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**Upper Darby Township Special Meeting**  
**December 24<sup>th</sup>, 2020**

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## SPECIAL MEETING MINUTES FOR DECEMBER 24, 2020

**\*\*\*The video of this meeting can be viewed in its entirety on [youtube.com/upperdarby.org](https://www.youtube.com/upperdarby.org)\*\*\***

Pledge of Allegiance to the flag of the United States of America

### Attendance of Council

Hafiz Tunis Jr. (HT), Bob Gwin (RG), Michelle Billups (MB), Matt Silva (MS), Danyelle Blackwell (DB), Brian K. Burke (BB), Sheikh Siddique (SS), Lisa Faraglia (LF), Donald P. Bonnet (DPB), Thomas P. Wagner (TW), Laura A. Wentz (LW)

### Present at the Meeting

Barbarann Keffer, Mayor  
Vincent A. Rongione Esq., CAO  
Sean P. Kilkenny, Esquire  
Courtney N. Richardson, Esquire  
Alexis Cicchitti, Chief Municipal Clerk  
Alison Dobbins, Director of Special Projects  
Gary Merron, Director of Finance  
David Haman, Treasurer

### Rules for Meeting Decorum

**Rule out of order scandalous, impertinent, and redundant comment or any comment the discernible purpose of which is to disrupt or prevent the conduct of the business of the meeting, including the questioning of, or polling of, or debating with, individual members of the Board.**

### Public Forum

Meg Massaro, 712 Wildell Avenue, concerns about tax increases and COVID  
The CAO clarified that the budget for the School District and the budget for the Township are completely separate and funded by completely separate taxes and crossing guards are something that is paid for by the School District. The most important thing is that the millage rate in Upper Darby and the taxes and fees for 2021 absolutely are revenue neutral.

Rick Hartnett, 102 Green Valley Road, revenue neutral and taxes  
The CAO stated that the Township would get back to that resident to speak to him directly.

Lois Johnston, 602 Millbank Road, millage rate  
The CAO stated that a copy of the Ordinance could be mailed to her.

**END OF PUBLIC COMMENT**

**Finance and Appropriations Committee**

Co-Chairs: Robert S. Gwin Jr., & Matt Silva

Members: Danyelle Blackwell & Brian K. Burke

LW noted that the Agenda had a typo on the Ordinance Number. It read as 3989 and it should be 3089.

**Introduction of Ordinance No. 3089**, an Ordinance of the Township of Upper Darby, County of Delaware, and the Commonwealth of Pennsylvania, amending the tax rate for the year 2021 with a millage rate of 13.25 and appropriating specific sums estimated to be required for the specific purpose of the Municipal Government

Solicitor Richardson gave a brief on Ordinance No. 3089 and explained why the millage rate needed to be adjusted.

**Presentation and explanation by Gary Merron, Director of Finance about millage assessment.**

\*See attached

TW questioned the procedure that was being followed regarding this matter. He asked if this was a Special Meeting or an Emergency Meeting and if the Ordinance was an Emergency Ordinance.

Solicitor Kilkenny confirmed that the meeting was advertised 24 hours ahead of time, which is compliant, whether it was a Special Meeting or an Emergency Meeting under our Home Rule Charter or State Law. He also stated that case law does hold that a municipality can set a millage rate, put the taxpayers on notice of that rate, and later adjust and/or refund taxes at a certain time. He added that what you cannot do is go up. If this scenario came to be later on, and it was determined that we could not make our budget because the millage rate that was advertised and put on notice to the taxpayers was insufficient, we would have to petition the Court of Common Pleas for relief and that would not be desirable for anyone.

DPB wanted to confirm that we are doing a “what if” scenario and that if the county determined assessed value of the Township changed again, we would want to be covered and that in all likelihood, if it is not changed again, we will implement effectively a 13.13 millage rate. Mr. Merron confirmed this. DPB asked when the tax bills would go out and Mr. Merron stated that the bills would be sent to the printer around January 15 and would be sent out approximately two weeks later. DPB asked if we would know by then if we could reduce beneath the 13.25. Mr. Merron replied that we will have no choice but to “cut and run” with whatever our best information is at that time. DPB asked that Mr. Merron report to Council with any information.

