

Tax Study Commission Meeting Minutes

Thursday, March 25, 2021, 7:00 pm

Via Zoom

Roll Call

- Meeting was called to order by Chairperson Connie Rankin
 - All members present: Connie Rankin, Jodi Germinara, Molly Brown, Sabreena Miller, Carolyn Laquatra, Ron Bedison, Sam Sesti, Justin Greenawalt, Christine King
-

Approval of Minutes

- Motion by Carolyn Laquatra to approve minutes; second by Ron Bedison
 - Aye: unanimous
 - Nay: none
-

Legal Clarification from Andrews Price

- Amy Schrempf was on the call to sort through confusion about how EIT rates are controlled through the Local Tax Enabling Act (LTEA) and/or other laws
 - In the case of the potential voter referendum through Act 1, there is no limitation on what we may or may not recommend. No upper limit.
 - In general, school districts cannot raise EIT except through this Act utilizing voter referendum.
 - The LTEA caps tax revenue at 1% for municipality and 1% for school district, depending on what class of municipality. However, LTEA caps do not apply to this commission or to any recommended EIT increase by this commission.
 - Act 1 limits spending for administrative costs from tax increases to 2%, however, this is not related to how much tax can be increased through the referendum.
 - No provision for adjustment, if for some reason the EIT proposed rate does not cover the specific needs that we would predict through this process.
-

Review of Demographic Data and Other Reports

- Looked closely at data from American Communities Survey, 2019

- Occupancy rates for Bellevue and Avalon, with a breakdown in owned and rented, Selected Monthly Owner Costs broken down by mortgage and out of mortgage (includes mortgage, insurance, home equity loans, and taxes)
- Discussion of similar data for renters monthly costs and gross rents as a proportion of household income
- Harvard study notes that when renters are spending 30% or more of their income on housing, they have little available for savings, which can be unfavorable to renters. Impact may be harsh enough to cause people to move which would impact tax revenue for the school district
- In Northgate, there are 2071 households (rented and owned) that are in the 30% or above bracket, regardless of income level, however the majority of those are households with income less than \$35,000
- Joint Center for housing studies, Harvard stated that from 2001 to 2018, renter income grew by 1.2% and rent went up by 13.9%
- Enrollment in Northgate is 1010 students; 54% of students qualified for free and reduced lunch.
- PA Dept. of Education Summary Data
 - Showing millage, total revenue, expenditures, and capacity per student
 - Comparing what we receive from the state/federal government per student
 - How Northgate spends the budget not in the purview of the commission

New Issues, Questions, and Data Needed

- Bellevue and Avalon EIT history, to compare with numbers from the school district
- Data on people who receive social security and also rent
- Scenarios for tax burden on different income levels/housing scenarios
- Why are we not exploring PIT? Can we find data on PIT in Pennsylvania?
- Percent of homesteaders with social security/no additional income
- Potential state level tax increases, and would we want to compound those tax increases?
- What is the threshold population level we need to maintain in Northgate, in light of declining population, for EIT to adequately maintain the equilibrium in funding?

Public Comment

- Bill Bergmann, 117 Beaver Ave.
 - Pleased to see the conversation shift to start including the question of fairness. When will fairness become the paramount concern?
 - Data set presented by Ms. King goes beyond the scope of the committee
 - Would like to see comparison to similar districts and demographics rather than simply the surrounding districts and other affluent districts, which are very different from Northgate

Adjournment

- Motion to adjourn by Jodi Cerminara; second by Carolyn Laquatra
- Unanimous vote to adjourn