

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

More downsizing needed

Next week, Pottstown Council will have to make some difficult choices.

Pottstown's tax base has dropped from \$806 million last year to less than \$777 million this year.

Unless further cuts are made to the proposed 2018 borough budget, real estate taxes will need to increase 18.6 percent.

But increasing taxes will accelerate the downward spiral in our tax base as more property owners seek reassessments.

And even if the borough raises taxes in 2018, rising personnel costs imposed by current union contracts will require another tax increase in 2019.

Clearly, Pottstown's tax base cannot support the present size of borough government and its personnel.

Pottstown faced the same situation in 2008, when the borough laid off 12 employees and increased real estate taxes 10 percent.

The general fund dropped from \$11 million in 2008 to \$9.4 million in 2009. But since then, it has risen again, to \$13.4 million this year, well above the rate of inflation since 2009.

Shortly after the borough downsized in 2009, the state funded a study of borough operations by a government management consultant.

The study, by Management Partners of Cincinnati, was part of the state's Early Intervention Program, designed to help troubled municipalities like Pottstown avoid economic collapse.

Management Partners met with all the borough's department heads and examined the borough's operations. It released a 141-page report in June 2009 with 122 recommendations for increasing the efficiency of borough government.

Among the most interesting rec-

ommendations were:

- Merge the public works and utilities (water and sewer) departments and eliminate the position of public works director.



Commentary by
Tom Hylton

- Eliminate the position of assistant borough manager and replace it with a lower-salaried position of special projects coordinator.

- Grant access to the GIS system to streets and utilities supervisors, police, and code enforcement.

- Eliminate the police department's civilian dispatch center and transfer dispatch duties to the county radio system.

- Develop a customer service training program for code enforcement and other personnel.

- Develop a series of performance measures to track and analyze program outcomes and efficiencies.

Two months after the report was published, a special meeting of Council was called and department heads responded to the recommendations. Many suggestions were dismissed as unrealistic.

One department head who took the report to heart was Janice Lee, who was newly hired as finance director in 2009 just as the Management Partners study got underway.

Under Lee, the borough has sorted out its financial operations and effectively documented what each department contributes and how much it costs.

Council should revisit the Management Partners report and study Lee's comprehensive budget to see which employees and services are truly essential.



With a steadily declining tax base, downsizing borough government will be necessary in 2018.