

Introduction To the Commission's Questions

The voters have tasked the members of the Lancaster Government Study Commission with review of the current structure of the City under the Optional Charter Plan A (Mayor – Council form) and the Third Class City Code to determine whether the current form of government is able to adequately provide public services that meet the needs of City residents and businesses or should be changed to provide a more efficient and effective form of government.

In this role, study commissioners are “representing” all citizens in the City since each voter cannot take the time to study the complete governmental operations of the City.

The first task of the government study commission is a thorough review of the structure and operation of the City's existing form of government and of other forms of local government.

Following are questions for your response that we hope will assist us in understanding how the Commonwealth is working with the city, any proposals that are under consideration, and what your personal opinion is on home rule and the current third class optional city code. We appreciate your time and effort in responding to these questions and providing us with your opinions as to how, or if, the current structure could be improved to provide public services for all residents of the City.

As Commissioners, we believe it is important that we do not undertake our work with any preconceived notions. We believe that we must complete our study from the information we gather and this local interview process is an important stage in our work.

The following questions are not an inquisition, but are to be used for this information gathering for the Government Study Commission to fulfill our duties with respect to:

- studying, reviewing, analyzing and evaluate City government.
- learning about the structure and operations of City government.
- interviewing government officials to determine our government's strengths and weaknesses.
- studying other forms of government structure including other Home Rule municipalities.
- determining whether the current form of government adequately provides for the health, safety and welfare of Lancaster residents, and if not, considering other forms of government that would best meet those needs in an effective and efficient manner.
- deciding whether to recommend a Home Rule Charter to the voters.

QUESTIONS FOR ELECTED STATE REPRESENTATIVES

1. As an elected representative of the residents of Lancaster City, do you believe the current legislative authority given to the city provides for the efficient and effective delivery of local government services?

I believe strongly that they do not. There are a patchwork of regulations and laws that were promulgated and passed mostly ad hoc, and there has yet to be a complete review of the ordinances supervising local government.

Revenue generation and collection is a place where the legislative environment is particularly unhelpful to the work of the City, which I've seen from both sides. Furthermore, too many powers are reserved at the state level which creates two related issues: 1) the obvious, that the municipality lacks its own authority and must either come to the state to request the authority to provide for its residents and 2) that the former then requires the legislature to frequently attempt to devolve certain powers, often doing so in ways that make sense for one municipality, or a class of municipalities, but not the others.

The City does have the opportunity to be more creative in a number of ways, but it has not been working in an environment designed to maximize its effectiveness or its financial success, this much is clear.

2. As an elected representative of the residents of Lancaster City, are you in favor of, or opposed to, Lancaster City moving forward with a new charter? Why?

Generally, I am in favor of the City of Lancaster moving forward with a new charter. This is , of course, dependent on the contents of that charter.

The City urgently needs new options for revenue generation, and two reasons come to the fore in my thinking. First, the amount of revenue generated is insufficient. Even when controlling for expansion (the city does more things than it used to) costs such as personnel, pension obligations, capital construction costs, emergency services equipment, utility generation, and costs due to climate effects (e.g., increased rainfall placing higher demands on both our sewer system and stormwater infrastructure) are rising faster than the assessed value of property can compensate for without ongoing tax increases. Further, and obviously, many residents are struggling to bear the costs of increased property taxes, which are borne by all residents (landlords generally pass these costs on to renters). The median renter in Lancaster is burdened by the cost of their housing (they pay more than 30% of their pretax income on housing costs).

Following that, the second reason is that the revenue is generated inequitably. Given a few factors (County assessment practices, the structure of property taxation, and that it only

includes real estate and improvements), a flat property tax rate weighs more heavily on those with less income, including seniors who have entered retirement.

The Uniformity Clause of the Pennsylvania Constitutions has generally been understood by the courts to disallow progressive taxation, which I feel is a shame. However, in that environment, the City needs options to create the right mix of revenue generation for its reality. The charter could provide more options for that, and from a fiscal perspective, there simply isn't the time to wait for the legislature to get its act together to provide them in another way.

3. If a new Charter is written, what do you believe would be its benefits for the city?

Not being in possession of a crystal ball, most of the presumed benefits can be gleaned from my above answer.

I am ambivalent on this matter, but a number of residents have articulated a desire for representation on City Council to be districted. The representation advantages of this to me are clear on the surface. If the Commission chose to pursue that, I would recommend that they consider partial districted representation (including districted and at-large seats, I would recommend 4:3 and 5:2) as well as the potential impacts over time as the city continues to change and evolve.

