4035, which declined by \$140,768. The 2006 budget reflected an increase of 2.5% over the 2005 actual expenses.

							BUDGET	
SEWERS COLLECTION	2000	2001	2002	2003	2004	2005	2006	
4006 OVERTIME WAGES	-	-	-	-	23,154	34,779	40,000	
4007 SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-	
4008 HOLIDAY WAGES	-	-	-	-	-	-	-	
4009 VACATION WAGES	-	-	-	-	-	-	-	
4010 SICK WAGES	-	-	-	-	-	-	-	
4011 SALARIES	927,287	994,630	1,013,864	787,716	742,863	774,152	798,603	
4012 EMPLOYEE PAYOUTS	-	-	-	-	-	-	64,153	
4013 SEASONAL WAGES	-	-	-	-	10,702	-	84,515	
4016 FICA/MEDICARE TAX	70,992	76,970	77,675	60,829	59,894	62,289	251,896	
4017 PENSION CONTRIBUTION	30,381	25,871	26,095	67,369	76,066	75,047	-	
4018 GROUP INSURANCE	190,552	215,325	228,250	186,141	189,281	232,318	56,793	
4019 UNEMPLOYMENT COMPENSATION	-	-	-	-	-	-	15,972	
4020 WORKERS COMP INSURANCE	43,724	70,643	73,450	94,920	35,717	44,076	4,500	
4021 DEFERRED COMPENSATION	2,798	14,300	15,110	14,499	15,665	16,666	1,200	
4024 TOOL ALLOW/UNIFM BENEFITS	2,489	2,946	3,562	3,669	4,188	3,824	50,700	
4031 OFFICE SUPPLIES	565	311	800	915	979	476	105,000	
4033 OPERATING SUPPLIES	23,975	20,149	31,302	20,563	33,693	40,202	7,500	
4035 REPAIR/MAINT SUPPLIES	92,594	75,725	111,607	86,272	98,060	106,267	3,100	
4039 CONSUMABLE ITEMS	15,703	4,305	6,175	3,567	5,289	5,765	3,000	
4041 PROFESSIONAL SERVICES	15,316	66,300	-	6,495	7,119	7	6,500	
4043 EDUCATION & TRAINING	341	1,080	-	1,089	1,810	556	2,117	
4045 COMMUNICATION	12,618	11,086	9,884	6,263	3,992	2,572	50,000	
4046 POSTAGE	743	124	1,474	528	-	555	2,500	
4047 HEAT,LIGHT,POWER/WATER	31,957	27,672	29,536	34,923	32,865	37,281	5,500	
4052 ADVERTISING	-	233	359	-	214	471	505,759	
4054 RENTALS	1,870	1,312	2,254	2,741	1,114	3,285	4,125	
4056 REPAIR/MAINT SERVICES	675,144	517,148	478,831	480,874	462,532	673,465	999,971	
4057 REFUSE TIPPING/RECYCL FEE	2,421	383	2,763	2,953	3,112	2,840	13,700	
4059 OTHER SERVICES/CHARGES	384,627	403,669	448,471	910,977	800,329	817,762	1,850	
4061 GENERAL LIABILITY INS	2,105	2,315	3,472	4,100	67,406	13,025	10,250	
4062 FIRE INSURANCE	103	113	155	200	1,056	1,750	1,100	
4063 CASUALTY INSURANCE	3,790	4,170	6,255	7,500	9,752	9,752	40,000	
4064 PROF LIABILITY INSURANCE	1,667	1,834	2,751	3,025	3,180	1,000	-	
4067 CLAIMS	2,737	3,010	3,160	4,000	122,579	8,196	825,000	
4077 OTHER IMPROVEMENTS	97,321	227,671	309,535	174	52,545	661,578	22,000	
4078 MACHINERY/EQUIPMENT	265,106	31,765	9,950	-	10,560	385,821	2,500	
4079 OFFICE EQUIPMENT	7,523	-	-	-	-	-	5,700	
4081 BOND PRINCIPAL	364,779	-	409,805	-	-	5,700	348,720	
4083 BOND INTEREST	490,916	-	441,400	11,084	632,695	348,919	-	
4094 OPER TRANSF OUT-DEBT SERV	-	854,357	-	751,335	-	-	-	
4098 CONTINGENCY ACCOUNT	-	-	-	-	-	-	1,184,594	
TOTAL SEWER COLLECTION	3,762,144	3,655,416	3,747,946	3,554,722	3,508,411	4,370,394	5,518,818	

Sewer collection expenditures increased from \$3,762,144 in 2000 to \$4,370,394 in 2005, an increase of \$608,250, or 16% for the period. Personnel and benefit related costs decreased by \$26,407 over the period due mainly to a reduction in personnel positions. Pension contributions increased substantially, and the health insurance costs showed a modest increase. These changes are also due to the staff reductions.

Total non-personnel related costs shown in accounts 4024-4098 increased by \$634,657 during the period. The largest increases occurred in account 4059, which increased by \$433,135; and in account 4077, which increased by \$564,257.

The sewer bureau expenditures include:

- The division of sewer treatment
- The division of sewer collection
- The division of sewer billing

The sewer bureau (sewer fund) budget revenues have decreased \$129,934 or 00.66% from \$19,528,963 in 2000 to \$19,399,529 in 2005. Budget revenues are projected at \$19,817,906 in 2006.

The sewer bureau budget is funded by:

- Revenues created through residential, commercial, and industrial sewerage treatment charges; and
- Revenues created by the treatment of sewerage from neighboring municipalities.

BUREAU ACCOMPLISHMENTS

- The bureau of sewers expended \$ 1,468,336.35 of sewer revenue fund monies on major maintenance and capital improvement projects in 2005.

SEWER REVENUE FUND - 2005		
MAJOR REPAIRS AND CAPITAL EXPENDITURES		
<i>Expense Account</i>	<i>Description</i>	<i>Cost</i>
Department 0771, Treatment Division		
4078 – Machinery & Equipment	CEM Analyzers (incinerator off gas system)	\$ 10,506.00
	Computer network server	16,577.80
	In-line Grinder – thickened Sludge Lines	9,950.00
	Roll-off Cans	6,873.00
	UPS Computer Network Back-up System	4,826.00
	Salt Spreader – Truck mounted	3,599.00
	Pressure Washer	3,175.00
	Lawn Mower – Stand Behind, Self-propelled	2,463.16
	Subtotal	\$57,969.96
4079 – Office Equipment	Computer Work Stations	\$2,062.00
Department 0773, Collection Division		
4056 Repair & Maint. Services	Contracted Sewer & Catch Basin Repairs (approx.)	\$300,000.00
	Millcreek Interceptor –Cleaning & Repair	93,741.10
	Sewer Cleaning / Root Cutting	70,330.59
	Install Customer Backflow Prevent Devices	44,744.57
	Subtotal	\$508,816.26
4077- Other Improvements		
	McCarter Avenue & East Avenue Sewer Relining (final payment) – Total Project Cost \$508,816.26	\$68,845.00
	Post Avenue Relief Sewer	106,798.34
	East Avenue Relining Project	100,981.53
	Millcreek Interceptor – bypass pumping	83,360.47
	Erie Street Sewer Replacement	184,949.40
	Subtotal	\$544,934.74
4078 – Machinery & Equipment		
	Vactor Sewer Cleaning Truck	\$261,981.39
	Cranch Avenue Lift Station Pumps	84,722.00
	Mini-Camera – Small Sewer Line Inspections	7,850.00
	Subtotal	\$354,553.39
Grand Total		\$1,468,336.35

- The bureau of sewers has entered into contracts and approved change orders in the amount of \$16,115,658.13, and has expended \$13,812,643.17 on capital improvement projects over the last three years – 2003, 2004, and 2005 in order to fulfill the Act 537 requirements. The projects were funded with bonds initiated by the Erie Sewer Authority.

Project Description	Contractor	Contract	Change Orders	Total	Total to Date
Bond Redemption/Improvement Fund					
Sewer Cleaning	Robinson Pipe Cleaning	\$18,957.00	\$4,500.00	\$ 23,457.00	\$ 23,457.00
RAS	Spaeder	187,828.00	43,746.65	231,574.65	231,574.65
Administration Roof	AW Farral	90,475.00		90,475.00	90,475.00
Incinerator Monitoring System	PDA	69,000.000	900.00	69,900.00	69,900.00
1998 Construction Fund					
Belt Press Rehabilitation				277,184.66	277,184.66
	Andritz	262,136.00	8,168.66	270,304.66	270,304.66
	C W Beal	6,880.00		6,880.00	6,880.00
West Primary Repair- South Tank				192,972.43	192,972.43
Design CI/CA	CTEE	35,000.00	(4,239.18)	32,486.89	32,486.89
	W T Spaeder	143,929.00		162,211.61	162,211.61
2000 Construction Fund					
FE Water				196,447.54	196,447.54
Design Report	MP	32,500.00	(52.46)	32,447.54	32,447.54
DESIGN CI/CA	MP	161,700.00	2,260.65	163,960.65	163,960.65
East Head Works Rehabilitation				2,878,919.53	2,878,919.53
Design	CTEE			303,458.90	303,458.90
CI+CA	CTEE			338,573.08	338,573.08
	EE Austin			1,613,061.85	1,613,061.85
	Bay Harbour			579,172.44	579,172.44
	Mainline Mechanical			6,923.26	6,923.26
	Scobell Company			37,730.00	37,730.00
Electrical				4,111,406.62	2,095,805.86
Study	MP	70,000.00	9,311.43	79,311.43	79,311.43
Design/CI/CA	Killiam	372,800.00		849,152.00	742,618.52
	Keystone	3,275,598.00	(92,654.81)	3,182,943.19	1,273,875.91
Solids Handling Improvements				1,671,829.09	1,671,829.09
Study	MP	285,610.00	39,997.70	325,607.70	325,607.70
Design	MP	271,300.00	16,280.38	287,580.38	287,580.38
Boiler	EE Austin	96,100.00	(7,558.00)	88,542.00	88,542.00
Boiler	W T Spaeder	755,953.80	(3,105.25)	752,848.55	752,848.55
Boiler	Church & Murdock	72,083.00	(5,283.53)	66,799.47	66,799.47
Pole Barn	CERWIN	91,775.00		91,775.00	91,775.00
Pole Barn	W T Spaeder	21,450.00	5,969.99	27,419.99	27,419.99
Pole Barn	Keystone	19,766.00	2,514.00	22,280.00	22,280.00
Pole Barn	W T Spaeder	8,976.00		8,976.00	8,976.00

Construction Fund Projects

<i>Project Description</i>	<i>Contractor</i>	<i>Contract</i>	<i>Change Orders</i>	<i>Total</i>	<i>Total to Date</i>
2000 Construction Fund					
Building Assessments/ Improvements				\$3,616,275.52	\$3,100,125.54
AUDIT	CTEE	\$13,940.00	\$ 739.63	14,679.63	14,679.63
DESIGN	CTEE	135,843.00	101,768.23	237,611.23	237,611.23
	W T Spaeder	677,665.77	(4,484.23)	673,181.54	673,181.54
	EE Austin	60,500.00	5,952.09	66,452.09	66,452.09
	MFG	61,767.00		61,767.00	61,767.00
DESIGN	CTEE	102,000.00	(9,429.50)	92,570.50	92,570.50
CI/CA	CTEE	58,900.00	2,315.68	61,215.68	61,215.68
Eq Enviro	Scobell	237,960.00	25,657.00	263,617.00	263,617.00
Eq Enviro	Trico	9,300.00	6,775.00	16,075.00	16,075.00
West Prime Bypass	L W Parker	29,000.00	4,550.55	33,550.55	33,550.55
Design	CTEE	34,500.00	11,942.59	46,442.59	46,442.59
Columns	W T Spaeder	48,865.00	3,564.68	52,429.68	52,429.68
CI/CA	City of Erie	31,265.00	(21,261.55)	10,003.45	10,003.45
Eq Roof	AW Farral	133,300.00		133,300.00	133,300.00
Eq Roof	CW Beal	22,840.00		22,840.00	22,840.00
Eq Roof	Chatham Industries, Inc	203,000.00	(1,866.00)	201,134.00	201,134.00
Eq Roof	Northwest Restoration	59,200.00	1,900.00	61,100.00	61,100.00
Grit Drain	SCOBELL	3,485.00		3,485.00	3,485.00
HVACS					
Design	CTEE	72,270.00	40,100.00	112,370.00	112,370.00
CI/CA	CTEE	50,950.00		50,950.00	50,950.00
HVAC5	E E Austin	404,800.00	2,090.00	406,890.00	406,890.00
HVAC5	Scobell	254,560.00		254,560.00	254,560.00
HVAC5	Church & Murdock	78,000.00		78,000.00	55,273.50
Stormwater					
Design	CTEE	90,000.00		90,000.00	74,116.28
Grit Pad	EE Auston	76,600.00		78,771.58	70,965.00
Stormwater	EE Austin	428,300.00		428,300.00	163,898.00
Stormwater	Keystone	64,979.00		64,979.00	
2001 Construction Fund					
Sludge Mixing Improvements				2,252,569.42	2,252,569.42
CI/CA	MP	338,934.00	35,082.00	374,016.00	374,016.00
	W T Spaeder	1,551,988.00	133,013.95	1,685,001.95	1,685,001.95
	Church & Murdock	180,992.00	27,024.53	153,967.47	153,967.47
	Scobell	39,584.00		39,584.00	39,584.00
Scales	Ohmart	27,475.00		27,475.00	27,060.05
IP Rehabilitation	Sicar	135,400.00	(4,000.00)	131,400.00	131,400.00
Electrical					
	Hatch Mott			106,533.48	
	Keystone			1,909,067.28	572,922.40
Grand Total				\$16,115,658.13	\$13,812,643.17

SIGNIFICANT ISSUES, CHALLENGES, AND RECOMMENDATIONS

The sewage bureau operates and maintains the sewerage and storm water delivery systems, the sewerage treatment plant, and the recycling plant for the city. The following recommendations would help improve bureau operations.

- ***The city should consolidate the sewage collection fee process with the water authority. The sewage collection fees are based on the water gallonage used by the residents, business, and industry. The cost of billings could be greatly reduced. This should occur as soon as possible in 2006.***
- ***The city should consider consolidating the sewage bureau of the department of public works with the water authority to reduce operation costs. Many communities in Pennsylvania are combining these processes to reduce overall costs.***
- ***The city should consider the option of selling the sewage treatment plant and major interceptors to the water authority, and use the proceeds of such a sale to establish a sinking fund, and utilize the interest earnings on such a sale for general fund purposes.***
- ***The city should set sewer fee charges at sufficient levels to once again develop sufficient sewer revenue funds that should be in the area of \$1-\$1.5 million.***
- ***The city has a five-year operation plan for the city's sewer treatment operations. The city is strongly recommended to budget, fund, and operate the plan. The plan should be updated bi-annually.***
- ***The city should develop a five-year capital plan for the city's sewer collection operations. The bureau is presently conducting studies of the various underground sections of the city's sewer delivery systems. It is strongly recommended that this study continue throughout the whole of the city's operations.***
- ***The city should develop a five-year capital plan for the city's storm water drainage system. The plan should be based on an underground study similar to the one on the sewer delivery system.***
- ***The bureau of sewers is encouraged to develop a cooperative maintenance program with the street bureau to clean and flush the city's street catch basins and storm water drainage systems. Improper and poorly maintained highway and street drainage systems greatly increase maintenance and operations costs, and decrease the life expectancy of the roads.***

- ***The bureau is encouraged to continue its existing 30-day flushing, degreasing, and root kill programs. The bureau should expand these programs as it receives the results of the underground studies of city's sewer delivery systems.***
- ***The bureau is encouraged to investigate the development of a steam production system as a bi-product in cooperation with its "burning of sewerage sludge" system. The steam production could be used to heat a section of the city or produce electricity that would be incorporated into the city's electric delivery system. The City of Harrisburg, Pennsylvania heats and cools a portion of the city from the steam generated as a bi-product of the city's garbage incineration plant. An energy conservation grant may be available from the state or federal government to develop this process.***

Bureau of Municipal Garage

The municipal garage bureau is responsible for the service, storage, and repair of the mobile equipment of all departments, bureaus, and subdivisions of city government.

- The bureau maintains all of the city's mobile equipment, with the exception of the fire department that maintains its own equipment at the Marsh Street garage or contracts it out. The bureau maintains between 600 and 700 city-owned vehicles and equipment.
- The bureau also maintains the mobile equipment for Erie County, the Erie Housing Authority, the Erie Water Authority, and the Erie Parking Authority. In all, the bureau services and maintains nearly 1,000 vehicles and pieces of equipment.
- The municipal garage is a full service operation with the capacity of servicing and maintaining automobiles, motorcycles, light and heavy trucks, specialized trucks and equipment, emergency equipment, and "Haz Mat" equipment.
- The garage has the capacity for vehicle inspections, vehicle emission services, radio service and repairs, tire repairs and replacement, auto and heavy equipment transmission service, engine diagnostics, auto body, equipment painting, welding and fabrication, frame alignment, and general mechanics.
- Vehicles and equipment are serviced based on preventive maintenance schedule through a computer CD Rom master schedule. Vehicle and equipment records are stored on a computer CD Rom program. There have been no vehicle safety-related accidents since 1982 for vehicles serviced by the garage.
- The municipal garage makes repairs on all vehicles resulting from accidents if under the city's \$2,500 insurance deductible. Vehicles that are involved in accidents and require more than \$2,500 to repair them are sent out to private garages for repairs.
- The municipal garage also operates and manages the vehicle fleet fuel management program, operates an automated car wash, is responsible for the maintenance on the city's radio tower, and maintains and operates the city's 26-vehicle car pool.
- The bureau has re-conditioned police vehicles to extend the life of the vehicles.

The municipal garage also has a cooperative agreement with the Erie School District to train high school students at the garage.

