



CITY OF PHILADELPHIA

TAX REFORM COMMISSION
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EDWARD A. SCHWARTZ
Chair

Summary of Meeting
Wednesday, February 19, 2003
Submitted by:
Edward A. Schwartz, Chair
Christopher Dwyer, Executive Director

The meeting came to order at 8:45 a.m.

The following were in attendance: Clarence D. Armbrister, Thomas P. Forkin, Melvin T. Jackson, Brett Mandel, William R. Miller IV, David Newell, Harold A. Sorgenti, Jonathan M. Stein, Al Taubenberger, Andrew VandeBrul, Stewart M. Weintraub.

The first matters under discussion were recommendations from the Tax Reform Commission Advisory Committee on their appropriate role in the Tax Reform Commission.

The Commission voted unanimously to involve the Advisory Committee in its deliberations as follows:

1. The Tax Reform Commission Advisory Committee will receive all information and data made available to Commission members and participate in all educational programs aimed at preparing Commission members to fulfill their responsibilities.
2. There will be a fixed time period of up to ten minutes at Commission meetings for comments from Advisory Committee members attending the meeting.
3. At the discretion of the chair, individual Advisory Committee members can be recognized to speak when they have information that is relevant to an issue or topic under the discussion at the meeting.

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4. Advisory Committee members can be appointed as non-voting members to subcommittees created by the Commission to deal with specific issues and problems related to our work.
5. Advisory Committee members can play an active role in planning and implementing the two public hearings that the Commission is required to hold and any additional public hearings or meetings that we choose to hold.

There followed a presentation from Nancy Kammerdeiner, City Revenue Commissioner, reviewing the current status of all taxes supporting the City of Philadelphia and the School District. Ms. Kammerdeiner agreed to research and respond to the following inquiries:

- The percentage that the wage tax, including the PICA share, represents of total City revenues
- How much a one percent cut in the wage tax reduces total annual wage tax collections
- How much revenue the Administration's planned wage tax reductions will cost the City, and how much additional reductions for residents or nonresidents would cost on a per-tenth of a percent basis
- General information about the City's success or failure in enforcing tax collections
- The cost of changing from multifactor to single-factor apportionment for each of the past six years
- Whether the one percent Philadelphia sales tax will go out of existence once PICA bonds are paid
- An estimate of the enforcement gap in school income tax collection
- How much City revenue is lost as a result of tax increment financing (TIF) deals

Following this presentation, the Tax Reform Commission established the following procedures for interviewing candidates and selecting an Executive Director:

1. Eleven resumes for the Executive Director position have been submitted to the Law Department as of February 19. Resumes for Executive Director and other staff positions will be accepted up to the end of the day, Monday, February 24.
2. Commission members who have signed up to interview candidates for Executive Director will meet on Tuesday, February 25, at 8:30 a.m. to review resumes submitted to the Commission for consideration. At this meeting, the Committee will determine which applicants it will interview.
3. Those selected by the Commission will be contacted for interviews on Thursday, February 27, the time to be determined by the Interviewing Committee.
4. Following the interviews, the Interviewing Committee will identify one or two candidates to be considered by the entire Tax Reform Commission at a newly

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scheduled meeting on March 5 at 8:30 a.m. The meeting will be held in at a location where conference call facilities can be used.

5. The Commission will make the final selection of its Executive Director the March 5 meeting. The Executive Director must be elected by a two-thirds vote of Commission members.

The Commission also agreed to the following procedure for electing a permanent Chair and Vice Chair:

1. The election of a permanent Chair and Vice Chair for the Tax Reform Commission will take place at the Commission meeting on March 5, 8:30 a.m.-11:00 a.m.
2. The Commission will ensure that conference call facilities are available at the March 5 meeting, to enable members who cannot attend to participate and vote for both the permanent Chair and Executive Director.
3. Commission members who will not be available on March 5 will be permitted to submit their votes for the permanent Chair of the Commission by email prior to the Meeting.
4. Three Commission members expressed interest in being considered for the permanent Chair position: Brett Mandel, Edward Schwartz, and Stewart Weintraub.
5. The Commission will vote first to elect a Chair by a simple majority. Following this vote, the Commission will elect a Vice Chair by a simple majority.

The Commission concluded by instructing the Interim Chairperson and the staff from the Law Department to secure the following support from the City of Philadelphia as quickly as possible:

1. Designation of a room for Tax Reform Commission Meetings with conference call facilities.
2. Authorization to order coffee and light refreshments for all Commission meetings.
3. At least four City offices to be used by the Commission Executive Director and staff, once they have been selected.

The meeting adjourned at 11:55 a.m.