With districted representation, the Commission should also consider the fact that the city is fairly small, and as such, this would likely privilege homeowners over renters as moving just a few blocks in any direction (as many city residents must do every year for a number of reasons) could remove one from a given district.

4. What help does the state have for municipalities that are facing a financial crisis caused by local tax policy other than distressed city status? What are your ideas on options for property, income and business taxes for cities? In your opinion has the legislature provided enough tools for cities to thrive? If not, what legislative remedies would you support?
 - a. **Not a lot, frankly.**
 - b. **Currently, I have a bill in co-sponsorship what would change the local services tax, provide for a payroll preparation tax, as well as allow municipalities to increase the earned income tax, but require that for every 3 new dollars in revenue, 1 dollar in property revenue must either be eliminated or returned as a rebate to citizens.**

It also allows for an earned income floor (a municipality would be able to exempt households making below a certain amount from income taxes), and the elimination of taxes often considered outdated, such as per capita and amusement taxes. These are principals of which I'm generally supportive.

I am also generally in favor of sales taxes, following the existing exemptions for necessities, as well as what are colloquially called "pour taxes." These are taxes,

generally minimal, levied on the sale of alcoholic beverages in “across-the-counter” environments (not liquor stores, but bars).

Specific commuter taxes risk running afoul of the Uniformity Clause, depending on whose legal opinion you take). Also, it’s mentioned above, but payroll preparation taxes as a form of business tax are generally designed to scale based on the size of the business, offering a proportionality not often found in PA tax law.

- c. No.
- d. See above.

5. What is your position on the sale of local utilities to provide revenue while at the same time removing the asset and rate setting from local authority? What legislation would you support that would help keep local ownership but also provide citizens with revenue from these operations?

Where a municipality provides utility service directly, I am actually in favor of maintaining local authority over rate setting for internal customers. The PUC is far from the most efficient body in Pennsylvania government.

Without having a particular piece of legislation in mind, the math seems pretty straightforward. The City provides utility service to four categories of customers: internal residential customers, external residential customers, internal commercial customers, external commercial customers, setting aside other governmental bodies and authorities.

If the goal is an easier time (which I presume would be expressed as savings and/or increased municipal revenue), for internal residential customers, one or more of those other three groups of customers would have to pay a rate high enough to provide significant additional returns to the City as a utility provider. As you know, external rates must be approved by the PUC, and I think a lot of care would have to be exercised in creating more revenue development opportunities from our existing utilities.

The PUC may frown on what they may see as raising prices on one municipality to benefit another, but perhaps I’ve misunderstood the question.

6. There is proposed legislation allowing municipalities to use firms for management work. Please explain how that would work and are you for it, against it, and why?

There’s a couple articles that I think are helpful here:

[Municipalities could get firms for managers: proponents say move could save taxpayers money | PA Power and Policy | lancasteronline.com](#)

- [Lancaster County officials wary of proposed bills to allow firms as municipal managers \[Lancaster Watchdog\]](#)

[| Local News | lancasteronline.com](http://lancasteronline.com)

I support this proposal as it moved through the Commonwealth's Local Government Commission (of which I am a member). Some municipalities are too small to have good internal or local candidates for manager positions, and a firm, for-profit or non-profit, may have access to resources and expertise that an individual borough manager may not. As such, in keeping with the general principal that "more options for municipalities is better," I support it.

That being said, Lancaster City 1) should not move to a city manager model. It is important at our size that the residents of the City elect their Chief executive and 2) has the resources for the kind of search necessary to bring all the relevant skills into City government. I just don't think that particular legislation is applicable to our case.

7. Recognizing the multiplicity of local governments in Pennsylvania, what legislative changes, tools and resources would you support to improve the efficiency of local services that provide for the health, safety and welfare of citizens?
 - **There are several legislative proposals currently in existence which would facilitate the regionalization of certain services, namely emergency medical services, and turn them over to a regional authority.**

Generally, I support these proposals as well as giving increased authority to regional planning and transportation, and health authorities.

Please allow me to add as a note that I am very sorry for the late return of this document to the commission. I support your work, and wish you the best in the critical decision-making that lies ahead of you. Happy to remain a resource, as a member of both the Local Government Committee of the House and the bipartisan, bicameral Local Government Commission. Be well.