Solicitor Kilkenny reiterated his statement that there can be an adjustment as long as it does not go up.

DPB asked if there could be a plan to have some formal action of Council for the January 13, 2021 to confirm the rate. Solicitor Kilkenny said that it would be possible, even if we were to introduce an Ordinance and take formal action later.

RG asked Mr. Merron to re-emphasize what was said at the bottom of the letter. Mr. Merron replied that this same clarification is made on both letters, that the tax assessment is subject to revision that may be required by law and what the County is not saying in their letter is that they suspect there may be other changes based on calculation error and that there are ongoing lawsuits and they just want to recognize that out loud. He further stated that we would continue on with our tax bills and adjust for that if and when it is necessary. RG wanted to confirm that we would coordinate what we have on our database of assessed values with their databases to see that we concur. Mr. Merron stated that is correct and he will distribute any further information gathered during the next phase to Council members.

MS inquired as to whether Homestead Act properties or non-taxable properties such as churches have been taken into consideration and Mr. Merron stated that every property that is exempted is removed from the total for taxation purposes.

TW stated that the public has had no opportunity to absorb this and that he is disturbed about how last minute that this is. He does not feel that anyone has had enough time to absorb this. Mr. Merron stated that the letter only arrived last night. He has spoken with the assessment manager from the County who told Mr. Merron that everyone is upset because this is so last minute.

LW stated that we are only introducing the Ordinance and not voting on it this morning.

Solicitor Richardson wanted to clarify that TW made a very good point and that unfortunately this is 2020, and it is a once-in-a-lifetime event. The last time this had been done on the County level was in 1998, which is 22 years ago. Therefore, this is where we are and the hacking of the County and all of the other things that happened in 2020 has made us get this late in the game with the numbers. She further stated that his concerns are valid and she just wanted to confirm the timing.

CAO Rongione stated that he did not take TW's comments as a criticism of the Administration and that they share his concerns. He further stated that the conversations with the county assessment office were very disconcerting, which is why they wanted to give the public and Council as much information as they could.

DPB added that there is another week to ferret out more information before any action is taken on this. He added that he does share the concern about the last minute notification but acknowledged that we are at the mercy of the County of Delaware and the information that they provide and the timing of that information. He asked if the County were to come back in the next week and give an absolute final opinion that the assessed value of the Township is what they said in the December 23<sup>rd</sup> letter, we could establish the millage rate at 13.13. Mr. Merron indicated that his opinion is "yes" but that is up to Council, the Mayor and CAO to decide. DPB asked if this would need to be re-advertised and Solicitor Kilkenny explained that it would not as he had advised the CAO to advertise at a slightly higher number just to build in some wiggle room. He again reiterated that it is allowable to lower the rate but not raise the rate without taxpayers being on notice with an advertised Ordinance of what their millage rate would be.

RG asked if Mr. Merron and the CAO felt they had adequate staffing to accomplish this in the timeframe necessary or do they see a need to acquire outside assistance. The CAO stated that he feels we have adequate staffing to execute this.

LW summarized that the Solicitors, Administration and Mr. Merron have done their due diligence regarding this matter and stated that she would hesitate to change the Ordinance to a lower rate as the higher rate allows some wiggle room.

Solicitor Richardson gave an official first reading of Ordinance No. 3089.

**Motion to introduce Ordinance No. 3089: RG/HT.**

**A roll call vote was taken: HT, MB, MS, DB, RG, BB, SS, LF, DPB, TW, LW  
Eleven in favor. Motion approved.**

**Motion to adjourn: MB/DB. All in favor. Adjournment at 8:59 a.m.**

Respectfully submitted,

*Alexis Cicchitti*

Alexis Cicchitti  
Chief Municipal Clerk

**\*\*\*The video of this meeting can be viewed in its entirety on [youtube.com/upperdarby.org](https://www.youtube.com/upperdarby.org)\*\*\***

# ADJUSTMENT TO MILLAGE – DECEMBER 24, 2020

## TALKING POINTS

### OPENING COMMENTS

Good morning everyone. Let me start by apologizing for the need to hold this meeting. Regrettably, the county-wide reassessment has proven to be a work-in-progress, which we hope to address with this Ordinance. Hopefully, we can make quick work of this, and so I'll begin by sharing my screen.