STAFFING

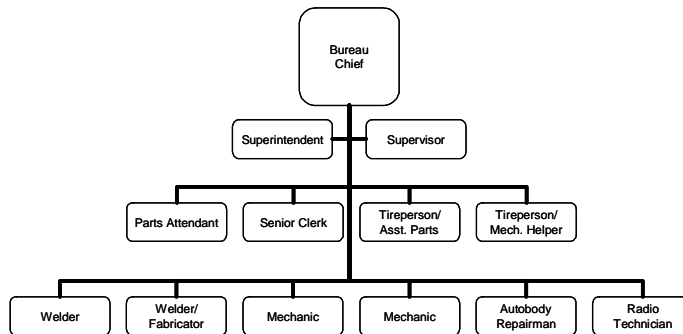
The bureau of municipal garage employs 23 full-time individuals headed by a bureau chief. The bureau has three non-union supervisory employees; one senior clerk who is a member of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO; and 19 employees who are members of Teamsters Local 397 of the International Brotherhood of Teamsters. The staff is housed at the municipal garage on Holland Street at the public works complex.

The normal work week is a 40-hour work week, 7:00 AM to 3:00 PM, Monday thru Friday. During emergency snow conditions, the garage goes to two 12-hour shifts, 7:00 AM to 7:00 PM, and 7:00 PM to 7:00 AM. The senior clerk works an eight-hour day (seven hours paid with a one hour unpaid lunch period). The teamster employees work a 40-hour paid work week and an eight-hour day.

Many of the bureau's employees require licensing to perform their job duties. The bureau employees are budgeted and receive training to maintain and update their respective licenses and train them in new repair techniques.

The bureau cut three positions in 2005. The bureau additionally cut a welder position and a radio technician position in January, 2006.

**Bureau of Municipal Garage
Organization Chart
(01/01/06)**



FINANCES

								BUDGET
	MUNICIPAL GARAGE	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	20,338	57,306	50,000
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	724,149	742,919	820,472	906,961	815,483	795,355	779,760
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	-
4013	SEASONAL WAGES	-	-	-	-	-	575	63,477
4016	FICA/MEDICARE TAX	55,441	57,426	63,008	69,482	64,935	65,223	84,515
4017	PENSION CONTRIBUTION	23,630	13,098	19,610	52,564	89,503	80,658	243,854
4018	GROUP INSURANCE	144,938	131,204	174,362	190,892	212,450	242,825	55,679
4020	WORKERS COMP INSURANCE	36,865	44,363	48,736	44,415	42,783	45,271	15,959
4021	DEFERRED COMPENSATION	2,270	10,468	11,225	13,748	13,927	15,502	15,600
4024	TOOL ALLOW/UNIFM BENEFITS	10,112	10,648	10,700	12,871	11,745	10,854	3,000
4031	OFFICE SUPPLIES	4,350	4,495	5,419	3,000	2,486	2,600	205,000
4033	OPERATING SUPPLIES	132,982	129,637	109,504	153,979	164,209	217,318	205,000
4035	REPAIR/MAINT SUPPLIES	239,760	192,063	222,535	225,076	236,584	226,081	5,000
4039	CONSUMABLE ITEMS	8,994	10,144	7,804	11,930	8,048	2,318	-
4041	PROFESSIONAL SERVICES	373	-	-	-	-	-	500
4043	EDUCATION & TRAINING	2,741	2,000	256	2,675	162	-	250
4045	COMMUNICATION	1,809	1,356	674	196	441	226	300
4046	POSTAGE	1,121	172	897	2,383	190	249	40,000
4047	HEAT,LIGHT,POWER/WATER	30,964	33,991	35,411	41,497	39,947	35,959	1,500
4052	ADVERTISING	-	-	-	-	-	-	16,000
4054	RENTALS	4,583	2,351	3,021	3,098	3,082	2,895	30,000
4056	REPAIR/MAINT SERVICES	20,189	20,409	16,201	12,717	16,151	10,345	-
4059	OTHER SERVICES/CHARGES	32,375	22,923	25,724	27,128	24,315	26,529	-
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	4,755	-	1,859	1,595	-	-	-
	TOTAL MUNICIPAL GARAGE	1,482,401	1,429,666	1,577,420	1,776,206	1,766,778	1,838,086	1,815,394

Expenditures related to the operation of the municipal garage have increased \$355,685 from 2000 through 2005, an increase of 24% for the five-year period. It should be noted that most of this increase occurred between 2001 and 2003. The 2006 adopted budget was 1.2% less than the 2005 actual expenditures.

Base salaries increased by 9.8% for the period. Group insurance increased by 67.5%, and the city's pension contributions increased by 241% over the period.

Overall personnel and related benefit costs increased by \$315,422 during the period. Non-personnel accounts cumulatively increased by a modest \$40,266 over the timeframe.

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

Bureau of Municipal Garage, Division of Radio

The municipal garage provides vehicle and equipment preventive and corrective repairs and maintenance for the city's operational equipment. It also provides vehicle and equipment repairs and service for the water authority, housing authority, and Erie County. It is a full-service garage that has a computerized system management system. The municipal garage also operates an automated car wash and the vehicle fuel distribution system. The employees are skilled and the operations appear efficient. The following recommendations are designed to help improve operations further.

- ***The municipal garage seems well-organized and an effective full-service garage operation. However, in order to stay competitive with the private sector, it is recommended that component parts of the operation, and possibly the overall operation, be a candidate for a "municipal competition" approach.***
- ***The city should consider changing the primarily first shift operation to a seasonal, or permanent, two-shift operation. The garage temporarily goes to a two-shift operation to accommodate snow removal. A permanent two-shift operation will reduce overtime. The second shift will open up the garage and better serve routine preventative maintenance and vehicle inspections, and will assist the city in marketing the services to outside entities.***
- ***The city should consider eliminating the fire department's separate vehicle and equipment maintenance and repair operation. The city should transfer work to the municipal garage. The present system in place is a duplication of efforts. The fire service equipment can be effectively maintained and serviced at the municipal garage. It already has HazMat certified mechanics to service the county HazMat vehicles. The radio maintenance division has already been transferred to the municipal garage.***
- ***The city should investigate the contracting of radio maintenance to a private vendor. The city already contracts a portion of the police radio maintenance.***
- ***The city should competitively bid service and parts items for vehicles and equipment.***
- ***The municipal garage should provide a detailed monthly fuel statement to all department heads and bureau chiefs so they can more effectively monitor fuel expenditures.***
- ***The city should initiate a five-year plan to upgrade and/or replace the service equipment in the garage as needed.***

- *The city should budget and regularly expend money to train the mechanics in the garage to keep their skills current with the changes in the industry.*
- *The municipal garage's vehicle fuel distribution system is designed to be self-operated, but is manned by the bureau of streets for three shifts. The city should redesign or change the system to be an effective "two card" self-service system and eliminate the three bureau of streets positions used to operate the present system.*

Bureau of Parks and Recreation

The bureau of parks and recreation is responsible for the development, care, and maintenance of all public playgrounds, golf courses, recreation areas, and recreation programs in the city.

The bureau maintains 53 park and recreation areas that includes Glenwood Park, Brabender Park, Burton Park, C. Francis Hagerty Park, Martin Luther King Park, Lighthouse Park, Perry Square Park, Pulaski Park, Roessler Park, Joseph A. Wolczak Park, and Roger Young Park, and 40+ neighborhood play areas.

- The bureau maintains three swimming pools – one permanent pool at Roger Young Park and two temporary pools; 10 softball fields and two baseball fields, and three other baseball fields when time permits.
- The bureau, through the golf division, maintains and operates two 18-hole golf courses – the Downing Municipal Golf Course and the Erie Municipal Golf Course, and one nine-hole golf course – the J. C. Martin Golf Course located at Glenwood Park. The Downing and the Erie Municipal Golf Courses are located outside of the city limits.
- The City of Erie owns the Erie Zoo and the indoor JMC Ice Area. The facilities are operated and maintained by the Erie Zoological Society.
- The bureau maintains 447 acres of turf areas – 320 acres in-house and 127 acres through contract.
- The bureau maintains the city boulevard's center islands.
- The bureau works with the Erie Street Tree Commission to maintain the trees throughout the city's parks, boulevards, and recreation areas.
- The bureau maintains the football field next to the Roger Young Park.

City of Erie Park and Recreation Areas

<i>East Side Parks</i>		<i>West Side Parks</i>	
Burton Park	playground, tennis, basketball	Baldwin Park	playground, hand ball, basketball, roller skating
Chautauqua Park	shelter, benches	Barbara Nitkiewicz	playground
Cranch Park	benches, landscapes	Bayview Park	playground, baseball, basketball, tennis, pool
Euclid Park	green space	Brabender Park	baseball, soccer
Franklin Park	softball	Chestnut Street	2 boat launch ramps
Hillside Park	playgrounds, baseball fields	Columbus Park	playground, tennis, basketball, pool
Joseph Walczak Sr. Park	playgrounds, baseball, soccer, shelters, basketball, volleyball	Frontier Park	playground, tennis, soccer, arboretum
Kosciuszko Park	playgrounds, soccer, basketball	Garden Park	green space
Lake Park	green space	Glenwood Park	playground, horseshoes
Land Lighthouse	playground, historic lighthouse	Gridley Park	shelters, picnic tables
McCarty Park	basketball, baseball	Griswold Park	green space, Farmer's Market
McClelland Park	green space	C. Francis Haggerty Park	playground, basketball, soccer, softball, shelter
McKinley Park	Basketball, tennis	Lakeside Park	green space
Nate Levy, Jaycee	playground, tennis	Larry Fabrizi Park	playground, basketball, soccer, softball, shelter
Perry Square Park	passive	Martin Luther King Jr. Park	playgrounds
Pulaski Park	playground, softball	Pebble Lake Playground	passive
Roger Young Park	playground, softball, soccer, pool, basketball, football	Perry Square Park	passive, gazebo
Roessler Park	playground	Ravine Park	green space
Roma Park	green space, trails	Reservoir Park	green space
Wallace Playground	playground, basketball, soccer, football	Ruby Schaaf Park	playground, basketball
Wayne Park	picnic shelters, benches	Victory Park	playground, baseball
19 th and Wayne	basketball	Washington Park	gazebo, shelters, benches
Woodlawn Park	playground	Woodlawn Park	green space

- The City of Erie, in 2005, contracted with the following agencies to provide summer recreation programs for the city: American Red Cross, Downtown YMCA Rehab, Booker T Washington Center, Boys & Girls Club of Erie, Holy Trinity Community Center, YWCA Summer Recreation, John F. Kennedy Human Resources, and Martin Luther King Human Resources.
- Major city programs are managed and administered through the mayor's office of cultural affairs.
- Excluding the golf operations and the summer baseball and softball programs, programs in the city and the region are developed and operated by a variety of volunteer and 501-3C organizations with the city playing the role as a facilitator providing capital and maintenance program support:

- The bureau provides program support and band wagons for various special events throughout the city including “Celebrate Erie”, City of Erie Concert Series, block parties, bike nights, etc.
- The bureau has partners and conducts joint programs with Erie School District, the housing authority, and various organizations throughout the city for special events, soccer, football, swimming, basketball, tennis, summer theatre programs, etc.

The bureau sponsors a junior golf program during the summer.

STAFFING

The bureau of parks and recreation employs 15 full-time individuals headed by a bureau chief. The bureau has four non-union supervisory employees, one golf audit clerk and one senior clerk who are members of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO; and nine employees who are members of Teamsters Local 397 of the International Brotherhood of Teamsters. The bureau plans to hire 54 seasonal employees in 2006.

The parks and recreation bureau does not have a professionally trained director.

The parks and recreation bureau basically has two divisions: the park and recreation division headed by a superintendent, containing one senior clerk, seven full-time employees, and 20 seasonal employees; and the golf division headed by a superintendent, one pro manager, one golf audit clerk, one crew leader, one mechanic, and 34 seasonal employees.

The parks and recreation division staff is housed at the Marsh Street garage. The senior clerk and the golf audit clerk are housed at city hall, and golf division staff is housed at the Downing Golf Course.

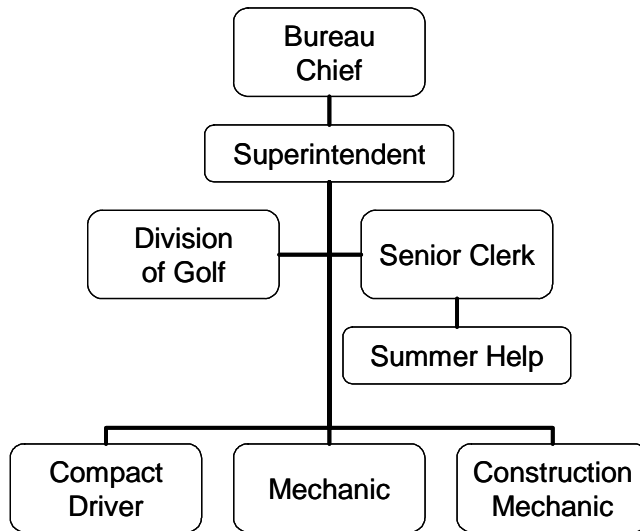
The normal work week for the parks and recreation division is a 40-hour work week, 7:00 AM to 3:00 PM, Monday thru Friday. The normal work week for the golf division is a 40-hour work week, Monday thru Sunday, 6:00 AM to 2:30 PM. The senior clerk and the golf audit clerk work an eight-hour day (seven hours paid with a one hour unpaid lunch period). The teamster union employees work an eight hour paid work day.

The golf superintendent is professionally trained and a member of the Golf Superintendents Association with a public chemical applicators license. Money is budgeted annually and expended for the golf superintendent to maintain his licensing.

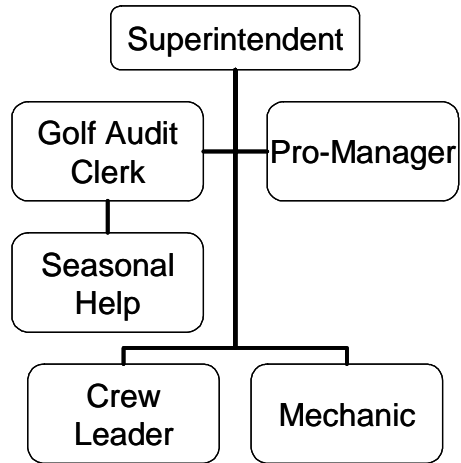
The parks and recreation division contract the mowing of a portion of its turf areas. The golf division also contracts the deep tine aeration of its golf courses. The City of Erie contracts summer recreation programming.

The parks and recreation bureau have lost a variety of positions over the past five years. The bureau lost a foreman position in 2004. The bureau lost an additional foreman position and an arborist position in 2005. The bureau lost five laborer positions, one utility/laborer position, and two truck driver positions in January, 2006.

**Bureau of Parks & Recreation
Organization Chart
(01/01/06)**



**Golf Division
Organization Chart
(01/01/06)**



FINANCES

Acct	PARKS & RECREATION							BUDGET
		2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	20,342	29,390	35,000
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	971,658	976,211	974,569	790,488	943,675	918,170	432,964
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	120,000
4013	SEASONAL WAGES	-	-	-	-	61,567	61,062	44,979
4016	FICA/MEDICARE TAX	74,287	75,642	74,992	86,593	86,063	77,788	46,483
4017	PENSION CONTRIBUTION	31,563	16,777	22,680	71,678	97,363	69,787	123,921
4018	GROUP INSURANCE	194,076	167,193	199,683	253,846	247,555	293,708	29,232
4020	WORKERS COMP INSURANCE	47,645	46,824	65,521	50,088	44,191	37,245	8,659
4021	DEFERRED COMPENSATION	1,732	7,751	8,510	8,449	5,899	3,041	5,500
4024	TOOL ALLOW/UNIFM BENEFITS	2,807	2,976	2,733	5,391	5,191	4,249	1,000
4031	OFFICE SUPPLIES	2,867	3,030	2,385	1,597	1,349	690	55,000
4033	OPERATING SUPPLIES	42,856	49,158	43,138	54,534	64,363	58,765	56,150
4035	REPAIR/MAINT SUPPLIES	149,204	144,869	114,785	96,285	77,581	98,709	4,000
4039	CONSUMABLE ITEMS	13,158	10,929	10,075	9,658	6,334	4,571	-
4041	PROFESSIONAL SERVICES	651	86	-	487	-	-	1,000
4043	EDUCATION & TRAINING	1,314	883	1,152	3,236	962	915	3,000
4045	COMMUNICATION	1,317	3,131	5,803	5,981	3,202	2,401	100
4046	POSTAGE	550	1,100	6	600	58	32	25,000
4047	HEAT,LIGHT,POWER/WATER	18,869	10,711	21,984	17,745	28,361	15,552	70,000
4049	ST LIGHTING/TRAF SIGNALS	109,000	112,000	112,000	117,600	99,960	72,246	700
4052	ADVERTISING	121	526	2,891	-	248	789	12,000
4054	RENTALS	7,985	8,297	17,749	10,401	9,864	6,043	85,000
4056	REPAIR/MAINT SERVICES	84,217	98,276	120,615	81,054	74,652	81,610	4,500
4057	REFUSE TIPPING/RECYCL FEE	-	296	395	2,850	124	-	-
4059	OTHER SERVICES/CHARGES	286,478	319,235	336,527	22,199	39,790	586	12,000
4061	GENERAL LIABILITY INS	800	1,883	2,260	2,260	9,975	11,152	-
4062	FIRE INSURANCE	1,883	-	-	-	-	-	30,800
4063	CASUALTY INSURANCE	7,578	7,579	9,095	9,095	26,413	30,854	3,000
4067	CLAIMS	3,000	3,300	3,960	3,960	-	2,894	150,000
4072	LAND/BUILDINGS	240,830	73,746	40,212	124,070	11,210	-	-
4078	MACHINERY/EQUIPMENT	268,245	40,829	91,155	21,883	-	-	-
4079	OFFICE EQUIPMENT	-	-	-	-	-	-	-
4552	SUMMER RECREATION PROGRAM	3,200	3,200	17,160	158,488	150,097	159,035	-
4555	YWCA SUMMER RECREATION	42,965	53,573	110,974	-	-	-	-
4560	RED CROSS SWIM PROGRAM	40,438	42,611	46,297	-	-	-	-
4562	GECAC SPOONS LEAGUE	11,700	11,813	-	-	-	-	-
TOTAL PARKS AND REC		2,662,994	2,294,436	2,459,305	2,010,516	2,116,386	2,041,285	1,359,988

The parks and recreation bureau expended \$2,041,285 in city general fund money in 2005, a decrease of \$621,709, or 23.3% from 2000. The 2006 adopted budget further decreased costs by \$681,297 from 2005 spending levels, a decrease of 33%.

