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SD of L Board awards \$1.25M contract without members' review

For those familiar with how things are done here in bucolic Lancaster, the School District of Lancaster Board approving a \$1,250,000 design contract for Phase Two of their building plans, without four of the members being briefed or seeing the contract, should come as no surprise.

In the Lancaster tradition, 'niceness' once again prevailed over due process and common sense.

New member Richard Caplan initially suggested that the contract to Fidevia LLC be tabled until the next meeting or an earlier special meeting to give the four new members an opportunity to familiarize themselves. Other new members concurred. However, a representative of the

Fidevia claimed that a delay might cause the District to miss the summer construction season.

It was pointed out that the contract allowed either party to cancel with thirty days notice, which seemed to placate three of the new members. (This is analogous to a couple getting married because they can get a quick divorce!)

But the desire of the new members not to seem uncooperative trumped responsibility to conscientiously protect the public, and the contract was dutifully approved with only Harvey Miller voting against it.

Public response vocal and varied to City's 2010 budget

On Tuesday evening, December 15, the Lancaster City Council passed its 2010 budget with little fanfare. Due to rising benefit costs and sinking property tax revenues, the budget will cut police and fire services while raising property taxes 25%.

When members of the public began to address Council regarding the budget, tones were firm while opinions were mixed.

One Lancaster City woman asserted that, while public safety services will be cut, the City's administrative personnel continue to be provided "large salaries." The City of Philadelphia, she noted, has imposed 10-20% pay cuts among its administrative staff.

R.B. Campbell, a current board member on the Lancaster County Convention Center Authority, observed that the hotel "*should have been paying property tax like every other for-profit business in the city.*"

Matt Holden, a city resident who unsuccessfully ran for City Council in November's election, charged that Mayor Gray intentionally delayed the progress of union negotiations to shield criticism during the recent elections.

Gray later told *NewsLanc* that Holden was "absolutely wrong" in his claim that the timing of union negotiations was politically motivated. "Frankly, negotiations would not have commenced until the (Continued on rear)

budget was drawn up. It just wouldn't have happened," Gray said, noting that the budget itself was drafted according to "*the same time table*" as years past.

While City officials have described the tax increase as five extra dollars each week for the average household, one resident sought to

SUNDAY NEWS: "Because of recession, more rooms, occupancy rates here could fall under 50 percent for first time in 20 years."

It opens: "*Out on Route 30 in East Lampeter Township, Rodney Gleiberman is partying like it's 1999. And he's not happy about it....*"

"Gleiberman added, 'We are going to sell in 2009 roughly the same number of room nights as in 1999; 10 years of collecting the hotel tax and we're not selling a single room more. You don't need an MBA to see that we need to change direction.'"

WATCHDOG: An observation: Gleiberman is far from partying. He is lamenting.

Economics teaches us when prices go up, demand diminishes, all other things being equal. Thus when the County imposed a 5% room sales tax partly to subsidize Convention Center

INTELLIGENCER NEW ERA: In "McCaskey eyes convention center to cope with large '09 class, iffy weather", the alternatives are stated as follows: "*...The [convention] center would accommodate 5,000 people, versus about 2,300 at the stadium and slightly more than 1,400 in the auditorium, plus 2,000 'overflow' seats in the McCaskey gymnasium.*"

showcase the real-world value of such resources.

Annual money lost to these additional taxes he said, would total about \$260 a year for most families—enough to purchase 100 gallons of gasoline, 2.5 months worth of electricity, 874 diapers, or a month of groceries.

operations and debt service, it essentially amounted to 5% higher room prices, which discouraged tourism and wounded the hotel industry.

If a 5% price increase would not have hurt business, the hoteliers would have increased prices themselves!

Put another way, the normal breakeven point for hotels on a cash flow basis is 65%—if there is no mortgage, perhaps 55%. The 5% tax on room sales represents one third of the difference between doing okay at 65% and the current disastrous hotel occupancy level countywide of around 50%.

It is time that the public recognizes the collateral damage to tourism in general and the hotel industry in particular caused by the Convention Center Project boondoggle. The only hotelier who benefited was project developer and contractor S. Dale High.

WATCHDOG: The stadium would provide the best setting for direct viewing, a better sense of participation, and greater comfort. Also there is ample free parking and an opportunity to buy a hot dog. They can always give out rain checks.

The above have been excerpted from www.NewsLanc.com
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