

Tax Study Commission Meeting Minutes

Thursday, April 1, 2021, 7:00 pm

Via Zoom

Roll Call

- Meeting was called to order by Chairperson Connie Rankin
- Members present: Connie Rankin, Jodi Cerminara, Molly Brown, Carolyn Laquatra, Ron Bedison, Sam Sesti, Justin Greenawalt, Christine King, Sabreena Miller (arrived 7:15)

Approval of Minutes

- Discussion of edits on section "Legal Clarifications of Andrews Price"
- Motion to approve the minutes with addition of edits to that section
 - Moved by Jodi Cerminara, Seconded by Ron Bedison
- Approved: Unanimous
- Agreement to place spreadsheets and documents with commission data on the website under the Tax Study Commission heading

New Data/Other New Reports

- Spreadsheet from Christine King utilizing EIT data from Bellevue Borough, Avalon Borough, and Northgate School District
 - Based on calculations, .64%-.66% increase (either using Northgate data or data from the boroughs) in EIT would bring the total EIT collections close to what the school would need to make up for the loss by increasing the property tax exemption to 50%
 - Additional homestead exemption would be around \$35,508, which would result in a savings of \$905 per homestead
 - Slight discrepancies of collections could be due to the fact that Avalon and Bellevue collect on a calendar year while Northgate collects on a fiscal year.
 - Since this is meant to be net neutral, how does this bear out relative to the characterization of the process as "volatile or highly volatile"?
 - What about a potential population shift that often happens with a tax shift? How would loss of rental population affect EIT?

- Not an all or none proposition; we don't have to expand to the full exemption.
- Under the LTEA, school districts are required to notify potential homestead owners of the exemption. Northgate has stated that they are doing this.
- Discussion about the effect of the exemption on the possibility of more people taking advantage of the homestead exemption
- Question of how often we would need to revisit this if the population does change? Is this something stable to even be considered?
- Spreadsheet: quantified data based on Earned Income
 - Question: do we have an exemption on EIT under \$12,000? Can we confirm with the solicitor
 - Have prior tax collections included EIT from earners making less than \$12,000, or have they already been exempt?
 - Break-even income for equalized property tax and EIT is \$136,500
 - If this were to happen, this is what the numbers look like; but we do all need to assess individually.
 - For average household income of \$45,998, a renter's EIT increase would be \$25; what does that dollar amount mean, tangibly, to that person?
- Discussion by individual commission members regarding initial feelings on this process, data, and researched articles.
 - Connie: thinks it's up to individuals to decide
 - Molly: not opinions, statements based on things learned from reputable sources; the concept of the commission is to determine whether it should go forward, not to decide how people would vote; feels this would cause a drastic population shift, be harmful and volatile for the school
 - Justin: backing up Molly; weighing if there is a benefit and sees none; why would we put something to a vote for a people when we have discovered that it's not that great of an idea; curious about what other commissions have come up with; scope of commission is too narrow; school board needs to be held accountable for producing value from the money that is provided
 - Carolyn: look at data, produce a viable decision; despite mounds of data, difficult to make a decision; believes that people should vote
 - Sabreena: can't shake the idea that there isn't a benefit for everyone; scope of commission too narrow; agree that people should vote on it; does not think this has value
 - Sam: it seems we are spinning wheels on the data; would like to shift to discussing what data we have to determine our group's decision for the public hearing

- Ron: feels its important to understand what the messaging is before the public hearing; we need to have reasoning behind our recommendation whatever that may be

Basic Presentation for Public Hearing

- Connie is developing a document for presentation at the public hearing
- Bring any other data we would like to include to next meeting

Public Comment

- Linda Woshner, S. Euclid Ave.
 - Does not believe that the commission reflects the community
 - Feels that Northgate School Board needs to be held accountable for the money they are spending instead of raising taxes
 - Sees this change in policy hurting tenants and businesses
- Bill Bergmann, 117 Beaver Ave.
 - Sees harm vs. good as the critical question, not simply a mathematical question
 - Have a responsibility to the community to explore the larger moral questions
 - Regarding data, feels more time has been spent looking at property owners and not renters for what the impact will be

Adjournment

- Motion to adjourn by Christine King; second by Sam Sesti