Personnel and benefit related costs went from \$1,320,961 in 2000 to \$1,490,191 in 2005, despite a loss of personnel during the period. Group insurance increased by \$99,632 and the city's pension contribution increased by \$38,224. Base salaries actually decreased by \$53,488 for the period, although overtime did increase significantly. Non-personnel costs shown in accounts 4024-4562 cumulatively decreased by \$790,940 over the period. Account numbers 4059, 4072, 4078, 4555, 4560, and 4562 accounted for \$890,070 of the decrease.

Further analysis of the numbers indicates that in 2000 personnel expenditures and non-personnel expenditures each consumed about 50% of the overall expenses. In 2005, personnel related expenditures represented 73% of overall expenditures, and non-personnel expenditures had dropped to approximately 17% of all costs in spite of a number of staff reductions. Programs and machinery and equipment have been significantly curtailed.

The park and recreation budget is funded by:

- General fund tax dollars
- Fees and charges for program services
- Government grants
- Donations

The golf division of the bureau of parks and recreation expended \$1,021,196 of the golf fund money on the operation of the city's three municipal golf courses in 2005. The golf division (golf fund) budget expenses have increased \$168,640, or 16.90% from \$997,741 in 2000 to \$1,166,381 in 2006. The golf division (golf fund) revenues have decreased \$193,985, or 19.56% from \$991,822 in 2000 to \$797,837 in 2005. Thus, there is a widening gap between revenues and expenses of over 35% for the period. Budget revenues are projected at \$1,166,381 for 2006.

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

The city should closely scrutinize the golf fund and golf operations over the next three years.

Golf course operations are designed to create a profit. The City of Erie has lost \$573,257 on its golf operations from January 1, 2000 thru December 31, 2005. The reconstruction of the Erie Municipal Golf Course has contributed greatly to these losses in 2004 and 2005 due to limited play. It cannot be considered the sole problem for the huge deficit.

**Golf Fund Expense vs. Revenue Summary
2000 – 2006**

Golf Fund	2000	2001	2002	2003	2004	2005
Golf Expense	\$941,770	\$1,052,682	\$995,773	\$948,544	\$1,111,888	\$981,176
Concession Expense	55,971	50,503	53,911	45,596	51,923	40,020
Expense Total	\$1,158,341	\$1,103,185	\$1,076,924	\$1,044,454	\$1,033,495	\$1,021,196
Revenue Total	\$991,822	\$1,081,170	\$1,027,167	\$988,358	\$977,984	\$797,837
Expense vs. Revenue	-\$166,519	-\$22,015	-\$49,757	-\$56,096	-\$55,511	-\$223,359

The total rounds of golf played at the three courses from 2003 thru 2005 have dropped by 17,654 rounds, reducing the revenue by approximately \$170,000. In addition, concession sales at the Downing Golf Course have remained stagnant or dropped.

**City of Erie
Rounds of Golf Summary**

Downing Golf Course	2003 12/01/03	2004 12/11/04	2005 11/12/05	Change	Percent of Change
Total Rounds of Golf	34,949	31,773	30,474	- 4,475	12.80%
Revenue	\$537,075.50	\$503,983.00	\$515,704.00	- \$21,137.50	3.98%
Erie Golf Course	2003 10/25/03	2004 10/16/04	2005 10/31/05	Change	Percent of Change
Total Rounds of Golf	17,717	12,862	9,741	- 7,976	45.02%
Revenue	\$137,742.00	\$137,880.00	\$105,777.00	- \$31,965.00	23.21%
J. C. Martin Golf Course	2003 10/04/03	2004 10/02/04	2005 10/20/05	Change	Percent of Change
Total Rounds of Golf	16,314	12,859	11,111	- 5,203	31.89%
Revenue	\$121,084.00	\$100,802.50	\$92,886.00	- \$28,198.00	23.29%

**Downing Golf Course
Concession Sales Summary
2003 – 2005**

Concession Sales (2003)	Sales	Tax	Total
Soft Drinks (Vending)	\$11,498.42	\$689.93	\$12,188.35
Snacks (Vending)	3,095.86	16.98	3,112.84
Food (Hot Dogs & Coffee)	12,319.03	753.76	13,072.79
Total	\$26,913.31	\$1,460.67	\$28,373.98
Concession Sales (2004)	Sales	Tax	Total
Soft Drinks (Vending)	\$13,275.47	\$796.53	\$14,072.00
Snacks (Vending)	1,341.00		1,341.00
Food (Hot Dogs & Coffee)	12,604.10	756.25	13,360.35
Total	\$27,220.58	\$1,552.77	\$28,773.35
Concession Sales (2005)	Sales	Tax	Total
Soft Drinks (Vending)	\$11,202.83	\$672.17	\$11,875.00
Snacks (Vending)	1,355.00		1,355.00
Food (Hot Dogs & Coffee)	12,703.44	762.21	13,465.65
Total	\$25,261.27	\$1,343.38	\$26,695.65

**Golf Cart Rental Summary
2003 - 2005**

<i>Golf Cart Rental</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
Downing Golf Course			
Cart Rental	9,047 - \$114,307	8,650 - \$111,296	9,328 - \$121,459
Erie Golf Course			
Cart Rental	6,425 - \$66,383	4,080 - \$40,266	3,512 - \$ 32,940
J.C. Martin Golf Course			
Cart Rental	376 - \$2,632	249 - \$1,743	396 - \$ 2,772
Total Cart Rentals	15,848 - \$183,322	12,979 - \$164,541	13,236 - \$157,171
Golf Cart Lease Expense	\$ 78,442.56	\$ 78,442.56	\$ 78,442.56
Profit	\$104,879.44	\$ 86,098.44	\$ 78,728.44

The rental of golf carts generally produces the second largest amount of profit at the golf course behind green fees. The City of Erie has a five-year lease to purchase agreement (2003 thru 2007) with New Penn Golf Carts, Inc., Falconer, New York to lease to the city 100 golf carts at a price of \$78,442.56 per year. Golf cart rental use has dropped 16.48%, or \$26,151 from 2003 to 2005.

**Golf Fund
Budget Revenue/Expense vs. Actual Revenue/Expense Summary
2000 – 2005**

<i>Golf Fund</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
Revenues						
Budget	\$1,182,114	\$1,195,103	\$1,105,621	\$1,371,149	\$1,545,018	\$1,363,636
Actual	991,822	1,081,170	1,027,167	988,358	977,837	797,837
	\$190,292	\$113,933	\$78,454	\$382,791	\$567,181	\$565,799
Overstatement in %	32.40%	10.34%	7.64%	38.72%	58.00%	70.92%
Expenses						
Golf Budget	\$1,102,370	\$1,114,319	\$1,038,016	\$1,222,750	\$1,426,084	\$1,244,438
Golf Actual	941,770	1,052,147	995,773	948,544	1,111,888	981,176
	\$160,600	\$62,172	\$42,243	\$274,206	\$314,196	\$263,262
Overstatement in %	14.56%	5.58%	4.06%	22.42%	25.70%	21.16%
Expenses						
Concession Budget	\$60,567	\$54,834	\$68,140	\$149,180	\$108,023	119,198
Concession Actual	55,971	50,503	53,911	45,596	49,917	41,085
	\$4,596	\$4,331	\$14,229	\$103,584	\$58,106	\$78,113
Overstatement in %	7.59%	7.90%	20.88%	69.43%	53.79%	65.53%
Expenses						
Total Budget	\$1,162,936	\$1,169,153	\$1,106,156	\$1,371,931	\$1,534,107	\$1,363,636
Total Actual	997,741	1,102,650	1,049,684	1,059,871	1,288,501	1,021,196
	\$ 165,195	\$66,503	\$56,472	\$312,060	\$245,606	\$342,440
Overstatement in %	14.20%	5.68%	5.10%	22.74%	16.00%	25.11%

The golf fund and the golf fund budget must be closely scrutinized. The revenues and expenses related to the golf fund have not been accurately identified over the past six years (2000 thru 2005). Revenues have been overstated from a low of 7.64% or \$78,454 in 2002, to a high of 70.92%, or \$565,799 in 2005. Expenses have been overstated from a low of 5.10%, or \$56,472 in 2002 to a high of 25.11%, or \$342,440 in 2005. Accurate budget figure projections and regular adjustments are essential for the golf fund to operate in the black and become profitable.

BUREAU ACCOMPLISHMENTS

- The bureau of parks and recreation in cooperation with the bureau of buildings maintenance constructed 10 new play areas throughout the city in the last five years from 2000 to 2005. Funding was provided through the Federal Government Community Development Block Grant program.
- The city has expended nearly \$1,691,374 on renovations to the Erie Municipal Golf Course since 2003.

The following list of accomplishments was provided by the superintendent of golf for 2005 for the Erie Municipal Golf Courses:

City of Erie Municipal Golf Courses List of Accomplishments for 2005

Downing Golf Course

- improved the overall condition of putting surfaces by implementing a scheduled verticutting and fertility program
- introduced double cutting of greens during tournaments and championship play which improved the roll of the putting surface
- rolled greens for the first time in the history of downing golf course during the EDGA championship to show members how a roller will improve the quality of the putting surface as well as increase ball roll (a roller had to be borrowed from a neighboring golf course)
- increased revenue at Downing Golf Course by 5% in 2005
- implemented a preventative pesticide program on greens

Erie Golf Course

- Successfully completed the renovation of a Tillinghast designed facility
- Renovation included 5 brand new holes, several new tee complexes, six new greens, and a new irrigation system
- improved the overall condition of putting surfaces by implementing a scheduled verti-cutting and fertility program
- implemented a preventative pesticide program on green

J.C. Martin Golf Course

- trouble and repaired an irrigation system that was installed in-house
- implemented a preventative pesticide program on greens
- improved the overall condition of putting surfaces by implementing a scheduled verti-cutting and fertility program
- met with USGA and submitted a grant proposal for the golf course that will include a master plan and many improvements

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

Bureau of Parks and Recreation

- ***The city should develop a long-term comprehensive park, recreation, and open space plan. The plan would identify the short-term, intermediate-term, and long-term leisure needs of the city residents and provide a plan of action to provide these needs. The Pennsylvania Department of Conservation and Natural Resources can provide the city funding in the amount of 50% to conduct this study and develop the plan.***
- ***The city should consider combining the operations of the bureau of parks and recreation, including the golf division and the services of cultural affairs, and establish a city department of leisure services.***

This change would provide departmental status to the important “quality of life” issues and services provided by the city and its partnered organizations. Parks and recreation programming, administration, and maintenance would be coordinated with a singular head. It would provide one stop shopping and better coordination for the city’s leisure services and tourism.

- ***The city should hire a professionally educated and licensed park and recreation director to head the new department of leisure services. The individual should have a professional degree, license, and experience in urban recreation and park administration. Information regarding the hiring of a professional director can be obtained by contacting Mr. Robert Griffith, Executive Director of the Pennsylvania Park and Recreation Society at (814-234-4272).***
- ***The city should create a volunteer, non-policy making park and recreation citizens advisory board comprised of community and business leaders to support and bring sound business practices to the park and recreation operations. Information can be obtained to create this citizens advisory board by contacting Mr. Mark Kulich at the Pennsylvania Department of Conservation and Natural Resources at 814-871-4190, or Mr. Robert Griffith at the Pennsylvania Recreation and Park Society at 814-234-4272.***
AND/OR
- ***The city should investigate the possibility of developing a regional park and recreation board with its adjoining municipal neighbors. The board could consist of the City of Erie; the Erie School District and the municipalities that make up the geographic Erie School District area; and the multiple providers of leisure services throughout the Erie regional area. By sharing resources, the region could be better served and a duplication of efforts reduced. It should be noted that the City of Erie should not assume the major share of the expenses related to the organization, but its corresponding share based on use and demographics.***

The Pennsylvania Department of Conservation and Natural Resources (DCNR) have a peer-to-peer grant program that could help develop the organization of this board. DCNR also has a circuit rider program that funds the hiring of a professional director to develop the board's operation for the first four years (100% - year 1) (75% - year 2) (50% -year 3) (25% - year 4) (0% - year 5).

- ***The city should transfer the maintenance of the city boulevards and cul-de-sacs from the bureau of parks and recreation to the bureau of streets. These areas should be considered the maintenance functions of the street bureau, even though these areas generally contain trees, shrubs, turf grasses, and landscapes.***
 - ***The bureau of streets should maintain the boulevards and cul-de-sacs, and/or***
 - ***The city should contract the maintenance of the city's boulevards and cul-de-sacs, and/or***
 - ***The city should contact volunteer groups to main the city's boulevards and cul-de-sacs.***
- ***The city should create a "friends of the parks" program where volunteers are encouraged to help maintain the park and recreation facilities and operations. The city should also initiate an "eager beaver day" in April or May where individuals from the neighborhoods and volunteer organizations come to the parks, playgrounds, and athletic field areas to clean and prepare the park and recreation facilities for season use. This program is very successful in many communities. Sponsors are usually found to support the program.***
- ***The city should consider developing an intergovernmental program with its neighboring municipalities and partner organizations where services, training, and equipment are shared. It could be set up similar to the Penn DOT agility program or a "fee for service" program.***

Training is generally one of the first items on the "chopping block" when a community falls short on monies. That is probably the worst thing a community should cut. Training provides ways to update techniques, improve operations, and create ways to decrease operation costs.

- ***It is highly recommended that the bureau chief and the superintendent of parks become members of the National Parks and Recreation Association (NRPA) and its state affiliate, the Pennsylvania Recreation and Park Society (PRPS). They should regularly attend meetings, work shops, and conferences to improve their professional skills.***

It is further recommended that the city send the bureau chief and the superintendent of parks to the NRPA's Park Maintenance Management School. The school is sponsored by the NRPA and North Carolina State University. The school is a two-year program requiring attendance at two one-week sessions in late January. The program is taught by park professionals from all over the country. The school is hosted at Oglebay Park in Wheeling, West Virginia. NRPA and PRPS membership information and Park Maintenance Management School information can be obtained from Mr. Robert Griffith, Executive Director of the Pennsylvania Park and Recreation Society at (814-234-4272).

User fees and charges generate revenues that offset the costs of operation.

- ***The city should review the fees and charges that it charges for its programs annually. The fees and charges should be identified as separate line items in the budget in order to more closely scrutinize the revenue created and the fees charged:***
 - ***The city should consider initiating a user fee to reserve a picnic pavilion in the system and better market these facilities. The fees generated should cover the costs of operating these facilities. A fee schedule should be created based on seasonal and non-seasonal use, week day versus weekend and holiday use; city resident versus non-City resident; and the size of the pavilion. The fees should begin small and be gradually increased over three years to cover full operating and maintenance costs.***
 - ***Reinitiate user fees at the swimming pools. The city previously charged user fees for pool use but discontinued collecting them. Minimal fees should be charged to cover the costs of operations.***
- ***The city should consider developing cooperative agreements with its athletic organizations and turn over the maintenance of these facilities to these organizations, or develop a fee schedule where in three years the city recovers nearly 100% of its costs to maintain these facilities:***
 - ***The city collects little revenues from its 15 baseball/softball fields and one football field. The city should initiate a flat group fee schedule for athletic field use, to be phased in over three years, to slowly wean these athletic organizations into paying fees for the use of the city's facilities. The city should evaluate the costs of operation and maintenance during this two year phase in period and in Year 3, the city should establish a fee schedule based on the actual costs of operation and maintenance.***

Year 1

Football (Youth) Fee:	\$3 per field per game or practice session
Football (Adult) Fee:	\$6 per field per game or practice session
Baseball/Softball (Youth) Fee:	\$6 per field per game or practice session
Baseball/Softball (Adult) Fee:	\$12 per field per game or practice session

Year 2

Football (Youth) Fee:	\$4 per field per game or practice session
Football (Adult) Fee:	\$8 per field per game or practice session
Baseball/Softball (Youth) Fee:	\$8 per field per game or practice session
Baseball/Softball (Adult) Fee:	\$16 per field per game or practice session

- ***The city should discontinue the lining of the athletic fields and the hand dragging on the baseball/softball infields. The athletic associations and the leagues should perform these tasks. Only drag the athletic fields on Saturdays, Sundays, and holidays if the athletic associations and leagues agree to pay the full costs of labor and equipment to do so.***
- ***The city should discontinue paying the electric utility bills related to athletic field use. The athletic associations and the leagues should be paying these bills.***

The city contracts with many organizations within the city to provide leisure services.

- ***The city should regularly review and monitor these programs. The city should develop formal agreements with its partnering organizations. The agreements should be longer than three years in length and jointly reviewed annually. The agreements should specifically identify the responsibilities of both the City of Erie and its partners. At a minimum, the agreements should: (1) name the partner organization and its officers; (2) term of the agreement; (3) purpose of the agreement; (4) name the City of Erie and partner organization's contact persons; (5) name a liability insurance policy carrier, the amounts of the insurance, and jointly naming both the city and the partner, and its officers on the policy; (6) the maintenance required and who is going to perform it ; and (7) specify who is going to pay what.***

The city solicitor, the director of public works, the bureau chief of parks and recreation, and the superintendent of parks should be involved in the development of these agreements.

