

POTTSTOWN SCHOOL DISTRICT
POTTSTOWN, PA.MINUTES OF PUBLIC HEARING
February 15, 2007

A Public Hearing to discuss the proposed ballot question to request an increase in the Earned Income Tax for property tax relief as required by Act 1 was held on Thursday, February 15, 2007 at 7:00 p.m. in the Calvin J. Swavely Board Room of the School District Administration Building with President Barry Robertson presiding. The following Board members were present: Mrs. Bonita L. Barnhill, Mr. Edwin Edwards, Mrs. Amy Francis, Mr. Barry Robertson, Mrs. Cathy Skitko, Dr. James Smock, Mr. Philip Thees, and Mrs. Judyth Zahora. Absent: Mr. Robert Hartman. Also present were: Superintendent of Schools, Mr. David Krem; Business Administrator, Mrs. Linda S. Adams; Assistant Superintendent, Dr. Reed Lindley; Director of Education and Human Resources, Mr. Jeffrey Sparagana; Mr. John J. Armato, Mr. David Garner, Mr. Robert Morgan, Mr. Jody Rhoads, Mr. Bruce Madara, Mrs. Rita Cohen, Dr. Robin Laysears-Smith, Mrs. Kathy Marchek, Mrs. Gail Cooper, Mr. Gary Allan, Mr. Douglas Riedenour, a member of the press and interested citizens.

PRESENTATION OF TAX RESOLUTIONS

Mrs. Adams presented the tax resolutions. The first as proposed by the Tax Study Commission recommending the board increase the Earned Income Tax by an additional 1% which would result in approximately \$609 real estate tax reduction per qualified property. The second resolution proposes the maximum increase of an additional 1.9% earned income tax which would result in an estimated \$1,156 property tax reduction. She reviewed the effects of the minimum and maximum increase, the total household income needed to break even with the increased earned income tax, and the statistics from the 2000 census showing the percentage of owner occupies homes and renter occupies homes. Mr. Robertson stated Act 1 provided no options for the school board; a resolution asking for an increase in income tax to offset property taxes must be on the ballot in May.

MR. HARTMAN ENTERED THE MEETING AT 7:05 P.M.

HEARINGS FROM PATRONS OF THE SCHOOLS

Mr. Madara feels this is a less than ideal solution. The state government cannot begin to approach ideal. They are like an octopus with many tentacles, all reaching into our pockets. He is in favor of the increased earned income tax.

Mr. Gary Allen feels education funding should be entirely funded by earned income tax. This tax shift will hurt renters who will pay an increased earned income tax and will see no property tax relief.

Mr. Morgan stated this will not be a tax shift. He hopes the board recommends voters vote no on the tax increase. The people in Harrisburg are cowards and would rather blame the school boards. The increased earned income tax will not be good for Pottstown as it serves too few. Less than 8% of households would be helped by the increase. Renters will be double taxed. This is also a disadvantage to businesses. The best way to reduce property taxes is to increase the tax base. Business will be triple taxed. He hopes the board recommends the 1% increase and encourages people to vote no to the ballot question.

Mr. Doug Reidenour, a property owner, does not agree with some comments made at this meeting. Renters do pay property tax in their rent. The reason for the increased property taxes is Pottstown lost 99% of its industry. He feels that any form of increase on the earned income is a fairer tax. He does not want to lose his home because of increased real estate taxes.

REMARKS BY MEMBERS OF THE BOARD

Mr. Thees stated he is opposed to the increase in the earned income tax. He feels it will hurt renters and drive businesses from Pottstown. This is a bait and switch game by Harrisburg. It will escalate the deterioration of the community. He will vote no in the May primary and encourages everyone to vote no.

Mr. Hartman agrees wholeheartedly with Mr. Thees and Mr. Morgan. We need changes to benefit everyone. This tax shift will only hurt the community more.

Mr. Robertson feels the consensus is to follow the Tax Study Commission's recommendation of a 1% increase in the earned income tax.

Mrs. Adams will advertise the Board will take action on the Resolution at the March 1, 2007 regular meeting.

The Public Hearing ended at 7:30 p.m.

Linda S. Adams
Secretary