

# SPRING-FORD AREA SCHOOL DISTRICT

## TAX STUDY COMMISSION MEETING

### MINUTES

*Meeting Location:* Spring-Ford Senior High School - Cafeteria  
350 South Lewis Road  
Royersford, PA 19468

*Date:* Tuesday, October 3, 2006

*Time:* 7:00 p.m. to 9:00 p.m.

*Members Present:* Bernard Brzoska (Temporary Chairperson), Mark Dehnert, George Ellis, Wayne Motsek, Cheryl Post, Kenneth Saylor, Thomas Weikel, Dean Wright, Daniel Young.

*Others Present:* Dr. Marsha R. Hurda (Superintendent), Timothy Anspach (Business Manager), Bonnie Sheehan (Esquire), A. Kyle Berman (Esquire), Edward Murray (Managing Director), Shirley Rhoads (Assistant Business Manager), Diane Fern (Secretary), members of the public.

- I. **Welcome – Dr. Marsha Hurda, Superintendent**  
Dr. Hurda welcomed the members and informed them that she and Mr. Anspach were there purely in an advisory capacity.
- II. **Call Meeting to Order – Temporary Chairperson**  
Mr. Brzoska called the meeting to order at 7:00.
- III. **Pledge of Allegiance**
- IV. **Approve Meeting Agenda**  
Mr. Weikel made a motion to approve the agenda and Mr. Motsek seconded it. The motion passed 9-0.

The members of the Tax Study Commission introduced themselves and indicated their place of residence.

- V. **Solicitor's Overview – Bonnie Sheehan, Esquire, Fox Rothschild**  
Mrs. Sheehan showed a PowerPoint which explained the components of Act 1. She explained the composition of the members of the Commission and outlined the legal duties the Commission is charged with. Mrs. Sheehan explained that her office would serve as a resource for the Tax Study Commission. Mrs. Sheehan reminded the Commission of the timelines under which they are working. She emphasized that the Commission was operating under the Sunshine Law, and that all meetings and materials must be made available to the public. Mrs. Sheehan said all records of the Commission must be turned over to the school board once the recommendation has been made. This recommendation must also be made available to the public. The school board will vote publicly to either accept or reject the recommendation of

the Commission. The board must also hold a public hearing on the recommendation in order to give the public a chance to voice their input.

**VI. Review of By-Laws – A. Kyle Berman, Esquire, Fox Rothschild**

Mr. Berman reviewed the operating procedures also known as the by-laws for the Commission. Mr. Berman explained the role of the officers. Mr. Brzoska asked for clarification on whether the secretary had to be a member of the Commission or not and Mr. Berman said the way the operating procedures were drafted it stated that the secretary would be a member of the Commission. Dr. Hurda said that at the training session the group made a recommendation that they would like the school board secretary to serve in this capacity. Mr. Berman said that was fine but the operating procedures needed to be modified to reflect this change. Mr. Berman informed the Commission that any emails or electronic communication that is between all members must be documented and kept as part of the records. Mr. Berman told the Commission that they are required to make their recommendation in 90 days but can do this prior to the 90 day timeline as long as a public hearing has been held. Mr. Berman informed the Commission that in order for decisions and meetings to be held a quorum of five members must be present but in order for the final recommendation to be approved there must be an affirmative vote of the majority of the appointed Commission members. Mr. Berman said video and audio recordings must be made part of the public record. Public comment must be accepted but the Commission has the right to limit the comment to a certain period of time. Mr. Berman advised the Commission that they have district resources available to them through the Superintendent and Business Manager. Dr. Hurda recommended that the meeting agendas and minutes be posted on the district website for public access. Mr. Brzoska asked for clarification on Section 3.02 (iii) correspondence and audience recognition and Mr. Berman said this would be the point in the meeting where a Commission member could read any correspondence they may have received from a member of the public who is not able to attend the meeting but would like to have their concern or idea addressed. Mr. Berman suggested that this is also the point in the meeting where the members of the audience who are present could be invited up to the podium to address the Commission. Mr. Saylor suggested that the members of the Commission copy the secretary on emails they receive that the public want addressed so that they can be made part of the public record. Mrs. Sheehan said if the Commission has any questions that arise they should feel free to ask for her help as she is available to them as a resource.

**VII. Adopt By-Laws (Temporary Chairperson)**

Mr. Weikel made a motion to approve and adopt the by-laws which were amended to read that the secretary does not have to be a member of the Tax Study Commission. The motion was seconded by Mr. Motsek. The motion passed 9-0.

**VIII. Elect Officers (Temporary Chairperson)**

Mr. Brzoska opened the floor for nominations for the permanent chairperson. Mr. Young asked if anyone had experience in running a formal meeting and both Mr. Brzoska and Mr. Weikel raised their hands. Mr. Young nominated Mr. Brzoska for chairperson. There were no other nominations. Mr. Weikel made a motion to close the nominations and Mr. Motsek seconded it. The motion passed 9-0. The Commission approved Mr. Brzoska as chairperson by a vote of 8-1 with Mr. Brzoska voting no.