- ***The city should create a five-year major maintenance and capital improvements plan. This plan should target the major maintenance projects and capital improvements and identify the funding sources, grants, donations, etc. required to achieve the accomplishment of the needed projects.***

- ***The city should consider using grant monies from the Pennsylvania Department of Conservation and Natural Resources to fund major maintenance and capital improvement projects throughout the park system. These programs require a cost share. The city's labor costs will often fulfill the local cost share.***
- ***The city should require a concession permit for 501-3C non-profit and profit-making organizations that operate food and drink concessions on city-owned properties. The permit fee can be a daily fee, a weekly fee, a seasonal fee, or an annual fee based on the profits created by these concessions. A two-tier fee schedule should be set-up. The profit making group's fees should be at least double the non-profit group fees. The agreements should not extend longer than three years and should be a flat fee with a percentage of the profits.***
- ***The city should consider developing a vending machine concession program. Vending machines provide services that do not require an attendant on-site. The city should consider developing a vending contract with a private company, not to exceed three years in length, to provide these services.***
- ***The city should consider retaining and operating all soft drink concessions for city-sponsored or partnered programs and special events. There are huge profits made in soft drinks, particularly with pre and post mix systems served with ice. These operations could be serviced and manned with part time personnel or with non-profit organization groups sharing the profits with these organizations.***

Over 150,000 children across the nation are treated in hospital emergency rooms for playground-related injuries annually. To reduce the occurrence and severity of playground injuries, the United States Consumer Product Safety Commission (CPSC) and the American Society for Testing and Materials (ASTM) have established general guidelines for new and existing playgrounds, and technical guidelines for equipment and surfacing which, if followed, will dramatically reduce the number of playground injuries. The Commonwealth of Pennsylvania has not adopted these guidelines, although the courts in Pennsylvania are following them to determine a municipality's liability in lawsuits. Lawsuits are an unwanted financial drain on a community, particularly if they lose.

- ***The bureau of parks and recreation maintains and operates 43 playground areas throughout the city. The city should contract for a playground safety audit to be conducted on its playground sites. This audit should be completed by a certified playground safety inspector licensed by the National Playground Safety Institute, an affiliate of the National Parks and Recreation Association. To find a playground safety inspector that may serve your area contact the National Park and Recreation Association at (800-626-NRPA), or the Pennsylvania Recreation and Park Society at (814-234-4272). Upon the completion of this audit, the city should develop a “risk management plan for playgrounds” program and update all of the city’s playgrounds to the current (CPSC) guidelines and (ASTM) safety standards.***

Based on the amount of playgrounds the city maintains, it is further recommended that the bureau chief and/or the superintendent of parks and recreation or a member of the park staff, be trained, tested, and licensed as a playground safety inspector.

The bureau chief and/or the superintendent of parks should conduct an annual spring safety walk visiting and inspecting the entire city-owned facilities for safety. The safety problems should be identified and placed on a check list for work to be performed. A timeframe for corrections should be made. The list would be checked off when the corrections are made. The city should consider ordering the following manuals and information to develop this “annual spring safety walk”: Handbook for Public Playground Safety, U.S. Consumer Product Safety Commission, Washington, D.C., (1994), Standard Consumer Safety Performance Specification for Playground Equipment for Public Use, F1487-01 and Standard Specification for Impact Attenuation of Surface Systems Under and Around Playground Equipment, F1292, ASTM, 100 Barr Harbor Drive, Conshohocken PA 19428, and Safety First Checklist, Audit & Inspection Program for Children’s Play Areas, MIG Communications, 800 Hearst Avenue, Berkeley, CA 94710 (Sally McIntyre and Susan M. Goltsman, 2nd edition, 1997).

The bureau of parks and recreation maintains 43 play areas throughout the city. The city primarily uses shredded wood chips as a safety surface under and around many of these pieces of play apparatus. Double shredded hardwood bark and wood chips makes an acceptable safety surfaces under and around playgrounds according to National Playground Safety Standards. The bureau expends much time and money on the removal of trees throughout the city.

- ***It is recommended that the bureau, in the future, retain the wood chips that are clean and free of leaves and debris from the tree removal program, double chip and/or shred them, and use them as a safety surface under and around the city’s play areas or place them on trails to reduce erosion and maintenance. The city could receive a state grant under the state recycling program to purchase an additional chipper/shredder to satisfy this need.***

The city maintains 447 acres of turf areas throughout the city – 320 acres in-house and 127 acres through contract.

- ***The city should consider privatizing the rest of its mowing areas through managed competition and reducing its personnel staff.***

The city expends a considerable amount of labor trim mowing and weed and brush cutting in the parks and recreation areas throughout the city.

- ***The city presently employs a superintendent of golf with a public chemical applicators license to dispense chemicals at the golf courses. The city should consider having the superintendent of golf and/or the superintendent of parks obtain a chemical applicators license with a “parks category” to apply and/or train other employees as technicians to apply herbicides and weed killers throughout the city to lessen the time or eliminate trim mowing. The purchase of the chemical “round up” and associated herbicides, the purchase of three gallon hand tank sprayers, and the purchase of a 50 or 250 gallon tank sprayer, and the labor required to apply the chemicals, will greatly reduce the amount of time needed for trim mowing and string trimmer operations. Herbicides and filter fabric could also be applied to the flower gardens and shrub planters to reduce and/or eliminate weeding. The city could investigate the contracting of the application of chemicals as an alternative to reduce the costs of trim mowing.***

Outdoor Pools

The city maintains a permanent pool at the Roger Young Park and two other temporary pools. The city contracts with the American Red Cross for life guard services. The city collects little or no revenues from the pool operations. Outdoor pools in our northern climate will generally financially break even at best. All pools have a life expectancy.

- ***The city should consider, as these pools reach their life expectancy, to close the facilities and develop seasonal water play areas and splash areas. Many communities with northern climates in the United States are constructing seasonal water play areas in lieu of outdoor pools to provide an outdoor water experience for their residents. The water play areas do not require life guards. The water play areas are a fraction of the cost to build and operate as compared to outdoor pools. The City of Sudbury, Pennsylvania has been operating a small water play area for several years. The Niagara Falls Park Commission in Niagara Falls, Ontario, Canada operates a wading pool with a large center fountain at its Queenstown Park which is very popular. The City of Erie previously had fountains in the parks that were closed years ago. Fifty percent (50%) funding for these water splash areas could be obtained from the Pennsylvania Department of Conservation and Natural Resources funding programs.***

- **The bureau of parks and recreation should develop a 12-month written operation plan. The work plan could be developed in the form of a check list where an employee could check off the work as completed. This plan would establish a 12-month maintenance schedule and prioritize the park and recreation operations.**

Sample Maintenance Schedule

<i>April, 2004 Check List</i>		
April	1	APRIL FOOLS DAY – ARE YOU READY TO MOW PRACTICE BEGINS – ALL BALL FIELDS THE PARK POLICE BEGIN SUMMER SCHEDULES
April	4	Garbage dumpsters are located in the parks with weekly pick-ups (Contract). Test all fire extinguishers (Contract). Prepare the park for Easter weekend activities. The food and drink vending concession buildings open. Begin dragging the ball field infields on a regular basis. Continue the spring fertilization and turf programs. Police the park turf areas for rocks and debris. Continue filling the holes and low spots in the park turf areas and seed. Continue to lime the turf areas. Haul firewood to the park fireplaces and camping areas. SPRING HOUSE CLEANING – litter pick up. Rototill and stake the areas for the spring tree seedling plantings. Treat the stone riprap and associated areas around the park dams with “Round Up”. Begin to prepare the parks for the Opening Day of Trout. Check and repair the electric circuitry in the park pavilions and comfort stations. Rototill the public garden plots. Stake and label the garden plots. Post the plot plan on the garden plot bulletin board. Place garbage barrels. Plant the new tree seedlings.
April	11	GOOD FRIDAY
April	12	EASTER SUNDAY
April	12	Turn on the water throughout the park. Repair any breaks. Turn on the water to the comfort stations, pavilions, and drinking fountains. Make repair. Pump and treat the comfort station vaults and septic tank. Pressure-wash the park pavilions, comfort stations, and concession facilities. Mow the flood control dams at Acme and Bridgeport (Mammoth). Clean and repair the park walkways. Over- seed the football and rugby fields as needed. Apply “Miracid” to the hemlock, laurel, rhododendron, yews, holly, dogwood, and ornamental shrubs that prefer acidic ground conditions. Fertilize the perennial flowerbeds. Place new American flags on the flagpoles. Prepare the parks for the Opening Day of Trout. Erect the park program display signs at the park entrances.
April	17	OPENING DAY OF TROUT Begin to clean the rest rooms around the park lakes on a daily basis. Hot mix asphalt available. Treat the turf on the dam breasts with growth retardants. Apply weed killers to the annual flower beds where needed.
April	19	Apply pre-emergent chemical weed controls to the park shrub planters. Treat the pine and spruce nurseries with “Amizine” for weed control. Treat the ball field infields, the foul lines, the outfield fencing, and the post and rail fencing with the herbicides “Round Up” and “Surflan”. Brush hog the areas around the Public Works Building and the Conservation Center .
April	24	FISHING DERBY (Northmoreland Park)
April	26	Prepare the Park Offices and Activities Buildings for Primary Elections. Treat the park omni stone walkways with “Round Up” and “Surflan”. Treat the poison ivy with the herbicides either “Round Up” or “2-4D”. Treat the Gypsy moth with “Dylox”.
April	26	Begin the park road maintenance program. Prepare the park roads and parking areas for surface treatment. Begin preparations for Senior Games (Mammoth)
April	27	Clean the park offices and activities centers after the elections. Secure the voting machines until pick up. SPRING PRIMARY ELECTIONS

Division of Golf

The city operates three golf courses; 9 hole J.C. Martin Golf Course within the city limits, and 18-hole Downing and Erie golf courses outside the city limits. The golf course operations lost money five of the last six years. Golf courses are not designed to lose money. Poor management decisions over the last two years have contributed dramatically to these losses. Most of the golf personnel excluding the superintendent of golf were laid off in the fall leaving the remaining superintendent to perform all of the winter maintenance and repairs on the equipment for all three courses. Needless to say, little had been done to prepare the three courses for the 2006 season. The whole golf division needs to be re-organized to return it to a profitable status. The city needs to evaluate whether it should continue to own and operate the golf courses or sell one or more of the golf courses and the associated assets and get out of the golf business. There has been little or no replacement of needed equipment over the past several years to operate the courses in a cost effective manner.

- ***The city needs to evaluate the total operations of the golf division over the next three years and decide if it wants to continue operating the city-owned courses.***
- ***The city should contract with a private golf manager to manage the golf course operations other than grounds maintenance. The size of the golf manager's salary would be contingent on the profits created.***
- ***The city needs to expand the program opportunities at the golf courses to attract new users and retain the old ones; i.e. tournaments, classes, long drive contests, etc.***
- ***The city needs to secure the Erie and Downing golf courses with gates to prohibit after hour and after season access, and to prevent partying and vandalism.***
- ***The city should create a marketing plan and a directional sign system for all the golf courses. The golf courses do not attract new clientele because people cannot find the golf courses.***
- ***The city should hire some full-time personnel to create a nucleus for the golf operations.***
- ***The city should privately contract the food, drink, and concession operations at the golf courses to include liquor licensing.***
- ***The city should expand and advertise group use of the clubhouses at the Erie and Downing golf courses to increase profits, which may include business meetings, weddings, parties, etc. in-season and off-season.***

- ***The city should consider adding a second floor deck to the club house of the Downing Golf Course to attract increased use of the facility.***
- ***The city should create a five-year equipment replacement plan to bring the golf course equipment up to current standards.***
- ***The city should develop a 12-month operation plan. The work plan could be developed in the form of a check list where an employee could check off the work as completed. This plan would establish a 12-month maintenance schedule and prioritize the golf operations.***
- ***The city should competitively bid for materials and equipment for all three golf courses.***
- ***The city should closely monitor the revenues and expenses of the golf courses as three distinct operations, and establish fees and charges accordingly.***

Bureau of Public Buildings Maintenance

The bureau of public buildings maintenance is responsible for the care and maintenance of all public buildings not specifically delegated to the jurisdiction of another department.

- The bureau maintains city hall, the municipal garage, the Marsh Street garage, the Dixon Tavern, six firehouses, and three golf club houses.

The bureau has assisted the bureau of parks and recreation build and maintain the city's 40+ playgrounds.

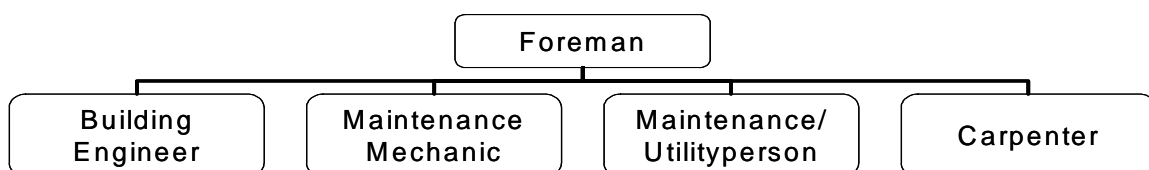
The bureau of public buildings maintenance currently employs four full-time employees, who as of 2006 report to the city engineer. The bureau has one non-union supervisory employee and four union employees who are members of local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO. The staff is housed at city hall or the Marsh Street garage.

The employees work an eight and one-half-hour work day, Monday thru Friday. The building engineer works an eight-hour day (seven hours paid with a one hour unpaid lunch period).

The city began contracting janitor services in January 2006. The bureau contracts elevator services, window cleaning services, laundering services, and mandatory water backflow prevention testing services.

The bureau cut five full-time janitor positions in December 2005

Bureau of Public Buildings Maintenance Organization Chart 01/01/06



FINANCE

	PUBLIC BUILDING MAINT	2000	2001	2002	2003	2004	2005	BUDGET 2006
4006	OVERTIME WAGES	-	-	-	-	1,614	4,288	4,200
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	270	234	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	264,098	271,640	298,720	376,575	331,814	248,930	123,955
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	9,804
4016	FICA/MEDICARE TAX	20,204	21,382	22,852	28,722	26,104	19,269	16,903
4017	PENSION CONTRIBUTION	10,802	6,237	8,526	31,060	38,033	38,576	58,894
4018	GROUP INSURANCE	70,295	59,814	75,064	118,532	99,315	128,040	11,136
4020	WORKERS COMP INSURANCE	1,477	1,524	1,529	2,280	14,296	17,802	2,479
4021	DEFERRED COMPENSATION	999	4,375	4,057	4,771	6,607	5,546	2,500
4024	TOOL ALLOW/UNIFM BENEFITS	1,249	1,405	1,910	2,498	3,162	2,417	500
4031	OFFICE SUPPLIES	589	338	537	737	610	482	12,400
4033	OPERATING SUPPLIES	14,955	14,871	14,009	16,748	11,815	12,420	15,000
4035	REPAIR/MAINT SUPPLIES	26,606	19,197	24,025	20,491	12,208	5,150	5,000
4039	CONSUMABLE ITEMS	7,150	4,263	6,817	6,612	5,243	2,288	250
4043	EDUCATION & TRAINING	-	-	142	35	145	-	25,000
4045	COMMUNICATION	32,500	30,185	25,521	29,189	30,619	24,484	250
4046	POSTAGE	233	100	380	416	100	-	210,000
4047	HEAT,LIGHT,POWER/WATER	169,636	192,646	198,425	228,612	223,643	217,423	200
4052	ADVERTISING	-	-	-	-	-	204	2,000
4054	RENTALS	-	-	-	25	796	2,132	28,000
4056	REPAIR/MAINT SERVICES	50,539	40,704	43,558	38,594	29,326	20,768	97,000
4059	OTHER SERVICES/CHARGES	1,761	1,996	1,196	1,046	8,384	4,816	-
4072	LAND/BUILDINGS	9,275	4,213	-	-	-	-	-
4078	MACHINERY/EQUIPMENT	-	-	-	-	-	-	-
4079	OFFICE EQUIPMENT	4,900	-	-	-	-	-	-
	TOTAL PUBLIC BUILDING MAINTENANCE	687,267	674,890	727,268	906,942	844,102	755,269	625,471

This budget category has increased by \$68,002 from 2000 to 2005, an increase of 10% for the period. Spending reached its highest level in 2003 and has declined by \$151,673 over the past two years, a decrease of 17%. This is mainly due to the staff reductions. Salaries have decreased by \$118,645 from 2003 to 2005. The 2006 adopted budget further reduces expenditures by \$129,998 from 2005 expenditure levels.

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

Building maintenance provides building maintenance services for city hall, the public works operation on 18th street, the firehouses, the sewage treatment plant, and the three golf course club houses. The following recommendations are intended to improve bureau operations:

- ***The city has recently laid off its union janitors and contracted janitorial services at city hall. The bureau previously had a written routine maintenance schedule that it followed to provide janitorial services at city hall. The city should closely monitor contracted service provider's adherence to the maintenance schedule and initiate changes as needed.***

- ***The bureau of public buildings maintenance should develop a 12-month written maintenance plan. The work plan could be developed in the form of a check list where an employee could check off the work as completed. This plan would establish a 12-month schedule and prioritize the building maintenance operations.***
- ***The bureau should develop a five-year comprehensive major maintenance and capital improvement plan for the city's building structures. This plan would help the city to seek long-term financing for these projects. This plan should be updated bi-annually.***
- ***The city should continue to implement the recommendations contained in the energy audit of city hall and its various structures by CLT Efficient Technology to reduce energy costs.***
- ***The bureau should initiate a concrete maintenance program for the city hall garage and the various concrete sidewalks surrounding and approaching the city's public buildings. The Pennsylvania Department of Transportation can provide the city with a list of approved products and applications the state uses on its concrete bridge decks. These products will work on most concrete surfaces. The application of winter salt and de-ices destroys concrete surfaces.***
- ***The bureau of building maintenance helps maintain the city's playground areas throughout the summer. The city should strongly consider returning this function to parks and recreation.***

Bureau of Refuse and Recycling

The bureau of refuse and recycling is responsible for the operation, care, and maintenance of all facilities of the city for the reception, collection, and disposal of garbage, trash, and refuse.

- The bureau only hauls and disposes residential trash, refuse, and recycled materials. Private haulers haul all commercial trash, refuse, and recycled materials.

The bureau operates an annual spring clean-up program.

STAFFING

The bureau of refuse and sanitation presently employs 38 full-time employees and 15-20 on-call, part-time carriers headed by a bureau chief. With the department reorganization in 2006, 19 teamster positions were moved to the refuse budget. This transfer triggered the contract clause relative to the use of part-time carriers:

Teamsters Local 397 Contract, Section 2500 Part-Time Employees

...No part-time employee may be utilized in any City Bureau if a full-time employee is laid off. A laid off full-time employee may bump a part-time employee in any bureau, and have 40 hours work available per week at the appropriate laborer's pay grade with full Union benefits.

