

# **Clearfield Borough and Lawrence Township Early Intervention Program Consolidation Study**

Overview of Process and Initial Information  
October 28, 2015



# Pennsylvania Economy League



- Pennsylvania's leading independent, nonprofit, public policy research and development organization for almost 80 years
- Provides independent research and analysis on emerging issues to stimulate public and private action, making Pennsylvania a better place to live, work, and do business
- Works with public and private sectors from regionally based offices located statewide
- Goal to create a knowledgeable corporate and civic community that will help ensure the economic competitiveness of the Commonwealth and its regions

# Home Rule Consolidation Background



- Clearfield and Lawrence received state EIP grant to study **consolidating under Home Rule form** of government
- Joint Committee was appointed from both municipalities to make **recommendations**
  - Develop Joint Agreement for consolidated municipality
  - Draft Home Rule Charter
- PEL was contracted to assist in process

# Home Rule Consolidation Background



- Joint Committee began meeting with PEL in spring 2015 for educational purposes
  - Committee received basic information on various issues that must be decided as part of process
  - PEL conducted initial review on feasibility of consolidation
- **No decisions have been made to date other than to move forward with the process**

# Home Rule Consolidation Background



- Consolidation *NOT* Merger
  - Under consolidation, both municipalities cease to exist and become **new municipality**
  - Under merger, one municipality remains and absorbs the other
- Two-pronged process required for approval of Joint Agreement and Home Rule Charter
  - Agreement by governing bodies of both municipalities
  - Affirmative voter referendum in each municipality

# Home Rule Consolidation

## Factors and Benefits



- **SHARED IDENTITY:** *Similar populations, budgets, tax bases, and public services*
- **BETTER SERVICES:** *Provides efficiencies and service delivery improvements*
- **TAX RELIEF:** *Potential for significant real estate tax reductions*
- **LOCAL CONTROL:** *Increases citizen representation and participation*
- **ADDITIONAL AID:** *Potential for increased federal/state funds as a larger community*
- **SUSTAINABLE COMMUNITY:** *Proactive approach to remaining a vibrant, financially strong municipality able to attract residents and businesses*

# Role of PEL



- Complete EIP Report
  - Financial/Management Review of each municipality
  - EIP will inform consolidation recommendation
- Act as facilitator for Joint Committee
- Provide analysis/guidance on policy and financial issues concerning consolidation
- Impartial review

# Role of Joint Committee



- Future Joint Committee issues will include but not limited to:
  - Size, terms and qualifications for governing body
  - Representation at large, by district or combination
  - Financial arrangements, budget schedule and format
  - Manager appointment, qualifications, removal, etc.
  - Transition plan for consolidated municipality
  - Name of consolidated municipality
- Working assumption is no reduction of full-time staff from either municipality



# Home Rule Overview



- Home Rule Charter organizes municipality under its own “constitution”
- Home Rule Advantages
  - Flexibility in defining structure, powers and functions of municipality
  - Creates government that best meets citizens’ particular needs
  - Shifts responsibility from state legislature (municipal code) to local citizens (charter)
  - Flexibility on taxes

# Current Municipal Financial Situation



- Both Clearfield and Lawrence have constraints that indicate **future financial issues**
  - Clearfield near property tax rate maximum and **limited room to expand tax base**
  - Lawrence **over property tax rate maximum** but room to grow tax base
  - Uncertainty on Act 13 revenue
- Action is needed before financial problems develop

# Municipal Code Revenue Options



- State law determines how municipalities can raise revenue for services
  - Top two sources are property and earned income taxes (EIT)
  - Rates for both sources are capped by state law
  - Most municipalities (including Clearfield and Lawrence) are at EIT maximum
  - Real estate tax millage increase generally offers only opportunity for revenue growth

# Home Rule Fiscal Options



- Home Rule **removes** state tax caps
- Gives ability to **lower property taxes on all residents** by adjusting EIT and other tax rates
  - Retirees with no wages see overall tax relief
  - Tax reduction on commercial properties can spur economic development
  - Wage-earning property owners pay smaller amount over time instead of larger lump sum
- Example: Doubling EIT would **reduce** property taxes **by more than half**

