

GOVERNMENT STUDY COMMISSION

MEETING MINUTES

July 23, 2007

7:00 p.m.

In attendance: Chick Devine, Henry Briggs, Jerry McGlone, Jim Vike, Woody Van Sciver, Bill Macaleer

Attorney Vince Pompo attended the meeting to answer questions the Commission had about adopting Home Rule.

1. Term limits. Vince indicated he believed it was okay to have term limits in the Home Rule Charter. In a prior commission meeting it was agreed to two consecutive term limits with no life limits for council members and the mayor. It also agreed to no limits on council leadership since there would be term limits as a council member.
2. Size of council – this was previously discussed. No further comments at this meeting.
3. Tax Structure – The question was asked if the Borough had to stay within the established menu of tax options or can it create new taxes.
 - Vince said the Borough is limited by state regulations and rates that are preset.
 - The Borough could use the Tax Enabling Act but these are subject to some restrictions and prohibitions. The Borough cannot exceed the maximum rate used for residents and apply a higher rate for nonresidents.
 - The Borough could also enact a Transfer Tax. Tredyffrin has a ½% tax. The Transfer Tax does not vary between commercial and residential. It is the same.
 - Vince also indicated the Borough could preserve its ½% EIT that the school district might take by raising the EIT to 1 ½%. However, nonresidents would not have to pay the extra 1/2%. The Borough could raise the EIT even higher. You do not have to set an EIT ceiling under Home Rule.
 - It was mentioned that the Borough had a 30 mil tax ceiling and currently is charging 3 mills. It was proposed that the 30 mil tax ceiling be the overall tax ceiling (the dollars it would generate, not the mills themselves). Using this approach, it would not be necessary to raise taxes at this time. It would give future councils the ability to do so when needed.
 - There is a Local Services Tax (it was the Occupational Privilege Tax) which is primarily used to fund emergency services
 - Personal Income Tax is not an option for the Borough
 - *Other questions that were posed and discussed.*
 - Should the Borough create an EIT ceiling?
 - Can the Borough insist the School District send out their own bills for the 1/2% EIT?
 - Can the Borough raise property tax mills without a vote of residents? Vince said yes
 - Can the Borough raise EIT without vote of residents? Vince said yes.
 - Could the EIT bill be “line itemed” so residents see where taxes are going? (the Borough would show EIT of 1% and School District of ½%)

- Should EIT limits be set for future councils to insure ongoing fiscal responsibility? Future councils could change the mix of taxes from the menu as long as they did not exceed the dollar ceiling set by the 30 mils.

The Commission reiterated they were looking at three possible tax options

#1 – Higher cap on JEIT but all other taxes would remain the same

#2 - Raise the EIT and lower the 30 mil maximum on real estate tax to offset the increase in the EIT.

#3 - Use the menu approach with everything open and flexible for future councils.

Everything would be open to be raised now and in the future

4. Recall – Vince believes the State constitution prohibits it regardless of type of government. He will do some research on this.
5. Minority Party Representation – Vince indicated that would be permissible.
6. Ward Representation – this was previously discussed by the Commission and rejected as impractical.
7. Tax Collector – Can it be an appointed rather than elected position? It was believed that it could be appointed but Vince will research.
8. Contract Bidding Limitations – The State is considering raising the current ceiling of \$25,000. However, the prevailing wage restrictions will still be in place.
9. Civil Service Status – Vince will research if the Borough can abolish the Civil Service. It was indicated that the Borough had no objection to the Civil Service. Rather it was the cumbersome procedures that are a problem. The Borough Code currently specifies that Civil Service will be used for the police force. The union agreement also specifies Civil Service and that would have to be renegotiated. Jerry McGlone will discuss the issue with the Police Chief and report on what would be the issues.
10. Ballot Initiatives and Referenda – The question was asked if the Borough has latitude in this area. Vince said there are limitations and rules that must be followed. Home Rule does allow more flexibility to use referendums.

It was indicated to Vince that the Commission was thinking of keeping most of the existing Borough Code and just changing certain parts of it. Vince does not recommend that approach because it would be complicated. The existing Code has a lot of items in it that are not needed and should be simplified.

A motion was made and seconded and unanimously carried to adjourn the meeting at 8:40 pm

Respectfully submitted,

Bill Macaleer for Dolores Magee