The city thus went from 25 full-time and 31 part-time to 44 full-time and 15 part-time employees. The city's strategy was to reduce the number of full-time through attrition back down to the 25 level over the next few years. Since January, the city has reduced back to approximately 38 full-time positions.

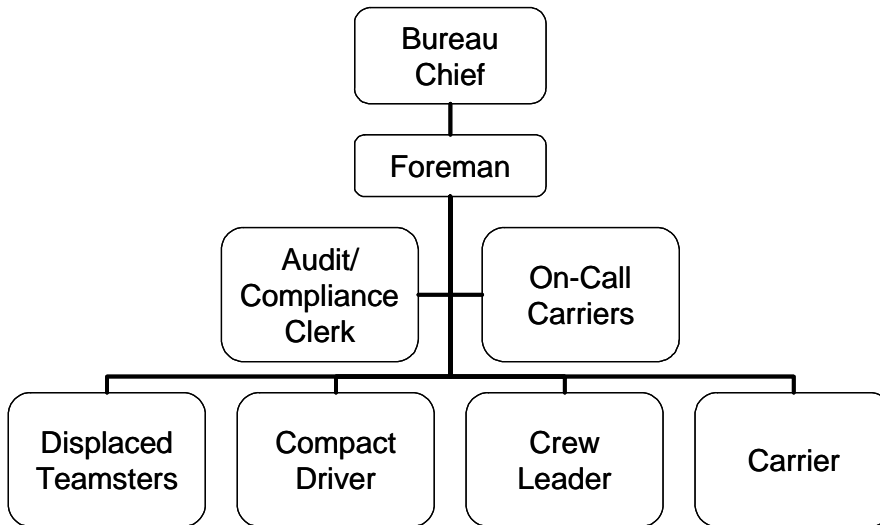
This strategy appears to be a sound approach and is working to the city's best interest. If the city is unable to reduce the number of full-time, and continue to use part-time carriers it will need to consider other options.

The bureau presently has two supervisory employees, one full-time audit compliance clerk who is a member of Local 2206 of the American Federation of State, County and Municipal Employees (AFSCME) Council 13, AFL-CIO, 22 full-time employees who are members of Teamsters Local 397 of the International Brotherhood of Teamsters, and 31 part-time on-call carriers. The staff is housed at the old public works storage building located on Holland Street in the public works central complex. The audit compliance clerk is housed at city hall.

The bureau normally works a 40-hour work week, 11:15 PM to 7:15 AM, Monday thru Friday. The bureau has a daylight crew that works 7:00 AM to 3:00 PM, Monday thru Friday. The bureau chief works a Monday thru Friday schedule, 8:30 PM to Midnight and 8:30 AM to Noon daily. The audit compliance clerk works an eight-hour day, Monday thru Friday (seven hours paid with a one hour unpaid lunch period).

The bureau normally works eight routes in the off-peak winter season and 12 routes during the peak season.

**Bureau of Refuse & Recycling
Organization Chart
(01/01/06)**



FINANCIAL OBSERVATIONS

Acct								BUDGET
	REFUSE & RECYCLING	2000	2001	2002	2003	2004	2005	2006
4006	OVERTIME WAGES	-	-	-	-	45,093	35,973	72,100
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-	1,389	-	-
4008	HOLIDAY WAGES	-	-	-	-	-	-	-
4009	VACATION WAGES	-	-	-	-	-	-	-
4010	SICK WAGES	-	-	-	-	-	-	-
4011	SALARIES	1,261,356	1,303,651	1,356,308	1,360,387	1,032,911	886,517	1,001,153
4012	EMPLOYEE PAYOUTS	-	-	-	-	-	-	682,004
4013	SEASONAL WAGES	-	-	-	-	227,489	309,750	130,000
4016	FICA/MEDICARE TAX	96,510	100,664	103,981	103,630	101,355	94,345	159,887
4017	PENSION CONTRIBUTION	50,657	46,364	54,500	82,015	106,492	100,296	194,265
4018	GROUP INSURANCE	196,801	245,231	251,818	242,606	265,158	305,522	561,501
4019	UNEMPLOYMENT COMPENSATION	16,369	21,201	15,262	11,288	23,039	15,485	-
4020	WORKERS COMP INSURANCE	58,530	112,960	111,958	138,810	46,525	52,796	202,116
4021	DEFERRED COMPENSATION	1,616	8,402	10,798	9,702	8,470	7,947	33,663
4024	TOOL ALLOW/UNIFM BENEFITS	3,335	9,443	4,882	7,879	6,868	7,737	9,514
4031	OFFICE SUPPLIES	884	1,248	1,713	1,369	1,337	1,083	1,504
4033	OPERATING SUPPLIES	70,226	61,857	58,972	69,916	78,456	103,881	179,104
4035	REPAIR/MAINT SUPPLIES	79,369	79,920	91,367	102,355	97,440	136,816	188,487
4039	CONSUMABLE ITEMS	1,430	3,421	3,249	1,466	1,698	206	4,171
4041	PROFESSIONAL SERVICES	10,328	8,616	9,785	7,500	10,201	12,152	13,801
4043	EDUCATION & TRAINING	-	-	118	116	188	10	2,186
4045	COMMUNICATION	3,000	2,947	3,352	2,569	452	39	3,545
4046	POSTAGE	500	525	525	541	-	656	700
4047	HEAT,LIGHT,POWER/WATER	4,000	5,000	5,000	7,559	6,500	6,695	14,500
4052	ADVERTISING	2,224	3,846	4,885	1,795	5,728	4,845	11,000
4054	RENTALS	-	-	-	-	111	-	118
4056	REPAIR/MAINT SERVICES	56,913	66,198	52,757	57,936	53,513	71,438	106,780
4057	REFUSE TIPPING/RECYCL FEE	1,145,560	1,080,966	1,185,952	1,155,575	1,213,523	1,412,961	1,236,101
4059	OTHER SERVICES/CHARGES	277,662	210,207	216,560	455,755	292,069	310,668	429,500
4061	GENERAL LIABILITY INS	1,800	1,890	2,268	2,336	2,336	2,406	2,500
4063	CASUALTY INSURANCE	4,700	4,935	5,922	6,100	13,984	14,403	15,000
4064	PROF LIABILITY INSURANCE	2,000	2,100	2,520	2,595	2,595	2,673	3,000
4067	CLAIMS	2,200	2,310	2,772	2,855	-	2,941	3,500
4078	MACHINERY/EQUIPMENT	-	91,167	-	-	-	-	50,000
4079	OFFICE EQUIPMENT	3,505	1,227	1,946	-	-	-	-
4096	OPERATING TRANSFER OUT	450,000	270,752	200,000	140,000	100,000	750,000	-
4098	CONTINGENCY ACCOUNT	-	-	-	-	-	-	-
	TOTAL REFUSE	3,801,476	3,747,048	3,759,169	3,974,657	3,744,920	4,650,241	5,311,700

The refuse and recycling bureau (refuse and recycling fund) budget revenues have increased \$223,735, or 5.8 %, from \$3,939,873 in 2000 to \$4,100,366 in 2005. Budget revenues are projected at \$5,311,700 in 2006.

Expenses have increased from \$3,801,476 in 2000 to \$4,650,241 in 2005, an increase of \$848,765, or 22% over the period. While salaries have decreased, group insurance and city pension contributions have increased significantly.

Unlike other areas of the department, refuse/recycling non-personnel costs have increased from \$2,119,636 in 2000 to \$2,841,610 in 2005, an increase of \$721,974, or 34% for the period. The largest areas of increase occurred in tipping fees and repair and maintenance. The numbers are somewhat skewed by an increase in "transfer out" of \$300,000.

Non-personnel costs in 2000 amounted to approximately 56% of all costs. In 2005, non-personnel costs amounted to approximately 61% of all costs.

As these costs continue to increase, the city will need to further examine its options relative to this entire area of service.

The refuse and recycling bureau is funded by:

- Refuse collection revenues
- Recycling revenues

SIGNIFICANT ISSUES, CHALLENGES & RECOMMENDATIONS

The city operates its own residential refuse and recycling program. It is a five days a week, third shift operation. The 2005 residential fee schedule is a good deal for city residents. The operation is closely monitored by the bureau chief and is effective.

The city hauls garbage to a private transfer station located in the city rather than hauling the materials to an approved landfill. The transfer station accommodates the third shift operation. The city hauls recyclable materials to a private recycling facility located within the city. The city uses recycling monies to purchase new packers for its operation. The present operation is competitive and is operated at a surplus. However, as non-personnel costs continue to increase at a significant rate, and if the city through future bargaining agreements is unable to reduce the number of full-time positions and continue its strategy of utilizing part-time carriers, it will need to consider its long-term options.

- ***The city should create a managed competition approach to consider privately contracting refuse and recycling for the city.***
OR
- ***The city should seek ways to reduce the high labor costs and associated fringe benefits and the operating costs associated with the removal of residential garbage and recyclables within the city. This can only be accomplished through increased use of part-time carriers.***
- ***The city should revisit its policy to pick-up three times per night. The three pick-up approach should be available for a premium fee.***
- ***The city should consider extending refuse and recycling pick-up to small businesses throughout the community to increase customers and increase revenues.***
- ***The city collects unlimited garbage with its refuse pick-up program. The city should consider doing away with its spring clean-up program. Considerable damage is done to the packers as a result of this spring pick-up program. The city should consider permitting individuals to set out one major item per month for a set fee as part of its refuse/recycling program.***

- ***The city should initiate a “neighborhood friend program” where volunteers are encouraged to help clean-up and maintain the neighborhood. The city’s investment of time and money will go a long way. Start the program off with an “eager beaver day” in April or May and get neighborhood businesses involved.***
- ***The city should increase its refuse recycling rates in 2006 to cover increased equipment fuel costs and transfer station charges.***
- ***The city should consider developing a single annual refuse recycling fee at a reduced rate. A single payment fee charge would reduce operation costs.***

The refuse/recycling crews generally consist of one union operator, one union carrier, and one non-union “on call” carrier employee. The “on call” employee is paid \$7.50 per hour with no fringe benefits. The crew set up makes the city’s operation of refuse/recycling affordable.

The movement of the “displaced teamsters”, resulting from the January 2006 staff cut-backs in the department of public works, property, and parks, to the refuse recycling bureau may make the *private* collection of residential refuse and recycling materials in the City of Erie more competitive in price since the displaced teamsters will replace the cheaper on-call carriers.

- ***The city should consider investigating the privatization of the refuse/recycling operations through managed competition.***

OFFICE OF CODE ENFORCEMENT

MISSION, FUNCTIONS & TASKS

The mission of the office of code enforcement of the City of Erie is to enforce all the building, property, and zoning ordinances and codes. It is through this office that permits for building construction and renovations are submitted, reviewed, and approved. Submissions to the zoning hearing board are also processed through this office. The city retains the services of Middle Department Inspection Agency as the third-party agency certified to enforce the Pennsylvania Uniform Construction Code and to conduct plan reviews. This office provides a wide-range of services to the citizens and is specifically responsible for:

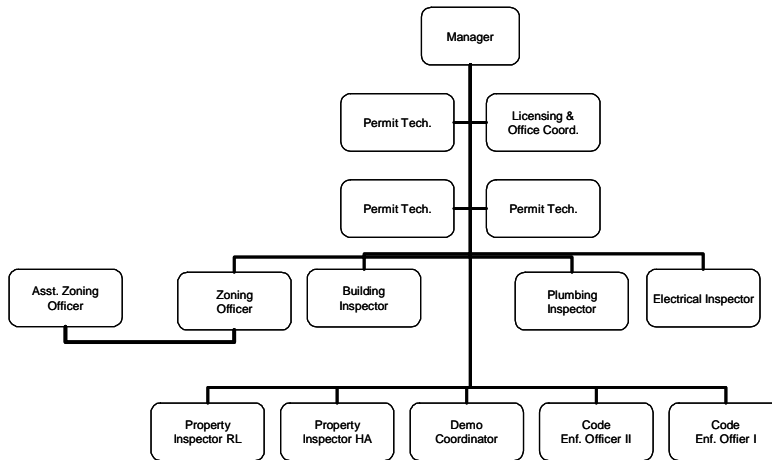
- Administering and enforcing all city codes and ordinances relating to building, property, and zoning.
- Conducting all inspections relating to all codes and ordinances.
- Scheduling, administering, and supervising all public hearings relating to building, property and zoning codes.
- Collecting fees for permits and related services.

STAFFING

Erie's office of code enforcement employs 15 individuals. The manager reports to the director of public works. Twelve of the 15 positions are represented by AFSCME. The manager, zoning officer, and the assistant zoning officer are exempt position.

2000	2001	2002	2003	2004	2005
21	21	21	15	15	15

Code Enforcement Division Organization Chart (01/01/06)



The office of code enforcement had been organizationally located in the office of administration, and the prior manager of the office of code enforcement reported to the manager of administration. During 2005, the manager of code enforcement passed away. During our analysis of this office, the interim manager of the office of code enforcement reported to the director of economic and community development. At the beginning of 2006, the interim manager was appointed as the permanent 'manager' of the office, but now organizationally reports to the director of public works. The office of code enforcement organizationally became a bureau within the public works department.

FINANCIAL OBSERVATIONS

Revenues

<i>Activity</i>	2003	2004	2005
Building/Demo Permits	\$322,566	\$238,277	\$281,591
Curbs/Driveways/Sidewalks/Street Permits	\$519,908	\$774,004	\$660,741
Electrical Permits	\$168,970	\$156,841	\$138,141
Plumbing Permits	\$53,674	\$52,755	\$48,145
Fence/Furnace/Sign Permits	\$22,620	\$20,528	\$17,800
Eng./Elec./Plumbing Licenses	\$76,678	\$87,067	\$44,865
Misc. Licenses/Permits	\$46,025	\$31,245	\$31,916
Zoning Fees	\$23,518	\$21,535	\$45,784
Total	\$1,233,959	\$1,382,252	\$1,268,983

The office of code enforcement's revenue stream consisted of inspection/permit fees, licensing fees, and zoning fees. What is not shown above are the CDBG funds allocated to the office to offset salaries of inspectors that work within the low to moderate-income neighborhoods of the city. The CDBG allocation in 2005 was \$497,609 according to the interim manager, and an anticipated \$497,608 for 2006. Congress has not yet formulated the across-the-board domestic spending cuts, but it is anticipated that the federal CDBG allocation through HUD will be reduced from 20% to 25%. The budgeted amount for 2006 may be reduced by a like percentage.

Expenditures

					BUDGET
	OFFICE OF CODE ENFORCEMENT	2003	2004	2005	2006
4006	OVERTIME WAGES	-	2,251	1,212	-
4007	SHIFT DIFFERENTIAL WAGES	-	-	-	-
4008	HOLIDAY WAGES	-	-	-	-
4009	VACATION WAGES	-	-	-	-
4010	SICK WAGES	-	-	-	-
4011	SALARIES	274,265	313,274	343,577	-
4016	FICA/MEDICARE TAX	25,732	25,994	26,051	-
4017	PENSION CONTRIBUTION	21,901	30,051	27,003	-
4018	GROUP INSURANCE	72,207	77,919	98,815	-
4020	WORKERS COMP INSURANCE	1,514	12,216	15,757	-
4021	DEFERRED COMPENSATION	3,229	4,106	3,794	-
4024	TOOL ALLOW/UNIFM BENEFITS	179	-	-	-
4031	OFFICE SUPPLIES	3,699	2,382	958	-
4033	OPERATING SUPPLIES	282	508	154	-
4035	REPAIR/MAINT SUPPLIES	-	104	6	-
4039	CONSUMABLE ITEMS	213	479	150	-
4041	PROFESSIONAL SERVICES	-	20,899	49,429	-
4043	EDUCATION & TRAINING	2,468	3,061	599	-
4045	COMMUNICATION	3,358	3,457	3,391	-
4046	POSTAGE	2,060	1,540	1,752	-
4052	ADVERTISING	762	421	1,424	-
4056	REPAIR/MAINT SERVICES	35	(150)	68	-
4059	OTHER SERVICES/CHARGES	9,083	16,105	24,648	-
4078	MACHINERY/EQUIPMENT	-	-	-	-
TOTAL OFFICE OF CODE ENFORCEMENT		420,989	514,616	598,786	-

Departmental Financial Observations

- Code enforcement salaries increased 25.5% from 2003 to 2005, from \$274,265 to \$343,577, while the number of personnel remained constant at 15 employees. Correspondingly, group insurance increased 37% for the same time period from \$72,207 to \$98,815. Overall, the office expenditures increased 42% from 2003 to 2005, from \$420,989 to \$598,786. Revenues for this same time period show a net increase of only 3%, comparing 2003 to 2005.
- Although the office of code enforcement expenditures will most likely see a modest increase during the next three years, revenues the office generates for the city are projected to grow and contribute to the support of the office. Inspection fees for some projects both planned and ongoing in 2006, i.e., Erie Convention Center, IFP North American Fruit, Erie Management Group development in the Industrial Park area, Erie Shipbuilding, and Koehler Brewery Square development should increase the revenues through permit and inspection fees coming into the city.
- The office of code enforcement equipment is in relatively good condition. The city should plan now to update the computer system when necessary. The city-owned vehicles for building inspection services are in fair to good condition.