{SHARE SCREEN}

### 1<sup>st</sup> PAGE

This presentation only contains three pages, beginning with the original letter that I received from the county stating that our aggregate township assessment was \$4,325,580,883. John Van Zelst, the county Assessment Manager tells me that he was statutorily required to notify all taxing authorities in the county of their new aggregate assessments by December 1<sup>st</sup> – which he did with this letter. I then calculated the new Millage rate, which we prepared in the form of Ordinance # 3086, and you subsequently approved on December 9<sup>th</sup>. The **very next day**, I received an Excel file from the county which contained the nearly 27,000 property records that comprise our tax base. This file gave a total assessed value of \$4,305,086,873. A decrease of \$20.4 mm.

As you might imagine, I had a series of conversations with Mr. Van Zelst, which ultimately concluded that the total of the **Excel** file was the number I should use for this purpose. Before I get into the **implications** of this change, here is the **revised** letter that I received from the county **just last night**.

### 2<sup>nd</sup> PAGE

As you can see, Mr. Van Zelst is confirming that **this** letter contains an **updated** certification of total assessed value – **now** stating the sum shown in the Excel file.

### 3<sup>rd</sup> PAGE

With this back story, here is my updated schedule calculating the Millage.

Within the 1<sup>st</sup> box, you'll see the **various** iterations of the 2021 Millage Calculation. The 1<sup>st</sup> line shows the original assessment of \$4,325,580,883, which I then divide into the levy amount of \$56,539,696 (the same as in 2020), to yield a millage of 13.07. Clearly this approach is revenue neutral. We're stating the Millage at the exact amount necessary to generate the same property tax revenue as in 2020.

On the next line you see the revised assessment of \$4,305,086,873. Now in this case, we multiply this assessment by the currently enacted Millage of 13.07, and as you see, the revenue drops to \$56,271,819 (a decrease of \$267,877). Were this a much smaller decrease, we could have tightened our belt to absorb the shortage within our existing budget. But \$267k is just too much to absorb.

Which brings us to line 3. Here we perform the same calculation as on line 1, only with the adjusted assessment of \$4,305mm. In this scenario, a revenue neutral calculation yields a Millage of 13.13. So, as regrettable as this situation is, why are we proposing a Millage rate of 13.25 instead of 13.13??

So here comes the intrigue with this whole reassessment process. Despite the county's best efforts, they were truly just barely ready to finalize the reassessment as of December 1<sup>st</sup> – and **then** came the hack of the county's database. It appears that mistakes were made in reconstituting their data, and the December 1<sup>st</sup> **letter** had been sent prematurely. Once I received the file, saw the discrepancy, and called the county, there was clearly a lack of confidence on their part, in this quickly assembled data file. They were saying the right things to me, but they recognized that further changes **could** follow. And so what should we do?? The Home Rule Charter requires that we set the Millage by December 31<sup>st</sup>. Our process of advertising the Ordinance and allowing a week between bringing the Ordinance to the floor, and then adopting it, only gives us

time to make this change **once**. And clearly, none of us would want to do this repeatedly, in any case.

And **so**, as previously stated by the Solicitor, the administration can **reduce** the millage unilaterally, but must convene the Council in order to **increase** the millage. This Ordinance deliberately states the Millage high enough to absorb a significant **further** decrease in assessed value. At the proposed Millage of 13.25, we're stating a rate that would absorb another assessment value decrease of nearly \$38mm. Clearly we do **NOT** expect this to happen. Assuming no further change to the assessed value, we **will** decrease the millage to 13.13. But if another assessment change should occur, we would calculate the proper Millage and adjust it accordingly.

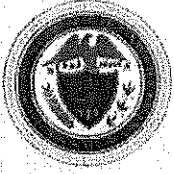
**Clearly** we will use the best information currently available from the County.

