



Swarthmore Rotary Cog Notes

P.O. Box 4, Swarthmore, PA 19081



February 2, 2023

Jennifer Jones
RI President 2022-23
David Houtz
District 7450 Governor

Swarthmore Rotary
Leaders

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President

Greg Brown
President-Elect

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Club Executive Secretary

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Treasurer

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Secretary

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Youth Services Chair

Perri Ann Evanson
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Carr Everbach
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William Clinton Hale
Past President
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Anne C. Hansen
International Service Chair

Kathryn Jones
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Barbara Whitaker-Shimko
Rotary Foundation Chair

Kenneth J. Wright
Club Director

Cathleen Darrell
Attendance Secretary

Lori Markusfeld
President-Nominee

Richard Shimko
Bulletin Editor

Karen Aleta Mazzarella
Assistant Governor

Happy Dollars

pledge \$2,705
2021-2022 \$4,476

Rotary Celebrations!

Birthdays

Chris Hanlon

Meetings and Events

February 2nd
Swarthmore Weekly Club Meeting (Inn)
Speaker: Dorothy Gelb, Jim Snively and Andrew Bunting
Subject: Classification Talks

February 14th
Loaves & Fishes Food Pantry of Prospect Hill Baptist Church
See below

February 9th
Swarthmore Weekly Club Meeting (Inn)
Speaker: Dr. Mark Hopkins, Director, Moody's Analytics
Subject: The Post Pandemic Economy

February 16th
Swarthmore Weekly Club Meeting (Inn)
Speaker: Dr. Joyce Shin, Pastor, Swarthmore Presbyterian Church
Subject: What I Have Learned about the Church in Community

4 Way Test

Of the things we think, say or do

1. Is it the TRUTH?
2. Is it FAIR to all concerned?
3. Will it build GOODWILL and BETTER FRIENDSHIPS?
4. Will it be BENEFICIAL to all concerned?

Service Quotation

Is anybody happier because you passed his way?
Does anyone remember that you spoke to him today?
This day is almost over, and its toiling time is through;
Is there anyone to utter now a kindly word of you?

Did you give a cheerful greeting to the friend who came along?
Or a churlish sort of "Howdy" and then vanish in the throng?
Were you selfish pure and simple as you rushed along the way,
Or is someone mighty grateful for a deed you did today?

Can you say tonight, in parting with the day that's slipping fast,
That you helped a single brother of the many that you passed?
Is a single heart rejoicing over what you did or said;
Does a man whose hopes were fading now with courage look ahead?

Edgar Guest

Club News

Dave Firm alerted us to a service project at Loaves and Fishes, a food pantry in Prospect Park. On Tuesday, February 14, from 9:30 am to 2 pm, Swarthmore Rotary will be collecting and handing out groceries. See Heather Saunder's email of 1/24/23 for details on how to register for this service project.

Jane Billings reminded us about the opportunity to read to children at Swarthmore Rutledge School. See Jane's email of 1/24/23 for more details.

Elizabeth Churches's Rotary Moment briefed us about how a Rotary District in Iowa helped the charity Operation Warm provide 9,000 coats to needy children in Iowa. The project went so well and the need is so great that the District has continued this service project for several years.

Last Meeting Summary

We are all aware of Chester's story of decline. In World War 2, Chester's military factories were very important to the war effort. Since then, it has entered into a long period of economic decline as factories

February 4th

Wedding Anniversaries

No Wedding Anniversaries Found

Years of Service

Rudolf S. Amann
02-08-1999
24 Years

Guests Last Meeting

Eric Chapman
Katy Chapman

have shut down. Vijay Kapoor, Chief of Staff to the Receiver of the City of Chester, told us that the decline reached such a state that the State designated Chester a Financially Distressed Municipality under state Act 47 in 1995. Many towns and cities in Pennsylvania, including Pittsburgh and Harrisburg, have been designated as being financially distressed. This designation does not result in any supervision of the town by the state. Rather, the designation results in co-operation with the state to solve the municipality's financial problems. The was not sufficient to stop the decline. As a result, the state appointed a Receiver in 2020. Chester is only the second city in Pennsylvania to have a Receiver appointed. Vijay came to Chester as part of the Receiver's staff. Vijay said he has worked with many financially distressed cities and he believes Chester has the most severe problems. These problems include a low tax base, high pension liabilities, and many social problems that need to be addressed. In the past, Chester has taken money out of the pension funds to pay operating costs. As a result, the pension funds are severely underfunded.