- The following chart shows the number of permits and construction values for 2004 and 2005, the years for which numbers and values were available for analysis:

OFFICE OF CODE ENFORCEMENT PERMITS & CONSTRUCTION VALUES				
Permit Type	2004		2005	
	Number	Value	Number	Value
1 Family Dwelling	48	\$3,616,034	34	\$3,627,204
2-5 Family Dwelling	2	\$48,000	3	\$5,895,000
Additions/Alterations – Non-Residential	105	\$15,522,579	124	\$16,678,983
Additions/Alterations – Residential	533	\$6,644,367	484	\$8,450,960
Amusement/Recreation	1	\$256,000	1	\$25,000
Churches/Religious	1	\$469,000	0	\$0
Commercial Storage Buildings	6	\$876,978	5	\$757,100
Demolition	118	\$991,350	145	\$747,290
Electrical Real Estate	109	N/A	101	N/A
Electrical	1,560	N/A	1,465	N/A
Fence	302	\$1,718,499	142	\$180,147
Furnace	177	\$211,127	280	\$1,154,040
Residential Garages/ Carports	50	\$382,900	46	\$402,202
Gas Stations/Repair Garages	1	\$80,000	0	\$0
Industrial Buildings	3	\$3,860,500	0	\$0
Office/Bank Professional	1	\$1,250,000	0	\$0
Other Non-Residential	7	\$219,198	6	\$6,759,035
Plumbing Real Estate	1	N/A	0	\$0
Parking Lots	10	\$594,111	6	\$162,151
Plumbing	395	N/A	344	N/A
Roof Replacement	0	\$0	128	\$807,295
Schools/Education	2	\$380,800	0	\$0
Utilities	1	\$165,086	0	\$0
Shed	68	\$99,975	36	\$60,707
Sign	72	\$266,752	62	\$629,478
Stores/Mercantile	2	\$1,650,000	5	\$2,777,410
Swimming Pools	40	\$155,531	29	\$72,787
Total	3,615	\$39,458,787	3,446	\$49,186,789

Office personnel appear to be busy with the volume of inspection activity required to assure that construction/workmanship meets labor and industry, and Uniform Construction Code standards. With nine inspectors (building, property, and general code inspectors), each inspector has averaged 383 to 401 inspection assignments a year, inclusive of written reports, travel, follow up inspections, etc.

RECOMMENDATIONS

The purpose of recommendations is to establish greater consistency with the mission of the office. Recommendations focus on the managerial needs of the office to perform its mission in the future. Recommendations that the city should consider to increase efficiency, public safety, and office revenues:

- Many cities with a large rental population derive safety and financial benefits from regular inspections of rental units.
- ***The city should implement a rental unit inspection program and ordinance in the city. Nearly 44% of the dwelling units in the city are rental units. Renter-occupied housing units increased 0.9% from 1990 to 2000. It is reasonable to expect that this trend may continue upward. An annual rental unit inspection program will accomplish the following for the city:***
 - ***Assure safety for both rental residents and the city as a whole (decreased fire department calls);***
 - ***Detect code violations and enforce corrections;***
 - ***Monitor rental unit occupants relative to earned income tax (EIT) collections;***
 - ***Avenue for property owners (landlords) to increase the value of their rental units; and***
 - ***Generate inspection revenues for the office and the city.***
- The city contracts with Middle Department Inspection Agency as its third party to plan reviews and some inspections in compliance with the Pennsylvania Uniform Construction Code (UCC). The city charges a modest municipal fee for each building permit issued via this service. The city should consider either or both of the following two recommendations in relation to the UCC enforcement:
- ***Solicit proposals from competing third party agencies every two years and require that the third party contribute a percentage of its fees back to the city to offset administrative costs over and above the municipal fee.***

- ***Invest and arrange for the training of the existing city building inspector/zoning officer to become certified and registered in the building inspection field so as to generate revenue for the city and not pay a third party.***
- Regular recordkeeping is an important means of measuring department performance and determining appropriate staffing levels.
- ***The office should revamp record-keeping and permit statistics. A monthly and year-to-date record should be developed to measure permitting/inspection activity against the revenues generated. Each activity should show the number of permits and the revenue generated from those permits on a continuous basis. A spreadsheet should be developed for measuring the cost-benefit effectiveness of the office. Timely details are essential to not only a well-managed office, but also should be available for grant proposals and reports to council showing productivity and revenues generated. Within this context, a study should be commissioned to compare permit and inspection fees with surrounding jurisdictions. The manager has recently completed such an analysis for zoning and planning commission fee structures; the same should be commissioned for building permits as well.***
- Many cities supplement their code enforcement capabilities by cross-training employees in other departments.
- ***The city should cross-train city employees as building inspectors to increase the effectiveness of the building inspection process and to ensure continuous service in the event that a current inspector becomes disabled or absent for an extended period of time. Fire department employees would be a logical position to cross-train.***
- Given the financial condition of many cities in Pennsylvania, sharing code enforcement responsibilities on a multi-jurisdictional or regional level has become more feasible.
- ***The city should investigate with immediate, surrounding jurisdictions, or through the Erie Area Council of Government (COG), the feasibility of a regional code enforcement program offering code enforcement and building inspection services on a fee basis. The city should only investigate this goal if cross-training additional employees is implemented. As part of this recommendation:***

- **Investigate and apply for a PA Department of Community and Economic Development's (DCED) Shared Municipal Services Program (SMSP) for code enforcement activities on a multi-jurisdictional level (if other jurisdictions are willing to partner with Erie). Set-aside funds have been earmarked by the department for multi-municipal code enforcement services. Erie could either provide the service and generate increased fees to offset operational costs as well as generate new revenues to cover the personnel costs of the office; or, share in the economies of scale by working with surrounding jurisdictions. The Lawrence County Regional Council of Governments has a regional code enforcement program that includes 15 separate jurisdictions, with each participating municipality retaining its own municipal permit fees. All use a third-party inspection agency that serves as their own building inspector. A DCED grant provided the seed funds to launch this successful initiative.**
- **Regular evaluation of and feedback to employees is necessary to maintain and improve employee effectiveness.**
- **The code enforcement office should develop a performance evaluation procedure. The evaluation procedure should not be a process linked to pay increases, but rather a tool to monitor progress of recommendations as described below:**
 - **Building inspector/zoning officers and the manager agree on goals and objectives for the position at the beginning of the year, or the beginning of the next quarter.**
 - **Inspectors and the manager each quarter thereafter discuss the progress or lack of progress of obtaining goals and objectives. If goals and objectives are not met, inspector and manager can determine reasons (increased workload, timeline for goals unrealistic, poor effort, etc.)**
- **The city should partner with the County of Erie or the Northeast Regional Planning and Development Commission on the use of a Geographic Information System (GIS). The GIS is a computer software program that enables the city departments to view different 'layers' of the city's infrastructure, housing units, and planning tools, etc. This software, with upgrades, it could enable the building inspector/zoning officer and other city employees to reduce time when investigating information on properties. The officer can view information on permits and infrastructure before visiting a site. Timely interface and partnering should be given a high priority.**

ECONOMIC DEVELOPMENT

The City of Erie has traditionally had an economic development department, but its major role was and is to administer the city's federal Community Development Block Grant (CDBG) funds as split among housing, code enforcement, and infrastructure development. Theoretically, all these functions are related to economic development, but not in the traditional sense of 'business attraction, retention, and expansion'. The department serves a critical function, and should continue to do so, and the City of Erie needs to remain progressive and have a results-oriented focus toward investment efforts beneficial to the city. Beyond the efforts of the city's economic development department the city should remain close to the private and quasi-public economic development agencies that have an interest in advancing the city and the region as a cost-effective location for businesses to locate, expand, and remain profitable.

Erie is the central city in Erie County. There are several business developments within the city that would enhance the tax base of the city should they come to fruition. The consultants interviewed representatives from a number of the major economic development groups that have an interest in the city's development potential. The city needs to engage these groups and take a leadership role on behalf of the city.

It is not proposed that the city set up a new department or a larger staff for economic development purposes, but rather to use the office of the mayor as the primary contact, interface, and coordinator for economic development opportunities within the city.

The economic development mission of the City of Erie would be to coordinate city services linking them to initiatives with economic development groups in a timely and consistent fashion; and timely responding to private investment opportunities demanding public sector involvement.

The goal would be to assure that investment opportunities are not lost in city development areas and that every opportunity that is presented within the county and region allows the city the opportunity to respond and compete.

The city needs to remain engaged in both structured and as-needed meetings and conferences with agencies that have an interest in the city. The task would be to remain intimately involved in visions, plans, and potential investment opportunities in which the city could have a competitive advantage over other areas of the county and the region. The city needs to position itself for economic development by:

- Convening appropriate department heads on an as-needed basis to develop public sector responses to private investment opportunities.
- Presenting public incentive proposals for council consideration and action.
- Seeking commonwealth support and additional public sector funding to leverage private investment opportunities.

- Working closely with county-wide and regional private/public economic development groups to ensure that the city remains well represented within the regional economic development landscape.
- Annually reviewing and evaluating public policy initiatives relative to economic development.

The city has experienced many ups and downs in terms of economic development projects over the past few years, but seems on the verge of some very positive opportunities as it looks toward 2007 and beyond. Some significant economic development activities that will occur in 2006 and recently highlighted in the *Erie Times* include:

- The \$31 million Tom Ridge Environmental Center which opened Memorial Day weekend;
- Planned \$4 million in improvements to 10-year old Jerry Uht Park represent a significant and crucial upgrade for the Erie Sea Wolves;
- The region's largest employer, GE Infrastructure-Rail, anticipates another year highlighted by further expansion and growing profits with more than 800 locomotive orders. The company also plans to move forward on its new hybrid locomotive, a model for the entire world;
- Penn State Behrend is unveiling its \$30 million Research and Economic Development Center;
- Erie Management Group begins work on the \$40-\$50 million redevelopment of the former International Paper Company site. The company intends to build an industrial park on part of the 213-acre property. Five new start-up companies will occupy the park and are expected to employ a total of 300 people;
- Erie has two medical centers that are profitable, expanding, and creating jobs. Hamot Medical Center and Saint Vincent Health Center are the region's two underrate economic engines;
- The \$55 million extension of a runway at Erie International Airport is soon to be a reality;
- The new Erie Shipbuilding operation, at the former Metro Machine plant on Erie's east bayfront, anticipates employing about 200 workers by the end of 2006;
- The \$44 million Erie County Convention Center will begin serious construction work as the facility gears up for a 2007 completion date; and
- A 203-room Sheraton Hotel and four-level parking ramp is expected to open in 2007;
- MTR Gaming will also accelerate construction on its Summit entertainment complex as the company works toward meeting a December 2007 completion deadline.

These projects, as well as others, offer an optimistic view looking forward.

SIGNIFICANT ISSUES, CHALLENGES & PROBLEMS

- The city should continue to work with regional public/private economic development players to continue the bayfront development which is the key to creating and expanding Erie as a tourism destination. This waterfront development possesses the potential to revitalize not only the bayfront, but the city's downtown.
- There are several economic development and related groups that have an interest in the city. The city should remain involved, engaged, and gain a leadership role on behalf of city interests. The city, working with Erie County, should provide a structured forum and be empowered to act on behalf of city interests in building a more responsive regional economic development operation. Regional cooperation is the key to successful economic development.
- **Create a forum comprised of the chief executives from the following groups:**
 - **City of Erie**
 - **Erie Regional Chamber of Growth Partnership**
 - **Greater Erie Industrial Development Corporation**
 - **Economic Development Corporation of Erie County**
 - **Erie County Redevelopment Authority**
 - **Erie-Western Pennsylvania Port Authority**
 - **Gannon University SBDC**
 - **Ben Franklin Technology Partners**
 - **Penelec Economic Development Department**
 - **Northwestern PA Regional Planning & Development Com.**
 - **Governor's Action Team**
 - **Workforce Investment Board of Northwestern Pennsylvania**
- **Depending on development/redevelopment opportunities and challenges, this forum will allow for a team environment to address areas in which either all or some of its members can effectuate change, create solutions, and/or otherwise position the city and the region in a competitive manner.**
- Due to rapidly changing market conditions in the regional and worldwide economy, city leaders have often lacked complete, up-to-date information regarding specific location needs of particular businesses and the recruitment efforts of competing locations. As a result, they may not be prepared to assist firms in a timely and effective manner, having difficulty in overcoming obstacles to city investment. The city should:
- **Create a powerful self-assessment tool for the city to better clarify its economic development role and identify its strengths and weaknesses relative to its competition.**

- **Create a private sector advisory committee to undertake an internal review of all aspects of the development process and city economic development policies.**
- **Provide ongoing economic development training for city leaders and department heads that focus on how to respond to opportunities from different sectors.**
- Business decision-makers have well-defined 'cognitive maps' – perceptions or expectations about the attributes of, and opportunities in, older cities that can adversely affect the way they think about locating in those areas, inclusive of the City of Erie. The city should:
 - **Seek assistance from county/regional partners in combining resources in order to market and respond to inquiries from firms, developers, and site location consultants.**
 - **Develop an enhanced City of Erie website that is attractive, graphically rich, easy to navigate, and more useful to firms, developers, and site location consultants. An informative website would include information on the characteristics of individual available parcels; zoning and regulations; available financial incentives; and background data on demographics and economic development characteristics of the city. The website should include testimonials from existing business leaders and messages from city leaders indicating the support some firms received from the city.**
 - **Enlist companies already located in the city as ambassadors. Businesses offer the best testimony to other businesses on the advantage of city locations.**
- Specific city site deficiencies can add excessive costs to doing business in the city. The city should:
 - **Encourage the enactment of city overlay zoning districts where there can be flexible use, expedited permitting, focused public safety efforts, and amenity packages essential to creating competitive advantage in a city setting.**
- State and city review processes can add excessive costs to doing business in the city. The city should:
 - **Identify market-ready and shovel-ready sites and have them pre-permitted for industrial and commercial uses. The marketing of pre-permitted city parcels should be done through a city website, site-finder services, and other commercial site services.**

- ***Empower the mayor to specifically oversee the development process and respond aggressively and proactively to the needs of firms considering the city as a site for location.***
- ***Create a permit system that allows for a single presentation of a development proposal to all boards with jurisdiction in the city, and establish a specific timeframe for community response in the initial stage of the review process.***
- Traditional public sector financial tools such as LERTA, tax abatements, tax credits, and subsidies, while often strategically important as a deal closer, are not sufficient to attract high value business investment if previously identified issues are not overcome. The city should:
- ***Use the Tax Increment Finance Guarantee program, as established for smaller cities by the PA Department of Community and Economic Development, to create revenue streams for critical infrastructure in city locations.***
- ***Review its LERTA policies to evaluate the impact of such a policy. The consultant team has concerns as to the benefits of the city-wide LERTA approach and policy. This area needs a further review over the next year.***
- ***Cite state and regional partner incentives in city locations to stimulate private sector commercial and industrial investment.***

Based on interviews and data gathered from representatives of the Erie Regional Chamber of Growth Partnership, Erie County Redevelopment Authority, and City of Erie economic development officials, we have identified potential projects and investments from 2006 to 2010, and further have used this data to identify ballpark estimates of direct revenues that could accrue to the city as a result. Real estate revenue projections were not calculated due to the current policy of 100% LERTA for a 10-year period.

As can be seen from the general calculation, the city will experience significant growth in revenues as a result of these potential projects. The secondary impact of such investment will far out weigh the immediate direct benefit.

CITY OF ERIE PRIVATE & PUBLIC INVESTMENT (2006-2010)						
Projects	2006	2007	2008	2009	2010	Full Development
Erie Convention Center	\$30,000,000	\$69,000,000				\$99,000,000
IFP North Am. Fruit	\$25,000,000	\$40,000,000				\$65,000,000
Blow Mold Plant	\$1,000,000					\$1,000,000
Erie Management Group	\$50,000,000					\$50,000,000
Mapletree Properties	\$750,000					\$750,000
Inland Seas Salmon	\$850,000					\$850,000
Slate & Cooper	\$5,500,000					\$5,500,000
Erie Shipbuilding	\$2,500,000					\$2,500,000
Koehler Brewery Sq.	\$15,000,000	\$5,000,000				\$20,000,000
12 th St. Corridor	\$1,200,000					\$1,200,000
Housing Authority	\$1,400,000					\$1,400,000
XYZ Manufacturing	\$2,500,000					\$2,500,000
Nissan Dealership	\$3,500,000					\$3,500,000
Tom Software Srv.	\$500,000					\$500,000
Quinn T Refurb.	\$200,000					\$200,000
Modern Industries	\$1,500,000					\$1,500,000
Kennedy Office Complex	\$5,000,000	\$5,000,000				\$10,000,000
McAllister Place	\$10,000,000	\$10,000,000	\$15,000,000			\$35,000,000
Giant Eagle Get-Go	\$1,500,000					\$1,500,000
Walgreen's	\$2,500,000					\$2,500,000
St. Vincent Parking Garage	\$15,000,000					\$15,000,000
John Britton	\$5,000,000	\$5,000,000				\$10,000,000
Eric Tech Incubator	\$5,000,000					\$5,000,000

Projects	2006	2007	2008	2009	2010	Full Development
Two Call Center	N/A					N/A
Van de Kamp Facility	N/A					N/A
Erie Insurance	N/A					N/A
Erie Container	N/A					N/A
CRBR	N/A					N/A
Porters Restaurant	N/A					N/A
Erie Office Building	N/A					N/A
Totals	\$185,400,000	\$134,000,000	\$15,000,000			\$334,400,000

Above information gathered from interviews with Jacob Rouch, Katrina Smith, Rick Novonty, Mike Whalen and Jeff Spaulding.

CITY OF ERIE SUMMARY (2006-2010)						
Activity	2006	2007	2008	2009	2010	Totals
Investment	\$185,400,000	\$134,000,000	\$15,000,000	\$0	\$0	\$334,400,000
Construction Employment	1,855	1,340	150	0	0	3,345
Permanent Employment	679	2,389	3,109	3,109	3,109	3,109
Construction Payroll	\$26,712,000	\$19,296,000	\$2,280,000	\$0	\$0	\$48,288,000
Permanent Payroll	\$17,545,000	\$63,665,000	\$88,515,000	\$88,515,000	\$88,515,000	\$346,755,000
Taxes						
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0
EIT Taxes	\$120,379	\$225,654	\$246,962	\$240,761	\$240,761	\$1,074,517
EMST Taxes	\$58,068	\$131,177	\$148,238	\$146,123	\$146,123	\$629,729
Total Taxes	\$178,447	\$356,831	\$395,200	\$386,884	\$386,884	\$1,704,246

Assumptions:

- Construction work will commence within the year indicated.
- EMST is paid to the municipality in which the firm/business is located. It is assumed that some construction firms/businesses will not be City of Erie-based and therefore the workers will not be paying the EMST to the city. It is estimated that 30% of the construction workers will pay the EMST to the City of Erie.
- Not all workers reside in the City of Erie. EIT rate is .68% for residents, it is estimated that 40% of workers will reside within the city.
- Construction wages are average wages from May 2004 L&I data for Erie.
- Estimated construction jobs are for the projects listed in the Public & Private Investment chart.

