

# POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

## Just what is a non-profit?

For ten years, Community Health Systems operated the Pottstown Memorial Medical Center. As a for-profit hospital, PMMC paid more than \$1.3 million in taxes annually to Pottstown Borough and the Pottstown School District.

Then, last year, PMMC became part of Tower Health System (formerly Reading Hospital), a non-profit, which immediately filed for tax-exempt status with the Montgomery County Board of Assessments.

Aside from no longer paying taxes, what changed? The physicians and support staff are the same, the patient base is the same, and the facility is the same.

In recent weeks, Tower Health has been publishing full-page and half-page ads in The Sunday Mercury. The most recent, entitled "Investing in the health and well-being of the community," states Tower Health is "investing any profits we generate into our people, our hospital, our technology, and our community."

What better way to invest in your community than to pay your taxes? Two-thirds of the students in the Pottstown School District come from low-income families. Overwhelming evidence shows education is an im-

portant — and cost-effective — element in enhancing people's health and well-being. Police and fire protection, funded by local taxes, are also vital to the community's health and well-being.

Meanwhile, the Pottstown YMCA building, which has been tax-exempt since it was built in 1970, will shortly lose its tax-exempt status.

Why? Because private investor Charles Gulati will own the building and lease part of it to the YMCA, with other parts leased to for-profit fitness businesses. He's ready and willing to pay his taxes.

Most of the YMCA's services to the community will continue, but now without tax breaks.

Most ironic of all, perhaps, is the tax-exempt status of The Hill School. It owns by far the most valuable real estate in Pottstown and would pay more than \$2 million annually to the school district and the borough without its special status.

With an endowment of \$162 million, The Hill School serves a mostly affluent student body from 28 states and 23 countries. About 60 percent of its families pay full tuition (Day tuition: \$40,740; Boarding tuition: \$59,050).

Its legal standing aside, is there some reason it shouldn't pay taxes?



Commentary by  
Tom Hylton

Non-Profit top executives		IRS 1099 compensation	Other compensation
Clint Matthews	President, Reading Hospital	\$2,165,662	\$378,784
Shaun Elliott	CEO/President P-FV YMCA	\$369,432	\$38,157
Zachary Lehman	Headmaster, Hill School	\$272,175	\$26,147



**Pottstown's most valuable properties are exempt from real estate taxes because they are owned by "non-profits." Is this semantics or reality?**