Mr. Brzoska opened the floor to nominations for vice-chairperson. Mr. Brzoska made a motion to nominate Mr. Weikel for vice-chairperson. There were no other nominations. Mrs. Post made a motion to close the nominations and Mr. Weikel seconded it. The motion passed 9-0. The Commission approved Mr. Weikel as vice-chairperson by a vote of 9-0.

Mr. Brzoska asked for a motion to approve the secretary. Mr. Motsek made a motion to approve Mrs. Fern as secretary and Mr. Weikel seconded it. The Commission approved Mrs. Fern as secretary by a vote of 9-0.

**IX. Approve Future Meeting and Hearing Dates**

Mr. Brzoska read the future meeting and hearing dates which are Tuesday, October 17, Tuesday, November 7 and Tuesday, November 21, 2006. The meeting on Tuesday, November 21, 2006 will be the public hearing where the Commission will share their recommendation and accept input from the community. Mr. Weikel made a motion to approve the future meeting and hearing dates and Mr. Dehnert seconded it. The motion passed 9-0.

Dr. Hurda clarified who the Tax Study Commission Officers are and said any requests for additional information should come through Mrs. Fern who will filter the request out to the appropriate source.

**X. Act 1 Overview – Ed Murray, Managing Director, Boenning and Scattergood**

Mr. Murray presented a PowerPoint on Act 1 from a financial standpoint. Mr. Murray said Act 1 will mainly benefit lower income home owners while high income homeowners or homeowners with two incomes will benefit the least. Mr. Saylor asked about a letter from the Secretary of Education that referred to gaming money being used for dollar to dollar local tax cut and wondered what that meant. Mr. Murray explained that he respectfully disagrees with a portion of the letter as money that comes in from slots comes from a tax on gambling itself; each dollar that goes into the machine is subject to a fifty-five percent tax. Mr. Murray said only thirty-four percent of the fifty-five percent goes towards the Taxpayer Relief Act. Mr. Anspach said that he understood dollar for dollar to mean that any money received by the district will be passed through back to the residents to reduce property taxes as no money can be used for educational purposes and Mr. Murray confirmed this. Mr. Saylor asked how the money coming into the district will be distributed if there is an earned income tax or personal income tax in addition to property taxes and Mr. Murray said the money will be used to lower property taxes but he believes there is a possibility that if the district imposes the highest possible taxing rate then the statute requires that the income tax be reduced before property taxes are reduced but in any case the money is not to go into education programs or any fund of the school district. Mr. Brzoska asked about the per capita tax that is presently collected in the district and wondered if that would have to disappear and Mr. Murray said he is not totally clear on this but he believes this is something that legal counsel can research and provide the Commission with an answer. Mr. Ellis asked if Mr. Murray had done a financial analysis of what property tax relief would result from the different incremental increases of the earned income tax. Mr. Murray handed out a financial analysis he prepared showing the financial impact of Act 1 through different scenarios. Mr. Dehnert asked about the people who work in the district and do not live here as opposed to those who live in the district but work elsewhere and how the earned income tax is retained. Mr. Anspach said his understanding is that the

money is distributed back to the district in which you live unless the district you live in does not have an earned income and Mr. Murray confirmed this. Mr. Saylor asked about the difference between the personal income tax and earned income tax and whether it is correct that the difference between the two is only about four percent increase in revenue and Mr. Murray said that was correct. Mr. Saylor asked if he understood that initially the collection of personal income tax could be expected to be a lower rate than the earned income tax resulting in the district receiving less money than if they were to go with a personal income tax as opposed to the earned income tax and Mr. Murray said that was correct. Mr. Murray said the school district will not have collected the personal income tax before they will have to tell the public how much the homestead exclusion will be and if the district does not calculate these numbers correctly the first year then they would have to use their own revenue to provide the homestead exclusions which could result in some programs being cut.

Mr. Brzoska said the Commission allows two hours for their meetings and in an effort to make sure enough time is left for the public to comment he opened up the floor for anyone in the audience who wanted to speak.

**XI. Public Comment**

Julie Mullins, district resident, asked if Mr. Murray's presentation could be made available to the public and she was told the presentation would be posted on the district website.

Dean Wright, Commission Member, asked if new businesses coming into the school district will help the district financially in any way with regards to the decision the Commission makes. Mr. Murray said this is something that will have to be determined over time as whatever this district decides must be compared with surrounding school districts which ultimately will influence the decision of where future businesses and residents settle.

Mr. Saylor, Commission Member, asked if a question period could be scheduled early in the next meeting so that once the members go home and read all the information they received tonight they could have an opportunity to address them. Mr. Brzoska said he would like to see Mr. Murray come back to the next meeting so that the questions and discussions started in this meeting can be taken care of as one of the first topics on the agenda for the next meeting.

Dr. Hurda, Superintendent, advised the Commission since they are dealing with a timeline to forward any questions or concerns they have to Diane Fern so that the research can be done and the answers obtained for them before the next meeting.

**XII. Proposed Timeline for Commission Work – Tim Anspach**

Tim Anspach discussed the timeline for meeting dates and future agendas.

**XIII. Adjournment**

Mr. Weikel made a motion to adjourn and Mr. Saylor seconded it. The motion passed 9-0. The meeting adjourned 9:05.