From the Supervisors……

The original tea party of 1773 in Boston was brought on not by a high tax rate, but by the fact that the colonial charters did not give the English Parliament the legal authority to impose such a tax on tea. The tea party people of 2010 are also not only concerned with high tax rates, but the notion that the federal government has far overreached its constitutional limits of regulating interstate commerce.

The purpose of this article is to give you an insight as to how interrelated your federal, state, and local governments are. Hopefully this will give you an appreciation of what the 2010 tea party people are up against.

Maidencreek Township is governed by the second class township code. This code is created by the state legislature. In effect, the state has created Maidencreek Township, and although your local government is elected, your local government is required to operate only as described by the second class township code. So how does this sort of thing affect your life in Maidencreek Township?

There are several examples.

One township resident wanted to improve his property by making an outside entrance to his basement with a Bilco door and steps. He was shocked to discover that the cost of the improvement was doubled by the cost of the required permits and inspections.

In 1992, Congress passed the National Energy Policy Act. Among other things this act required that the U.S. Department of Energy (DOE) determine a cost effective energy standard. Once the standard was determined, each state had two years to review the new standard and certify whether their state building code met or exceeded the standard. The DOE settled on a 1995 standard and then in November 1999, Pennsylvania enacted a Uniform Construction Code Act establishing a mandatory statewide building code that included energy standards. PA Department of Labor was in charge of implementing the code. By 2003, Maidencreek had implemented the mandated code. Your township was mandated to use the code. Your supervisors had to choose whether to enforce the code through the township, or have the state enforce the code. We also had the choice to extend the code to accessory structures such as garages. The code requires seven areas of building code certification, with 11 inspections. Where previously the township hired one building inspector, the township now had to hire an outside organization to keep abreast of the changes and certifications. The guy who wondered why the cost of the inspections and permits nearly doubled the cost of his property improvement, had no idea his added expense started 10 years previously with George W. Bush's father signing a law in 1992.

Second, consider mandated pensions and our taxes. The state has mandated regulations for defined benefit pension plans for police, township workers, and teachers. In addition, the state has made a "soft" mandate for defined benefit plans, by only providing state funding for those plans and those plans alone. In this government defined benefit plan, every worker will get a certain percentage of his pay at retirement. The taxpayer money mandated to fund this plan is set aside each year. The state provides only a portion of the required money. The state mandates how the money is to be invested, and what standards the pension administrators have to meet. The state does not allow administrators to use industry standards, but rather mandates standards unique to PA, so administrators unfamiliar with PA standards do not compete for our business. If the market performs poorly, the taxpayer is the guarantee of this mandated benefit. Many school districts' property taxes will increase significantly this year, mostly to cover the costs of these pensions. This is also a large burden on the police and township budgets as well.

If your local officials said, "Gee, this pension is costing a boat load of money, let's have every new employee starting after 2011 get a 401K with a matching contribution." they would forgo the state contribution toward the pension, and their taxpayers would lose out. Such a change would make future budgeting much easier. The employee's retirement would also become portable. The taxpayers would not have to pony up more money in the future if the investments performed poorly, but the taxpayers definitely would lose in the short term, and perhaps in the long term as well.

In order to give your local government the most flexibility in pensions, the state needs to either fund a variety of pension types equally, or eliminate the state funding of all pensions, and reduce our taxes accordingly. Your police commission, board of supervisors, or school board can not implement such plans with the current laws. It takes our legislators in Harrisburg to make changes like this.

The bottom line:

Economic freedom is our most frequently used freedom. High taxes from big government strip us of that freedom. This 2010 election was only a good start. Limiting government to its proper role and giving the taxpayers good value for their money will require people to get involved at ALL levels of government. We need good people on school boards, planning commissions, and boards of supervisors; and we need good people in the state house and senate, as well as at the federal level. If we don't achieve this, tea and coffee will be exorbitant, and paying twice as much for our Bilco doors will be the very least of our problems. If you are a resident of Maidencreek Township and would like to become involved in serving on one of our many Township Boards, please send your letter of interest to the Maidencreek Township Board of Supervisors for your consideration.

2011 Budget for Maidencreek Township Revenue and Expenses

