

## A SD of L abatement rip off of tax payers

According to the *Intelligencer Journal – New Era*: “A presentation by Lancaster city officials, including an appeal by Mayor Rick Gray, helped convince skeptical School District of Lancaster board members to approve a tax break for a company planning to move to the former Lancaster Stockyards... Patterson, the city’s director of economic development and neighborhood revitalization, pointed out that most of Lancaster city already provides tax breaks for new developments or renovations.”

1) The Stockyards is not in the midst of blighted neighborhood so the argument that the School District of Lancaster should forgive 100% of taxes the first year to 0% the eighth for “revitalization” is nonsense. In fact, the stockyard was the first choice for the location of a

convention center in one of the early studies. It is at the very northern entryway of the City and of high commercial value. With the economic recovery would come many attractive offers.

2) For such a prime site, forgiving taxes simply drives up the sale or leasing price of the property, it doesn’t attract anyone. Stated inversely, a drop in asking price or a reduction in rental charges would have the exact same impact as the tax abatement as far as any prospective user is concerned...

*Where there is no blight, there should be no abatements. In classic words, “If it ain’t broke, don’t fix it.”*

## LGH salaries grew 1% while its executives received 8 1/2% raises

*[EDITOR: NewsLanc recognizes the skills, dedication, hard work and the excellent care given by the staff at Lancaster General Hospital. The below is not critical of them, but of how the Public Charity is mismanaged for the benefit of a few at the expense of the public.]*

Year after year, the evidence grows that Lancaster General Health system with all of the financial benefits of a “Public Charity” is largely run as a feeding trough for its top executives and physicians, to the neglect of the overall public health needs of the community...

Even as reputable a publication as the *Sunday News* either doesn’t have or is unwilling to dedicate financial analyst resources to plumb the depth of the 990 Reports, so its report relies heavily on whatever spin it receives from LGH through spokesperson John Lines.

As examples, below are quotes from the *Sunday News* article of May 22 followed by *NewsLanc* comments:

*SUNDAY NEWS: “Lancaster General employees have a defined-benefit pension, [Lines] said. Actual salaries increased by just half of 1 percent across the board.”*

*NEWSLANC: Base salaries for the executives listed on the 990 Report went up 8.5% for those employed throughout both years. (Without our appropriate adjustments, the figure would be 11%.)*

*SUNDAY NEWS: “Hospital CEO Tom Beeman — who has been a captain in the U.S. Naval Reserves for 27 years and began a military leave of absence Oct. 15 — was the hospital’s highest-paid employee in 2009-2010, with a total compensation of \$1.323 million, including a base compensation of \$649,037 and bonuses and incentives of \$300,000. This actually represented a decrease from his 2008-2009 total compensation of \$1.347 million.”*

*NEWSLANC: The drop in pay was only to offset the salary that Beeman received from the Navy. The trustees were very patriotic with [Continued on back]*

the charity's money that should more appropriately have been used for the stated mission of LGH: *"To advance the health and well-being of the communities we serve."*

**SUNDAY NEWS:** *Lancaster General provided \$83.3 million in charity care, unreimbursed Medicaid expenses and other "community benefits" in 2009-2010, according to its tax form; that represented a major increase from previous year's total of \$71.2 million. Unreimbursed Medicare expenses alone totaled \$63.6 million in 2009-2010 — 8.57 percent of all LGH expenses for the year.*

**NEWSLANC:** *"Unreimbursed Medicare expenses" are calculated as discounts from the inflated 'retail' price, not from what LGH actually charges insurance companies and the Amish Community. It is as if General Motors treated auto discounts as public charity! Anyone without insurance is charged the 'retail' rates that often lead to personal bankruptcy.*

**SUNDAY NEWS:** *"Lancaster General disbursed grants and other payments totaling \$3.97 million in 2009-2010, a drop from the \$6.66 given out in 2008-2009. The reason: In 2009-2010 LGH gave more than \$2.6 million to South East Lancaster Health Services so it could purchase the building for its Arch Street clinic."*

**NEWSLANC:** *Over \$2.65 million of the \$3.97 million went to the City and the School District of Lancaster in lieu of real estate taxes. While commendable, the contribution is far lower than would be the actual real estate taxes were LGH a for profit entity. The County has no economic interest in accurately re-assessing tax exempt properties such as those owned by LGH and Franklin and Marshall College.*

Items classified as *"Lancaster Public Charity"* of questionable appropriateness are: \$135,000 to Franklin and Marshall College (*"alms for the rich"*); \$14,980 in supplies for the Haiti Relief Funds; \$150,000 for the James Street Improvement District; and \$25,000 for the Lancaster Central Market. Albeit worthy causes, they do not comply with LGH's *"Mission statement."*

Conspicuously missing is LGH's refusal to contribute one cent to the struggling syringe exchange sponsored by Bethel AME church. Nor would LGH provide funding for the Urban League when it offered to take over and enlarge the exchange. There likely is no greater pay back for public health than the funding of syringe exchanges, since they not only deter the spread of disease but they also are the entry point for addicts to be referred for counseling and treatment, and thus returned to society as productive members...

**NewsLanc** urges LGH to open their board meetings to media as do government agencies and to allow at least half of their trustees to be elected in the same manner as school district trustees. Then there would be a greater alignment of the public charity with the public needs.

The ultimate solution would be either a merger with Geisinger Health System or the creation of LGH's own health insurance company. Then the economic emphasis would switch from 'fee for service' to how to promote good health and improve quality control in order to avoid the need for hospital and medical services, and thus reduce costs.

As things now stand, the sicker the population, the more money LGH makes. This is hardly in the public interest!

## **LETTER: What does RACL do with the \$200,000 from CC project?**

The "private" hotel is SUPPOSED to be paying \$200,000 a year for payments in lieu of taxes... The problem is, there is no record anywhere in Lancaster City's budget (available online) of this money being received.

There is no information available about what RACL does with the \$100,000 it keeps.

**The above have been excerpted from [NewsLanc.com](http://NewsLanc.com).  
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