

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Punting on tough decisions

Here's a headline from last week: Wal-Mart, the world's richest corporation, is cutting 400 to 500 jobs at its Arkansas headquarters to streamline operations.

In Emmaus, just south of Allentown, the Hearst Corporation has bought out Rodale Press, the town's mainstay for nearly 90 years. Hearst is cutting 145 jobs.



Commentary by
Thomas Hylton

Two weeks before Christmas, Comcast terminated more than 500 sales employees in its central division.

It's called business, and heartless as it may seem, managers don't hesitate to reduce staff to keep their companies competitive.

Government is different. Our elected leaders find it immensely difficult to downsize, ever.

The federal government has doubled the national debt in the last ten years for future generations to pay off.

The Pennsylvania legislature was four months late in passing a budget last year, and it actually *borrowed \$1.5 billion* to keep it balanced.

Pottstown also has a spending problem. Together with the school district, Pottstown has among the highest real estate taxes in the state.

As the chart (below) shows, the borough's general fund has risen at nearly triple the rate of inflation over the last ten years, while its tax base has declined.

After passing a 2018 budget with a 12 percent tax increase that takes effect Feb. 15, Pottstown Council formed an 11th-hour committee to look at ways to cut costs.

But how much time and effort is a volunteer committee going to put into its mission? How much expertise will it have?

The person best qualified to decide what to cut was Mark Flanders, who was borough manager for five years and police chief for a decade before that.

But Flanders retired last month without laying anyone off — which would have been unpopular — and left the reins to his assistant, Justin Keller, who is now interim borough manager without an assistant.

The best time to streamline government was 2009, when the state funded a study of borough operations by a government management consultant, Management Partners of Cincinnati.

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 government.

But as the chart shows, instead of spending going down in 2010, it went up — and up — in subsequent years.

Now Council has a second chance to get it right. Earlier this month, Council voted to accept an offer through the state's Early Intervention Program to once again employ a consultant to conduct a financial and operational audit of the borough, designed to streamline operations.

Let's hope Council is prepared this time to make tough decisions.

Year	Borough General Fund	Real estate Total Assessed Valuation
2009	\$9,454,266	\$826,475,792
2010	\$11,087,903	\$817,728,017
2011	\$11,281,525	\$817,767,813
2012	\$10,866,858	\$812,279,226
2013	\$11,535,878	\$813,227,426
2014	\$12,172,548	\$813,390,719
2015	\$14,520,039	\$810,387,119
2016	\$14,169,984	\$805,577,279
2017	\$13,410,764	\$802,795,399
2018	\$13,473,417	\$772,892,489
10-year change	+42%	-6.5%
10-year inflation	15%	