Where does Chester go from here? Vijay stated that services have been cut to the bone. He has "never seen anything like what the residents have to put up with". Chester already has a property tax and a 3% income tax, making it one of the few cities in Pennsylvania to have an income tax. It is heavily in debt so it can't borrow more money to cover operating expenses. Vijay thinks Delaware County will need to be part of the solution, perhaps taking over some of the services (fire department, for instance) that Chester provides. Because the Receiver has filed for bankruptcy in Chester, Vijay believes the bankruptcy court will force other governments such as the County and State to take part in the solution.

Chester Chronicles

Chester Chronicle

World War 2 – Chester's workforce during the war was over 100,000. The Sun shipyard became the largest single shipyard in the world.

Post-war – Almost all the factories shut down. There are now very few industry jobs left in Chester. The official unemployment rate is about 15%.

1995 – Chester designated a Financially Distressed Municipality by the State. This designation facilitated an extra degree of cooperation between the state and Chester. The state did not have any governance authority,

2020 – The state appointed a Receiver for Chester. While, tThe Receiver has quite a bit of governance authority, the exact nature of the authority is still being disputed.

2022 – The Chester Receiver petitioned the court to declare Chester bankrupt. Below is an article about the bankruptcy:

From the Philadelphia Inquirer, Nov. 11, 2022.

"The state receiver appointed to oversee the financially distressed City of Chester filed for bankruptcy protection Thursday and asked for a federal mediator's help to resolve a worsening fiscal crisis in Delaware County's only city.

The filing comes three weeks after the city disclosed that it had lost \$400,000 in a phishing scam in June, a development that receiver Michael T. Doweary said was "extremely troubling."

Chester, which has been under some degree of state oversight for 27 years, is in "grave financial condition," Doweary's office warned in a presentation in September.

Among the many municipalities with which the receiver's staff has worked, it said, "without a doubt, Chester's financial situation is by far the worst that we have." Bankruptcy was the "only path," it said.

Said Chester Mayor Thaddeus Kirkland, "This is not the direction we wanted to go in."

The city of 33,000, which has a 30.4% poverty rate, one of the state's highest, confronts a \$46.5 million deficit in 2023 on a budget of about \$55 million. It has been running deficits since 2013, the receiver's office said. As of Dec. 31, it said, the city was \$39.8 million behind on pension payments.

It has been able to pay some bills with the help of \$30.4 million in federal money it received last year from the Biden administration's [American Rescue Plan Act](#), and \$5 million in an interest-free "revenue anticipation" loan advanced by the state, said Vijay Kapoor, Doweary's chief of staff.

The bankruptcy filing would allow the city to buy some time to negotiate with creditors and attempt to lower its pension and health-care obligations, [already the subject of blowback](#), with more almost certainly to come.

Options in play include eliminating retiree health care for all current and future retirees and requiring city workers to increase their health-care contributions.

"We're not cramming this down everyone's throat," said Kapoor. "We're really trying to get this mediated. You need everyone around the table to make this work."

More than 30 municipalities in the nation had filed for bankruptcy protection, but Chester is the first in the Philadelphia region. With a depleted tax base — it has the state's second-highest wage tax, 3.75% — Chester has a long history of fiscal struggles, but the precipitating incident in the receiver's decision to file for bankruptcy evidently was the phishing scam. The receiver's office said the bankruptcy would give the city "a fresh start, which it desperately needs." In the last 50 years, Chester's economy has suffered from the loss of its riverfront industries that made it one of the nation's most important manufacturing centers during the two World Wars and into the Cold War. During World War II, the Sun Shipbuilding & Dry Dock Co., founded by the Pew family, built a ship a week and patched up over 1,500 vessels that had been damaged by bombs, mines, torpedoes, or other assaults, according to a company history. At its peak the shipyard employed 35,633 people. That number is greater than the city's population today."

Photo of Chester waterfront during WW2/ Vijay Kapor



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