STEP V

MULTI-YEAR PLAN ADOPTION

In Steps I and II, we identified a set of systemic problems faced by the city. At the core, the city has been and continues to operate with a structural deficit. By that we mean that the ongoing revenues are insufficient to meet the ongoing expenses of the city. This mismatch is unsustainable and will eventually lead to the insolvency or the adoption of a set of taxes and fees so high that few will elect to live or do business in the city. At the end of the five years covered by this plan, it is absolutely essential that this structural deficit be eliminated. A summary of our findings highlight the deep and dangerous financial hole the city has put itself in:

Finding 1 – The City of Erie has experienced an annual structural deficit (the gap between ongoing revenue and ongoing expenditures) in its core non-utility operations from FY 2000 to FY 2004. The cumulative structural deficit has totaled approximately \$25 million during this time.

Finding 2 – The structural deficit results from a fundamental imbalance between an annual revenue growth rate of 2.7% and an annual expenditure growth rate of 4.3% over the last few years. The deficits are exacerbated by the inability of annual budgets to use sustainable revenue and expenditure strategies to effectively close this gap.

The annual growth rate in revenues is higher than it would be otherwise because of the introduction of new tax revenues (parking tax) and rate increases on existing taxes (earned income tax). Had these rate increases and new taxes not been implemented, the annual revenue growth rate would have averaged 1.2% between 2000 and 2004.

Finding 3 – The structural deficit is estimated to be \$5.5 million in 2005 and will grow to over \$12 million by 2010 if no corrective action is taken.

Finding 4 – Rather than bring expenditures in line with revenue, the structural deficit has been financed by depleting reserves, transferring surplus utility revenues to the general fund, and employing other one-time revenue strategies. These strategies have served to mask the core structural deficit, are not sustainable, and have only served to prolong the fiscal crisis facing the city.

Finding 5 – In addition to addressing the structural deficit, Erie's leaders must also develop a financial strategy that will replenish the city's reserve funds. Erie's unreserved general fund balance has gone from a \$3 million surplus in 2000 to a \$7.6 million deficit in 2004.

Finding 6 – The structural deficit used in this analysis is understated by the City of Erie’s underinvestment in a systematic capital improvement program for non-utility infrastructure. Recommended practice is for cities to invest at the rate of depreciation of their capital assets. The city cannot afford to finance maintenance of and improvements to its infrastructure under its current financial structure.

Finding 7 – To its credit, the City of Erie has done a reasonably good job of seeking out non-tax revenues, particularly licenses and permits, and fines and forfeitures that have modestly lessened the structural deficit.

Finding 8 – The city has done a less than adequate job in controlling expenditures and in creating cost effective operations in many departments, particularly in 2000 through 2003. This finding is particularly true in the area of police and fire costs. Police costs have been rising at an annual rate of 5.7% between 2000 and 2004. Fire costs have been increasing at an annual rate of 4.2% during the same period. The city has also moved to one of the most inefficient and expensive shift schedules we have observed in the fire services. A shift schedule for fire services consistent with fire departments around the country has the potential to save approximately \$1.8 million annually without reducing services.

Finding 9 – Creating a sustainable and structurally balanced budget for the city, replenishing depleted reserves, and adequately funding infrastructure investment will require a combination of increased revenues and decreased expenditures as neither side of the balance sheet can resolve the city’s fiscal problems on its own.

Eliminating the structural deficit will not be an easy task, nor will it be accomplished in a single year. The problem is compounded by virtue of the delayed infrastructure investment that will need to be addressed over the same period of time as the elimination of the structural deficit. Further, the task will not be accomplished at all if the elected leadership of the city does not commit to the elimination of a structural deficit and to make the difficult but necessary political decisions that are required and outlined in this plan.

In Steps III and IV, we identified a set of short and longer term strategies that will help the City organize to address improving its fiscal health. In this Step (Step V), we have consolidated the information in Steps I through IV into the eight strategic initiatives that need to be at the core of a five-year financial management strategy and numerous action items that need to be taken to implement the strategic initiatives. To that end, these initiatives and their action items are imperatives that must be vigilantly pursued if the city is to recover. In addition, for each action item, we have attempted to identify the appropriate individual or group to be held accountable for implementation and, where possible, a timetable.

The strategic initiatives are:

1. Improve the Revenue Stream
2. Control Public Safety Costs
3. Create a Culture of Managed Competition
4. Improve Management to Control Operating Costs
5. Improve Management of the Workforce
6. Improve Community and Economic Development through Infrastructure Planning and Financing
7. Develop and Strengthen Public/Private and Intergovernmental Partnerships
8. Support State Legislative Changes.

Assessing the overall financial impact of each of these initiatives carries a significant subjective evaluation that makes specificity difficult. Many of the recommendations are subject to the collective bargaining process which will shape the final solution that is ultimately adopted. In addition, a large number of the recommendations require the participation of other governments and their participation is both voluntary and subject to their involvement in the final solution to be adopted. Indeed, as we suggest, the city should designate an individual to serve as an intergovernmental/partnerships coordinator to manage the set of recommendations involving other governments.

STRATEGIC INITIATIVE 1 IMPROVE THE REVENUE STREAM

The city's structural deficit has historically been financed by drawing down undesignated fund reserves and capitalizing on one-time revenues. These strategies have been exhausted. In addition, the city's primary tax revenues have been growing at a much slower rate than expenditures. Now, new, sustainable revenue streams must be identified.

At the core of our recommendations are the following principles:

- The city should receive fair rates of return on its regional assets such as the sewer system and golf course;
- Erie's tax exempt community needs to provide greater financial support to the city;
- Tax increases and the imposition of new taxes have to be part of the ultimate strategy; and

- The region needs a fiscally healthy City of Erie and should assist Erie to access regional revenue-sharing programs that utilize resource bases such as gaming revenues and sales taxes.

1.A. What is to be achieved?

Action Item 1-1: As part of the 2007 budget process, the city should fully implement the tax and fee increases outlined in Step III of this report. The city should also be prepared to make small adjustments on an annual basis.

Action Item 1-2: The city should immediately implement the following policy: non-recurring revenues should be used for either capital expenditures or for non-recurring expenditures and not for general operating expenditures of a recurring nature. This policy should apply to highly speculative, one time revenues that should not be included in the annual budget.

Action Item 1-3: The region should consider a revenue-sharing program for the \$9 million annual income that is estimated to come from gaming in Erie County. A model already exists with the Allegheny County Regional Asset District that can be used as a base for discussions. Key civic institutions should take the lead in coordinating discussions to establish the revenue sharing among government leaders.

Action Item 1-4: The city, in partnership with civic leaders, should enter discussions with the key tax-exempt organizations to discuss structural ways to increase participation and support from these institutions. Municipal service agreements and the creation of a community public service foundation should be items for discussion.

Action Item 1-5: Over the next year, the city should calculate a reasonable “return on investment” due the city on its sewer assets and enter discussions with the water authority concerning the acquisition of city sewer assets at fair market value. Any funds from the sale of these assets should be treated as one-time funds and invested to generate revenues for the city.

Action Item 1-6: Over the next year, the city should: 1) obtain an assessment of its golf facilities, and 2) analyze its current “return on investment” from those assets. If the return is not reasonable, the city’s golf assets should be privatized with funds from the sale invested to generate revenues for the city.

Action 1-7: During 2006 establish an internal group within city government to identify opportunities and discuss the development of an overall Market Based Revenue Initiatives (MBRO) policy.

Action Item 1-8: The director of accounts and finance should develop, within the next three months, an implementation plan for revenue (taxes and fees) recommendations contained in this plan. The plan should implement all of the recommendations within the next two years.

Action Item 1-9: The treasurer should develop, within the next three months, an implementation plan for revenue collection recommendations contained in this plan. The plan should implement all of the recommendations within the next two years.

Action Item 1-10: A task force should be appointed to review every fee within each department as soon as possible and identify areas for increasing fees to more accurately represent the cost of services provided.

Action Item 1-11: The city should adopt and implement a rental unit inspection program and develop ordinances for an annual tenant registration system requiring every person owning residential property within the City of Erie to register its tenants.

1.B. The budgetary impact?

Assessing the budgetary impact is difficult in that many of the recommendations are subject to negotiations with other parties. That said, successful implementation of all of these recommendations represent the greatest potential for net new revenues available to the City. *Budgetary Impact Target: \$5-\$7 million*

1.C. The timing and deadlines for each action step?

Some of the recommendations in this category require approvals of other parties, including the county government, and surrounding municipalities. As such, the timing and deadlines are more directly related to the city aggressively pursuing negotiations and discussions with their partners. It is in the city's interest to approach these negotiations and discussions well-prepared with data and ideas. Where recommendations can be implemented that do not require actions on the part of another agency, the timetables have been presented.

1.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the city council, the mayor, treasurer, and director of accounts and finance have primary responsibility for achieving the improvements to the city's revenue stream.

STRATEGIC INITIATIVE 2 CONTROL PUBLIC SAFETY COSTS

Public safety costs now make up close to half of the of the city's operating budget (police 25% and fire 20%). Unfortunately, growth over the last several years has not been a result of increased or expanded services. The cause for the cost escalation is more directly related to higher labor costs associated with the collective bargaining contracts. Different strategies are required for police and fire services. For police services, the overall strategy should be one of improving productivity while maintaining the approximate current service level. With fire, the strategy is to obtain a work schedule that is consistent with firefighter workweek standards across the country. In so doing, the current service levels and firefighter safety standards can be maintained while significantly reducing the complement of firefighters. Bringing the firefighter workweek into conformance with national standards has a potential **\$1.8 million** annual savings to the city. Many of the cost savings and reductions outlined in this plan are subject to collective bargaining and will require several contract periods to be fully implemented.

2.A. What is to be achieved?

Action Item 2-1 (Fire): Over the next five years, the city, through the collective bargaining process, should reach agreement on conversion from a four platoon to a three platoon system for the delivery of fire services. The work schedule would change from a work period of 24 hours followed by 72 hours off to a work period of 24 hours followed by 48 hours off, which is typical of most firefighter workweeks and consistent with the workweek definition contemplated in the Fair Labor Standards Act (FLSA). If implemented, the four-person minimum company strength would be maintained, normal staffing would allow for required Kelly Days without dropping below minimum shift strength or company strength, the number of in-service companies would remain and no fire stations would be closed. Based on our analysis, the projected savings, on an annual basis, would total at least \$1,776,984.

Action Item 2-2 (Fire): The deputy fire chief's aide should be utilized whenever needed to fill openings on companies that would otherwise result in an off-duty overtime callout.

Action Item 2-3 (Fire): When the Gamewell system is discontinued, the electrical division group should be moved to the public works cost center.

Action Item 2-4 (Fire): The fire chief should develop, within the next three months, an implementation plan for recommendations contained in this plan that do not require collective bargaining agreement. The chief's plan should implement all of the recommendations within the next two years.

Action Item 2-5 (Police and Fire): The city should continue its efforts to consolidate police and fire dispatch services.

Action Item 2-6 (Police and Fire): Over the next year, the city should move to transfer all dispatch functions to the county. This action will require negotiation and discussion with Erie County and implementation will be subject to those discussions.

Action item 2-7 (Police and Fire): The police chief and fire chief should move to initiate discussions with counterparts in other police and fire departments in Erie County to explore providing services via contract to those localities.

Action Item 2-8 (Police): The city should move to reduce the number of rank officers, either through negotiations or attrition.

Action Item 2-9 (Police): When a vacancy in rank exists it is recommended that it not be replaced. This is particularly true of corporal and sergeant vacancies.

Action Item 2-10 (Police): The city should turn over operation of the traffic court to the county no later than the end of the second quarter in 2006.

Action Item 2-11 (Police): Extend the screening process relative to police officers' attendance at criminal court.

Action Item 2-12 (Police): The city should negotiate an arrangement with the district attorney for the distribution of proceeds from the sale of confiscated property. A 50/50 split should be proposed.

Action Item 2-13 (Police): The city should consider the elimination of a sergeant and detective from the property control and evidence function and reorganizing the identification unit which now utilizes three detectives and two sergeants. The utilization of civilian personnel under the supervision of a support division lieutenant could result in the potential savings of \$152,000 to \$225,000 annually.

Action Item 2-14 (Police): The consultants recommend a complete internal review of agency functions in order to ascertain where civilians can replace officers at a substantial cost savings without adversely affecting efficiency.

Action Item 2-15 (Police): The consultants recommend that the cost of the city's school guards be turned over entirely to the school district. Due to the severity of the budget crisis and the real possibility of escalation of violence and street crime with the elimination of police officers this arrangement is necessary. The resulting savings to the city would be approximately \$180,000 to \$190,000 annually or the equivalent of three police positions.

Action Item 2-16 (Police): The police chief should develop, within the next three months, an implementation plan and schedule for recommendations contained in this plan that do not require collective bargaining agreement. The chief's plan should implement all of the recommendations within the next two years.

2.B. The budgetary impact?

As noted earlier, assessing the budgetary impact is difficult in that many of the recommendations are subject to the collective bargaining and intergovernmental negotiations. That said, successful implementation of all of these recommendations represent the greatest potential for cost savings available to the city. *Budgetary Impact Target: \$3-\$4 million*

2.C. The timing and deadlines for each action step?

Most of the recommendations in this category require approvals of other parties, including the county government, surrounding municipalities, collective bargaining units, and others. As such, the timing and deadlines are more directly related to the City aggressively pursuing negotiations and discussions with their partners. It is in the City's interest to approach these negotiations and discussions well-prepared with data and ideas. Where recommendations can be implemented that do not require actions on the part of another agency, the timetables have been presented above.

2.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the mayor, city council, and the police and fire chiefs have primary responsibility for achieving the control of public safety costs.

STRATEGIC INITIATIVE 3 DEVELOP A CULTURE OF MANAGED COMPETITION

Many of the services that the city delivers can be provided in a wide variety of ways. Some essential services such as police and fire are best delivered by city employees. Other services could be delivered by the city, through the private sector, through other governments or through the non-profit sector. Selection of a particular mode of service delivery should be related to which best minimizes costs and maximizes benefits received. Allowing the various modes of delivery to compete for the contract to provide the service is referred to as managed competition.

3.A. What is to be achieved?

Action Item 3-1: The city should adopt the "managed competition model" whereby the city's current employees would have an opportunity to compete with private contractors for the city's business. This approach should be examined for providing these services in future years, but should begin in 2006.

Action Item 3-2: The city should designate a contract management team that will be responsible for identifying services subject to managed competition, administering the competition, and monitoring performance.

Action Item 3-3: The city should consider managed competition to provide services and reduce personnel expenditures, at a minimum, in the following areas:

- All mowing areas
- Payroll processing
- Inventory management at the city garage
- Electrical, sign, and paint services
- Print shop

Actions Item 3-4: The city should centralize and automate the entire payroll system. An outside vendor could do this. This would significantly reduce the time spent on time keeping and preparing payroll. If the city accepts this recommendation and the recommendation concerning centralized purchasing, the city may be able to eliminate additional clerk positions in the city departments.

Actions Item 3-5: The city should outsource earned income tax collection in 2006. Given the past experience with outsourcing, the finance department should closely monitor the performance of the contractor.

Action Item 3-6: The city should request proposals for the collection of delinquent property taxes. The sole determinant for selection shall not be cost alone, but shall include available services, past performance, and recommendations.

Action Item 3-7: Continue to outsource to a third party plan reviews and some inspections in compliance with the Pennsylvania Uniform Construction Code (UCC) by soliciting proposals from competing third party agencies every two years and require that the third party contribute a percentage of its fees back to the city to offset administrative costs over and above the municipal fee.

3.B. The budgetary impact?

Assessing the budgetary impact is difficult in that many of the recommendations are subject to negotiations with other parties. That said, successful implementation of all of these recommendations represent the greatest potential increasing levels of service and for net potential savings to the city. *Budgetary Impact Target: TBD*

3.C. The timing and deadlines for each action step?

Some of the recommendations in this category require approvals of other parties. As such, the timing and deadlines are more directly related to the city aggressively pursuing negotiations and discussions with their partners. It is in the city's interest to approach these negotiations and discussions well-prepared with data and ideas. Where recommendations can be implemented that do not require actions on the part of another agency, the timetables have been presented.

3.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the city council, the mayor, accounts and finance director, and individual department directors have primary responsibility for developing a culture of managed competition.

STRATEGIC INITIATIVE 4 IMPROVE MANAGEMENT TO CONTROL OPERATING COSTS

Management decisions are driven by good data and knowing the best practices within a particular city service. We have made a number of recommendations that will assist the city in collecting the data that is necessary and have identified examples of best practices to allow the city to make more informed decisions. Implementing a culture of controlling operating costs is essential if the city is to address its fiscal crisis.

4.A. What is to be achieved?

Action Item 4-1: The city will need to redesign its approach to the collective bargaining process. This can be achieved by setting an overall cost for each contract and allow negotiations to define how those costs will be allocated across wages and benefits. Further, the city should restrict the issues subject to collective bargaining to only those that the city is legally obligated to bargain. Finally, the city needs to better prepare for the negotiation process by making sure the management team includes individuals who have the necessary skills and expertise to represent the city.

Action Item 4-2: Within the next three months, the city should adopt, by action of the city council, "Operating Budget Policies and Fiscal Performance Goals" covering the topics and issues identified in the department of accounts and finance review.

Action Item 4-3: Over the next two budget years, the city will fully implement the National Advisory Council on State and Local Budgeting guidelines as outlined in this report.

Action Item 4-4: The accounts and finance director should convene a monthly meeting of department heads to review budget progress and identify fiscal issues requiring city-wide coordination.

Action Item 4-5: The city should increase employee contributions toward the monthly healthcare premium, beginning with non-bargaining personnel.

Action Item 4-6: The city should consider a redesign of its healthcare plan and further consider and examine the financial impact of a high deductible Health Reimbursement Arrangement plan.