To be clear, this is **NOT** a tax increase. The Millage rate previously passed produces a revenue neutral result, this **approach** guarantees that our final Millage calculation will **also** be revenue neutral, but will contemplate **this** change and any **further** change.

**Finally**, to present this information in a way that our residents can more clearly see, the last few lines show the tax calculated by these various Millage rates when applied to a property assessed at \$100,000 of value. You can see in these examples, as we change the Millage from 13.07 to 13.13, to even as high as 13.25, the amount of tax varies by only a few dollars from \$1,307 to \$1,313 to \$1,325.

Now I threw that information out pretty quickly, and so I'll stop talking now, and take your questions.





## **BOARD OF ASSESSMENT APPEALS**

### **County of Delaware**

201 West Front Street – Media, PA. 19063

610.891.4879 Fax: 610.891.4883

<http://www.delcopa.gov>

#### **ASSESSMENT MANAGER**

John T. Van Zelst, CPE

#### **TREASURER**

Charlene M Mangano

December 1, 2020

Upper Darby Township  
100 Garrett Road Room 212  
Upper Darby, Pa. 19082

Dear Upper Darby Township:

This is to certify that the total taxable assessment for (16) Upper Darby Township for the year 2021 is \$4,325,580,883 subject to revisions that may be required by law.

Sincerely,

Board of Assessment



**BOARD OF ASSESSMENT APPEALS**  
**County of Delaware**

201 West Front Street – Media, PA. 19063  
610.891.4879 Fax: 610.891.4883  
<http://www.delcopa.gov>

**ASSESSMENT MANAGER**

John T. Van Zelst, CPE

**TREASURER**

Charlene M Mangano

December 23, 2020

Upper Darby Township  
100 Garrett Road Room 212  
Upper Darby, Pa. 19082

Dear Upper Darby Township:

As requested, I am providing a revised and updated certification to you of the certified aggregate totals for your district. The 2021 assessment roll for your district resulting from the countywide revision of assessments, as amended, was previously provided to you via electronic mail. This revised and updated certification is intended to provide you with the requested revised certification of the aggregate totals revising the letter previously provided on December 1, 2020.

This is to certify that the total taxable assessments for 2021 are as follows:

16 – Upper Darby Township \$4,305,086,873

Subject to revisions that may be required by law.

Sincerely,

Board of Assessment

A handwritten signature in black ink, appearing to read "John T. Van Zelst", is written over the printed name and title.

**UPPER DARBY TOWNSHIP  
MILLAGE CALCULATION**

YEAR	ASSESSED VALUE	AMOUNT OF LEVY	AS CALCULATED		STATED MILLAGE	ADDITIONAL COLLECTIONS	
			RAW CALC	MILLAGE		TOTAL	AVG per PROP
2015	\$ 2,672,528,266	\$ 53,160,876	0.019891605	19.89	19.92		
2016	\$ 2,664,737,350	\$ 53,103,533	0.019928243	19.93	19.92		
2017	\$ 2,686,343,595	\$ 54,701,372	0.020362761	20.36	20.37		
2018	\$ 2,681,944,389	\$ 56,189,378	0.020950985	20.95	20.95		
2019	\$ 2,702,176,667	\$ 56,261,976	0.020820984	20.82	20.95		
2020	\$ 2,644,946,050	\$ 56,539,696	0.021376503	21.38	21.38		
2021	\$ 4,325,580,883	\$ 56,539,696	0.013071007	13.07	13.07		
2021	\$ 4,305,086,873	\$ 56,271,819	0.013071007	13.07	13.07	\$ (267,877)	
2021	\$ 4,305,086,873	\$ 56,539,696	0.01313323	13.13	13.13		
2021	\$ 4,267,146,868	\$ 56,539,696	0.01325	13.25	13.25		
	\$ 37,940,005						

per .01 Mills \$ 43,051 \$ 1.61

\$ 37,940,005	0.012614675	12.61
\$ 43,051	0.000635325	0.64
<u>\$ 38,370,056</u>	<u>0.0132500</u>	<u>13.25</u>