

GOVERNMENT STUDY COMMISSION
MEETING MINUTES

July 9, 2007
7:00 p.m.

In attendance: Jim Vike, Chick Devine, Henry Briggs, Sandra Kelley and Woody VanSciver

A motion was made by Jim Vike, seconded by Woody VanSciver and unanimously carried to approve the minutes of the meeting held June 25, 2007.

Jim Vike reviewed the minutes with the members of the Commission who were not in attendance at the June 25th meeting. He explained that at that meeting the Commission members discussed and outlined the status of prior discussions in order to create a list of items that were resolved and items that required further discussion and resolution.

Henry Briggs reported that Vince Pompo, Esq., was the attorney recommended by James McErlane of Lamb McErlane, PC, to answer questions and begin writing our Home Rule Charter. A motion was made by Henry Briggs, seconded by Jim Vike and unanimously carried to retain Vince Pompo as our consultant and legal expert.

Regarding Minority Party Representation, it was suggested that we check with the County for language as they do have minority party representation on their Board of Commissioners.

The Commission discussed taxing structures and felt that the Commission should articulate a full range of taxing capabilities as follows:

- 1) Raise the cap on our Earned Income Tax with no other considerations
- 2) Raise the cap on the Earned Income Tax and adjust the maximum ceiling for the property tax
- 3) Commit to keep under the cap and then provide Council discretion to pursue alternatives across the comprehensive slate of taxes

The Commission discussed how the taxes should be explained so that the residents will understand. It was discussed that if the school district takes their ½% of the Earned Income Tax, it could be explained to the taxpayers that this is what we can do to compensate for that money (institute another tax from a list of choices). It would be explained that we will max taxing capability at this point for "x" amount and we will use property tax to do that. The change will be if future Council's need it down the road, they can apply these different taxes.

It was agreed that we should send a letter to the residents explaining things and the letter should tell them there are a list of twenty+/- taxes and what we will propose is that future Council's can take from those twenty+/- different pockets. Instead of having one way to tax, we will have a variety of ways to tax but they will be limited to how they can tax.

We currently have a ceiling of 30 mills for property taxes. As conditions dictate down the road, the Borough will use available taxes including an Earned Income Tax with a total ceiling of income not to exceed what is currently on the books.

Within that ceiling, we will use whatever we think is appropriate. Anything beyond the current ceiling of where we are today, we need a ballot referendum. We should tell the residents this is the list of revenue sources we have and we don't want to limit the government's options.

There is a good possibility that we will have to put serious money into the fire company down the road.

We should commit to a cap and then provide Council discretion in selecting alternatives forever.

Various governmental entities have been trying to raise the Earned Income Limit to 2% for a long time, but it has never passed. We could say that we are raising the Earned Income Tax from 1% to 2% and this is a little provision that we really like because the municipal associations have been trying to get it passed forever. Since they aren't making any headway, we can get it passed through home rule.

Future Council's should have flexibility and options in order to run the government efficiently. The discipline is our ceiling of what we currently have now. We won't go any higher than what we have available to us now. We want all options that are currently in the State of Pennsylvania and the Constitution.

We will invite Mr. Pompo to the next meeting and ask that he be prepared to answer the following questions :

- 1) Must we establish taxing limits in our Charter
- 2) Can we tax outside the millage base for these special purpose taxes

A motion was made by Henry Briggs, seconded by Woody VanSciver and carried by a vote of 4-1, that the position of elected tax collector be abolished and that this position become a part of the borough administrative staff. Jim Vike voted "no". Jim Vike felt that by abolishing this position, we would be taking away an elected position from the citizenry.

The Commission briefly discussed Civil Service. It was suggested that a rule be that no one on Council be a member of the Civil Service Commission and that the borough

appointed attorney not be permitted to represent the Civil Service Commission. It was felt the Board must be totally separate from the Council and that they must have some kind of training.

It was suggested that the hiring of police be not part of the Civil Service and that the Civil Service job only be used as a balance when there is a dispute. This concept was questioned as to whether or not it was then called Civil Service. It was felt that Civil Service was a process and that by changing the process, it was no longer Civil Service.

The concept of Civil Service will be discussed at the July 23rd meeting.

A motion was made by Woody VanSciver, seconded by Chick Devine and unanimously carried to adjourn the meeting at 8:36 p.m.

Respectfully submitted,

Sandra Kelley