Action Item 4-7: The accounts and finance director should develop a plan to continue the departmental benchmarking work undertaken in this report. As part of this action item, each department should finalize the benchmarks to be utilized in evaluating and measuring departmental performance. This task should be accomplished within the first six months of implementation of this plan.

Action Item 4-8: The accounts and finance director should develop a plan to continue the indicators work undertaken under this report.

Action Item 4-9: The city should redirect the controller's office toward program audits and cutting back on the scope of the pre-audit function.

Action Item 4-10: The treasurer should develop, within the next three months, an implementation plan for recommendations regarding the treasurer's office contained in this plan that do not require collective bargaining agreement. The treasurer's plan should implement all of the recommendations within the next two years.

Action Item 4-11: The city clerk should develop, within the next three months, an implementation plan for recommendations regarding the city clerk's office contained in this plan that do not require collective bargaining agreement. The clerk's plan should implement all of the recommendations within the next two years.

Action Item 4-12: The accounts and finance director should develop, within the next three months, an implementation plan for administration and finance recommendations contained in this plan that do not require collective bargaining agreement. The accounts and finance director's plan should implement all of the recommendations within the next two years.

Action Item 4-13: The accounts and finance director should develop, within the next three months, an implementation plan for purchasing recommendations contained in this plan that do not require collective bargaining agreement. The accounts and finance director's plan should implement all of the recommendations within the next two years.

Action Item 4-14: The city should implement recommendations to replace the cumbersome time/attendance/pay reporting system currently in place.

Action Item 4-15: The city should move immediately to adopt the e-governance and technology enhancements outlines in this report.

4.B. The budgetary impact?

Assessing the budgetary impact is difficult in that many of the recommendations require a long time to fully implement or to measure success. Aside from the collective bargaining recommendations which have significant financial implications, these action items may have their greatest impact on changing organizational culture and improving the quality of decision-making which will result in future financial benefits. *Budgetary Impact Target: \$500,000-\$1,000,000*

4.C. The timing and deadlines for each action step?

Some of the recommendations in this category require approvals of other parties. As such, the timing and deadlines are more directly related to the city aggressively pursuing negotiations and discussions with their partners. It is in the city's interest to approach these negotiations and discussions well-prepared with data and ideas. Where recommendations can be implemented that do not require actions on the part of another agency, the timetables have been presented above.

4.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the city council, the mayor, the treasurer, and accounts and finance director have primary responsibility for achieving the goal of improved management to control operating costs.

STRATEGIC INITIATIVE 5 IMPROVE MANAGEMENT OF THE WORKFORCE

City government is a labor-intensive operation. Personnel costs, for both city employees and the employees of contractors, make up a significant portion of the city's expenditures. These employees are the primary deliverers of city services. In order to be effective, the city has to control personnel costs and give employees the resources they need to get the job done.

5.A. What is to be achieved?

Action Item 5-1: The city should seek to control personnel costs by managing the size of the city workforce, by limiting raises on a department-by-department basis to the changes in the CPI for the Erie region, and by reducing benefit costs.

Action Item 5-2: All new labor agreements should not contain, require or provide for any of the following:

- New overtime or premium pay requirements;
- Any increase in overtime or premium pay requirements;
- New benefits;
- Any improvements in existing benefits;

- Any new paid or unpaid leave;
- Any improvements to existing paid or unpaid leaves;
- Any additional pay for time not worked;
- Any improvements in existing pay for time not worked;
- Any new designations that time not worked counts as time worked for the purpose of computing overtime or premium pay or increases in existing designations of same;
- Any new benefits for retirees or other inactive employees (e.g., those in lay-off or disability status);
- Any improvements in existing benefits for retirees or other inactive employees;
- Any other term or provision which adds any new or additional restrictions on the city's management rights;
- Any provision for minimum staffing levels; and
- Any provision that restricts or impairs the city's ability to affect a layoff or other reduction in its workforce.

Action Item 5-3: Assure that all department heads and appropriate staff have the training, support, and information they need to make the most positive and effective use of computerized financial and management systems.

Action Item 5-4: Direct all department heads to update and clearly articulate policies, procedures, and standards of performance for all their employees, departments, and functions. These are to be maintained and kept up to date.

Action Item 5-5: The city should develop a performance evaluation system consistent with its overall operational goals and objectives. Evaluations should be conducted on an annual basis by all city departments and be based on city policies, departmental standards, and expectations.

Action Item 5-6: The human resources director should develop, within three months, an implementation plan and schedule for the human resources recommendations that are contained in this report. The plan should implement all of the recommendations within the next two years.

5.B. The budgetary impact?

Assessing the budgetary impact is difficult in that many of the recommendations are designed to improve management practices generally. These action items may have their greatest impact on changing organizational culture and improving workforce relations. *Budgetary Impact Target: TBD*

5.C. The timing and deadlines for each action step?

The work on these action items can begin immediately. The policy directives called for in Action Items 5-1 and 5-2 should be established before the beginning of the preparation of the 2007 budget. The training and support called for in Action Item 5-3 can be phased in over two years. The development and implementation of personnel policies and manuals called for in Action Items 5-4, and 5-5 can be phased in over one year. The planning for the improvements in the human service offices called for in Action Item 5-6 should begin in 2006.

5.D. Which employees or agency has the primary responsibility for the objective?

The city council and mayor should have the responsibility for establishing policy and setting the tone. The director of human resources should have the primary responsibility for monitoring and implementing the policies. The council and mayor, working with the director of accounts and finance, should have the responsibility for beginning the human service office improvements.

STRATEGIC INITIATIVE 6 IMPROVE COMMUNITY & ECONOMIC DEVELOPMENT THROUGH INFRASTRUCTURE PLANNING & FINANCING

Many city governments, facing diminished resources sacrifice capital and infrastructure investment as a way of minimizing current year cash outflow. The result is delayed maintenance, escalating needs, and more expensive solutions as infrastructure decays and ages. This is true in Erie and the absence of a capital plan is a marked deficiency. Unfortunately, the problem is exacerbated as it will take new financial resources to underwrite a capital plan. However, it is imperative that the current generation of citizens living in Erie do not totally pass off the cost of infrastructure to a future generation.

It is also important that the city build on the close cooperation with the PA Department of Community and Economic Development (DCED) that has generated a portfolio of economic development projects that can serve as the stimulus for a revitalization of the city. That portfolio includes projects such as the Erie Convention Center, IFP North American Fruit, Erie Management Group, Koehler Brewery, and the St. Vincent parking garage.

6.A. What is to be achieved?

Action Item 6-1: The city should develop a multi-year capital budget and economic development plan to be submitted by June 15th of each year. This plan shall include, but not be limited to, major infrastructure needs, strategic economic development project needs and a five-year capital equipment replacement program. The city should address funding the adopted capital plan in its annual budget process.

Action Item 6-2: The city's capital budget should be fully funded and all items have an identifiable source of financing. The city should maximize the use of external sources of funding for the capital budget. The local share of the city's capital budget should be financed by increasing real estate taxes via the special levy for debt.

Action Item 6-3: The city should take the lead in developing a memorandum of understanding between all of the major economic development organizations that clarifies the roles and responsibilities of each organization in furthering the economic development of the city to assure that the proposed economic development agenda is implemented.

Action Item 6-4: The city should create a forum constituting the City of Erie; Erie Regional Chamber of Growth Partnership; Greater Erie Industrial Development Corporation; Economic Development Corporation of Erie County; Erie County Redevelopment Authority; Erie-Western Pennsylvania Port Authority; Gannon University SBDC; Ben Franklin Technology Partners; Penelec Economic Development Department; Northwestern PA Regional Planning & Development Commission; Governor's Action Team; Workforce Investment Board of Northwestern Pennsylvania; and Erie County to focus on the city's economic development agenda. In addition to the tasks outlined in this report, this forum will also make recommendations to be included in the multiyear capital budget of the city.

Action Item 6-5: The city should develop, within the next three months, an implementation plan for the economic development recommendations contained in this plan in partnership with the private sector. The city's plan should implement all of the recommendations within the next two years.

Action Item 6-6: Investigate with surrounding jurisdictions, or through the Erie Area Council of Government (COG) the feasibility of a Regional Code Enforcement Program offering code enforcement and building inspection services on a fee basis.

Action Item 6-7: Investigate and apply for a PA Department of Community and Economic Development's (DCED) Shared Municipal Services Program (SMSP) for code enforcement activities on a multi-jurisdictional level (if other jurisdictions are willing to partner with Erie).

Action Item 6-8: The code enforcement office should develop a performance evaluation procedure.

Action Item 6-9: The city should partner with the County of Erie or the Northeast Regional Planning & Development Commission on the use of a Geographic Information System (GIS) to improve code enforcement and planning activities.

Action Item 6-10: The city should examine its current TIF and LERTA policies to determine their effect on new investment in the community. Those policies should restrict the use of these instruments in cases where a direct effect on investment cannot be established.

6.B. The budgetary impact?

Assessing the budgetary impact is difficult in that many of the recommendations are long term. That said, successful implementation of all of these recommendations represent the greatest potential for net new taxable value available to the city. *Budgetary Impact Target: TBD*

6.C. The timing and deadlines for each action step?

Some of the recommendations in this category require approvals of other parties, including the Commonwealth of Pennsylvania, county government, surrounding municipalities, authorities, and private entities. As such, the timing and deadlines are more directly related to the city aggressively pursuing negotiations and discussions with their partners. It is in the city's interest to approach these negotiations and discussions well-prepared with data and ideas. Where recommendations can be implemented that do not require actions on the part of another agency, the timetables have been presented.

6.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the city council and the mayor have primary responsibility for achieving improved community and economic development, planning and financing. Each department head should begin identifying specific capital needs and prioritizing these requests.

STRATEGIC INITIATIVE 7 DEVELOP & STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

Cities are no longer self-sufficient cores of an urban area. They are part of a larger network of public, non-profit and for profit organizations that operate within and beyond the boundaries of any particular local government. Successful partnering and managing in this new network is essential if the city is to emerge from its fiscal problems.

Throughout this plan we have identified recommendations that the city must take to achieve fiscal stability that require another government, non-profit organization, or for-profit organization to act. In the absence of agreements from those other parties, the city will not be able to implement the necessary fiscal reforms. What that means is that the city has to get very good at intergovernmental and intersectoral partnering. It has to develop an organizational culture that places partnering as the preferred strategy for the delivery of services to the residents of the City of Erie. The city's long-term viability is dependent on its success in developing workable intergovernmental partnerships.

7.A. What is to be achieved?

Action Item 7-1: The city should designate a city official to serve as the "Intergovernmental/Partnership Coordinator". This person shall be responsible for developing, coordinating, and executing the City of Erie's Intergovernmental Plan.

Action Item 7-2: The city council, annually, should adopt an intergovernmental plan that will guide the city in its operations.

Action Item 7-3: The region should consider a revenue-sharing program for the \$9 million annual income that is estimated to come from gaming in Erie County. A model already exists with the Allegheny County Regional Asset District that can be used as a base for discussions. Key civic institutions should take the lead in coordinating discussions to establish the revenue sharing among government leaders.

Action Item 7-4: The city should develop a partnership with Erie County and Millcreek for joint bidding and joint purchasing of common supplies, materials and commodities. The city should also pursue a task force with those jurisdictions to identify areas for joint municipal/county cooperation in areas such as information technology, tax collection, and permit and fee collections.

Action Item 7-5: Over the next year, the city should seek to form partnerships with the county, Millcreek, and other interested municipalities regarding the improvement of police services through regional cooperation.

Action Item 7-6: Over the next year, the city should seek to form partnerships with the county and interested municipalities regarding the improvement of fire services through regional cooperation.

Action Item 7-7: Over the next year, the city should seek to form partnerships with the county, Millcreek, and interested municipalities regarding the improvement of emergency rescue services through regional cooperation.

Action Item 7-8: Over the next year, the city should seek to form partnerships with the county, Millcreek, and interested municipalities regarding the improvement of parks and recreation services through regional cooperation.

Action Item 7-9: Over the next year, the city should seek to form partnerships with the county and interested municipalities regarding the improvement of economic development activities through regional cooperation.

Action 7-10: The city should seek close cooperation with surrounding municipalities to coordinate joint service provision, joint comprehensive land use planning, and joint economic development initiatives in support of the city and the entire region.

Action Item 7-3: Over the next few years, the City of Erie should be working with Erie County to improve the equity and accuracy of property assessments to current market values.

7.B. The budgetary impact?

Assessing the budgetary impact is difficult in that all of the recommendations are subject to the collective bargaining and intergovernmental negotiations. That said, successful implementation of all of these recommendations represent the greatest potential for cost savings available to the city and allows the region to obtain an economy of scales and a more efficient provision of municipal services. *Budgetary Impact Target: TBD*

7.C. The timing and deadlines for each action step?

All of the recommendations in this category require approvals of other parties, including the county government, surrounding municipalities, non-profit organizations and others. As such, the timing and deadlines are more directly related to the city aggressively pursuing negotiations and discussions with their partners. It is in the city's interest to approach these negotiations and discussions well-prepared with data and ideas.

7.D. Which employees or agency has the primary responsibility for the objective?

The implementation manager (identified in Step VI), in conjunction with the intergovernmental/partnership coordinator, city council, and the mayor, with the civic community, have primary responsibility for achieving success in intergovernmental partnerships.

STRATEGIC INITIATIVE 8 SUPPORT STATE LEGISLATIVE CHANGE

Local governments in Pennsylvania (including cities, townships, boroughs, counties and special districts) are 'creatures' of the state government. When the United States Supreme Court made that interpretation, the justices recognized that the state government had to have ultimate responsibility for the local governments within each of the states. As such, reform of state legislation is an essential part of the fiscal recovery of the city. The following reforms should be advocated by the city as part of the recovery process:

8.A. What is to be achieved?

Action Item 8-1: Legislation that would create uniformity of assessments throughout the commonwealth is essential for economic development. In addition, the legislation should require constant updating of property values and the standard of fair market value as a measure of the equity of assessments

Action Item 8-2: Act 111 controls the collective bargaining process for police and fire employees. This legislation needs to be significantly amended to better reflect the economic capacity of governmental units to pay for awards and to create a more level playing field that would make both parties more willing to seek and accept a negotiated settlement short of the binding arbitration panel process which is currently heavily skewed toward labor.

Action Item 8-3: The tax sharing of growth in economic expansion in a region is often referred to as “tax-base sharing”. When that regional pool is used to finance public activities throughout a region it is referred to as a “regional asset district.” Tax-base sharing and regional asset districts are important institutional arrangements that need to be available if places like Erie are to be competitive in the future.

Action Item 8-4: The Commonwealth of Pennsylvania has granted property tax exemptions to non-profit, public education, and religious institutions depriving the governments in which the institutions are located of the taxes that would have otherwise been received. These ‘unfunded mandates’ are within the legal authority of the commonwealth to make, but the commonwealth needs to provide alternative revenues for those communities like Erie, which have a large percentage of property value exempt from taxation.

STEP VI

IMPLEMENTATION SCHEDULE

Plans are seldom fully implemented with a process to guide its modifications and implementation. We suggest the following be adopted either via ordinance or resolution to guide the city's actions over the next several years.

Section 1: Appointment of an Implementation Manager

This plan will require ongoing and aggressive management in order to be successfully implemented. To that end, we recommend the appointment by the mayor and confirmed by the council of an individual within the city who will serve as the implementation manager.

Section 2: Qualifications of the Implementation Manager

The implementation manager should be a high ranking individual within the government selected solely on the basis on his or her managerial/administrative experience and ability to build consensus.

Section 3: Responsibilities of the Implementation Manager

This individual will be charged with the responsibility for overseeing the implementation of the strategic initiatives and action items identified in Step V and throughout the other steps of the EIP process. This individual should report both to the mayor, city council, and to the public. Further, this individual should be given the authority to oversee the plan's implementation. This individual will have complete access to all financial records of the city. This individual will be responsible for the development and presentation of quarterly and yearly reports with the assistance of the accounts and finance department.

Section 4: Department Heads Advisory Group.

To assist the implementation manager, an advisory committee, made up of the senior managers of the city and appointed by the mayor, shall periodically meet to review progress and propose new initiatives that will assist the city in its pursuit of fiscal sustainability.

Section 5: Private Sector Advisory Group

To assist the implementation manager, an advisory committee, made up of volunteers from private and non-profit companies and appointed by the mayor, with concurrence of council, shall be convened on an annual basis to review the proposed annual report prior to its submission.

Section 6: Quarterly Reports

Four times a year, the implementation manager should submit and present a quarterly report at a public meeting of city council. At a minimum, the content of this report should:

1. Identify the plan recommendations that have been accomplished;
2. Acknowledge that they have been completed and recognize those employees and individuals who contributed to their attainment;
3. Identify plan recommendations that have fallen behind scheduled implementation;
4. Identify the most likely obstacles that are impeding implementation; and
5. Propose a revised implementation schedule, when necessary, to get those objectives back on track.

Section 7: The Annual Report

Annually, on or around September 1, the implementation manager, with cooperation of the finance officer, should submit an annual report on the financial state of the government. At a minimum, the content of this report should:

1. Summarize the successes and failures identified in the quarterly reports;
2. Assess, through trend analysis, the overall changes that are occurring in the community that may have significant fiscal impacts on the government's budget;
3. Propose new strategies that need to be taken to aid the government's return to fiscal solvency;
4. Overview the long-term infrastructure needs of the community and propose financing and debt management strategies to address those needs as contained in the city annual capital improvement plan;
5. Set broad fiscal goals for the upcoming annual budget of the government;
6. Assess and identify opportunities for regional cooperation with other local governments, the county, or the commonwealth; and
7. Amend the multi-year plan adding new and revised objectives.

Each new or revised objective should:

- Identify what is to be achieved;
- The budgetary impact;
- Timing and deadlines for each action step; and
- Which employees and/or agency have the primary responsibility for implementation.

Section 8: Relation of the Annual Report with the Budget

The development and submission of the annual report that summarizes the quarterly reports and provides a broad overview of the financial situation facing the city shall serve as the guidebook for the development of the following year's operating budget. This annual report shall coincide with the annual budget process and will be used by the city in the formation of the city budget for the ensuing year.