# Municipal Comparison



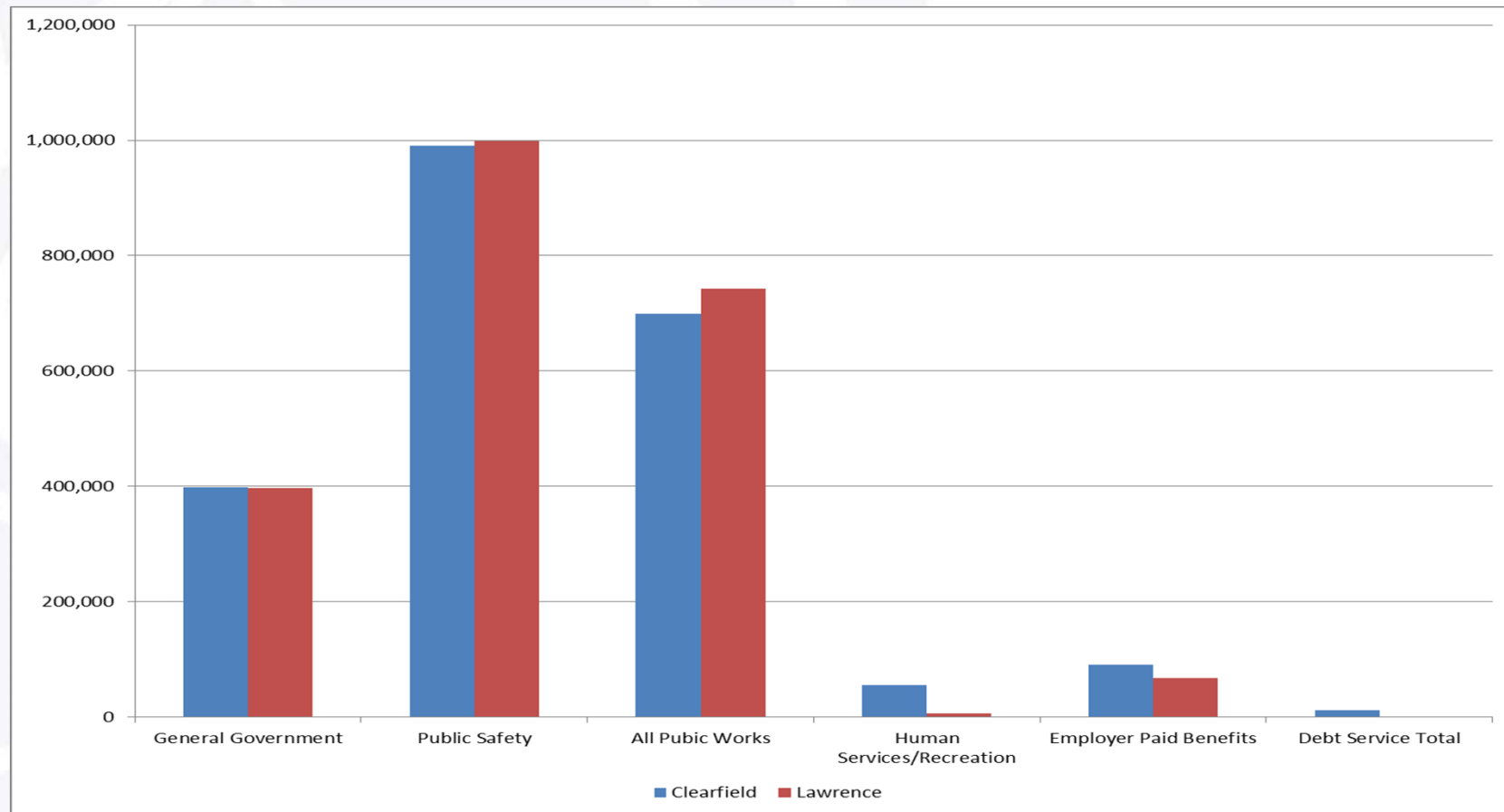
	<b>Clearfield Borough</b>	<b>Lawrence Township</b>
<b>Population</b>	6,169	7,681
<b>Size</b>	1.9 square miles	83.7 square miles
<b>ADMINISTRATION</b>		
<b>Full-Time Office Staff</b>	Borough Operations Manager, Administrative Assistant	Township Secretary/Treasurer
<b>Code Enforcement/Zoning</b>	F.T. Code/Zoning Officer Third-Party Building Code Enforc./Approvals	F.T. Code/Zoning Officer Third-Party Building Code Enforc./Approvals
<b>Records Management</b>	Quick Books, Word, Excel	Quick Books, Word, Excel
<b>PUBLIC WORKS</b>		
<b>Full-Time Workers</b>	8	7
<b>Recycling</b>	Borough Collection	Township Collection
<b>Refuse</b>	Third-Party Collector	Third-Party Collector
<b>% of Municipal Budget</b>	34.4%	32.1%
<b>Contract End Date</b>	31 December 2018	31 December 2018
<b>Bargaining Unit</b>	AFL-CIO AFSCME District Council 85 Local 0302	Teamsters Local Union No. 205

# Municipal Comparison



<b>POLICE</b>	<b>Clearfield Borough</b>	<b>Lawrence Township</b>
<b>Officers</b>	7 Full-Time 5 Part-Time	8 Full-Time. 5 Part-Time
<b>Other Staff</b>	2 P.T. Meter Officers 2 P.T. Secretaries	1 F.T. Secretary
<b>Fleet</b>	4 Marked Patrol Vehicles	5 Marked Patrol Vehicles
<b>Part I Crimes 2010-2014</b>	1,412 (Top 3 are Larceny Theft, Assault, Burglary)	1,649 (Top 3 are Larceny Theft, Assault, Burglary)
<b>Part II Crimes 2010-2014</b>	4,483	3,559
<b>Total Police Department Budget</b>	\$955,323	\$1.1 million
<b>% of Municipal Budget</b>	41.2%	38.8%
<b>Contract End Date</b>	31 December 2017	31 December 2017
<b>Bargaining Unit</b>	Teamsters Local Union No. 205	Teamsters Local Union No. 205

# Financial Comparison Expenditures



# Next Steps



- Joint Committee will hold regular public meetings to determine recommendations for Joint Agreement and Home Rule Charter
  - Fourth Tuesday of the month, 3:30 to 5:30 p.m., Clearfield Borough Building
  - **Public input is welcome and encouraged**