

# POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

## Pottstown's grim finances

Next month, Pottstown Council is expected to increase real estate taxes 4.25 percent for 2020.

That's on top of a 12 percent tax increase in 2018 and a 9 percent tax increase this year.

Meanwhile, Pottstown ratepayers will see their water bills increase 4.5 percent next year, the second phase of a three-year rate increase totaling 14.6 percent.

Even with these tax increases, however, Pottstown will face a yawning gulf between revenues and expenses in future years.

Thanks to generous benefits granted to both police and non-uniformed employees, the police pension plan is currently underfunded by \$8.5 million; the non-uniformed retirees' plan is underfunded by \$7 million; and health benefits for retired police officers are underfunded by a whopping \$26.8 million.

In the short term, Pottstown will face increasing annual deficits reaching more than \$1.1 million in five years.

Then there's the matter of infrastructure. Pottstown's 60 miles of streets are in horrendous condition, but fewer than four miles are being paved this year, well short of the 14 miles that have been identified as falling below even minimal standards.

The borough's streets and homes and businesses are sitting on miles and miles of underground pipes, a lot of them a hundred years old or more.

Pottstown also has stone arches over covered-up streams that carry stormwater to the Manatawny Creek and the Schuylkill River.

Pottstown has four such streams totaling 6.5 miles that were arched over as the town was developed.

The stone arches covering these

streams have begun to fail. An arch under Walnut Street near York street collapsed in 2004 and cost \$600,000 to repair — for a span that was only 50 feet long. Arches have collapsed on private property and not been repaired.

It's bad enough if an arch fails under a street, where at least it's accessible. But 80 percent of these covered streams flow under private property, including scores of houses and multi-story office buildings.

It's unrealistic to expect homeowners to pay for stone arch repairs that cost more than their homes. Either they walk away, or government will have to step in.

There is virtually no way Pottstown can grow out of these and other fiscal woes.

The borough's tax base has fallen dramatically in recent years. A county decision to grant tax-exempt status to Pottstown Hospital has cost the borough and school district about \$1.5 million in lost revenues, annually, and even if assessments begin to rise again — a big "if" — it will be years before hospital revenues are replaced.

Borough financial consultants recommend keeping tax increases below the rate of inflation — something that isn't happening this year.

**Thursday: Pottstown school taxes**



Commentary by  
Thomas Hylton

Pottstown's Tax Base 20 year change	
Year	Total assessed valuation
1998	\$816,841,351
2019	\$764,486,739



**\$1.5 MILLION IN LOST REVENUES—Pottstown Borough and the Pottstown School District are losing about \$1.5 million in tax revenues annually they used to enjoy before the Pottstown Hospital was granted tax-exempt status in 2017. The tax exemption is being challenged in court.**