

**Special Meeting for EIT
November 28, 2017**

A special meeting of the Hulmeville Borough Council was held on the above date at the Borough Hall, 321 Main Street.

Councilmembers Present: Thomas Wheeler, President, Debbie Mahon, Vice President, Dan Mandolesi, Judy Coleman, and Dale Walton Jr., Mayor Harris, Nick Lodise and Mallory Menta.

Councilmember's Absent: none

Other's in Attendance: Solicitor Robert DeBias, Secretary Dorothy Omietanski, Water Authority Jim Clark, Tyler Miles Courier Times, Diane McKairnes, Joe McKairnes, Ed Preston, Ken Lynn, Kurt Ludwig, Eric Schmid and Sheri Wheeler.

Call to Order: Mr. Wheeler called the meeting to order at 7:35 pm; all those present joined in the Pledge of Allegiance.

Public Comment: no comments

EIT Comment:

- Ed Preston agrees that the earned income tax is necessary however he disagrees that council should start with 1%. He feels council should start with ½% to ease people into the decrease in their income. Ms. Mahon explained to the public that the ½% is off the table for discussion. At the last meeting council decided and advertised that they would proceed with a 1% EIT, not ½%.
- Joe McKairnes does not agree with the EIT but feels council should raise property taxes. He also wanted to point out that in the future income will be coming in from the development of the Black property.
- Mr. Wheeler explained to the public that just in 2017 the borough was faced with \$40,000 of unbudgeted expenses \$14,200 for consulting fees for MS4, MS4 engineering fees, and \$20,000 to repair two culverts. The borough has been running on a very tight budget and the costs are starting to add up.
- Mayor Harris also wanted to point out that a good portion of the residents are already paying this tax and the money is going to other communities. He would like to see the taxes paid by Hulmeville residents to remain in Hulmeville.
- Ken Lynn was not aware that it was past the point of discussing ½%.

A motion made by Ms. Mahon seconded by Ms. Menta to adopt the advertised 1% EIT ordinance; motion carries 4-3-0. (Ms. Omietanski took roll call – Ms. Menta – yes, Mr. Walton – no, Mr. Lodise – yes, Ms. Coleman – no, Mr. Mandolesi – no, Ms. Mahon – yes and Mr. Wheeler – yes)

There being no further official business the meeting was adjourned at 8:35 pm; motion made by Ms. Coleman seconded by Mr. Mandolesi.

Respectfully Submitted

Dorothy Omietanski,
Hulmeville Borough Secretary

Attachment to Minutes November 2017
December 4, 2017

Ms. Coleman has requested an attachment to the November 2017 minutes be included. Ms. Coleman feels the November minutes did not capture all her comments regarding EIT and she would like them to be included. Her comments and 1% EIT are listed below.

I believe we do not have solid projections showing the expenses we will need over the next 10 years, nor do we have a full understanding of the impact on approximately 200 people not currently paying the tax. I do not think the average EIT cost presented by council fairly illustrated the potential impact on people currently not paying the EIT. I believe it is a burden on people to raise taxes by such a great amount all at once. I also stated that to say the EIT does not hurt low income people is not true and is blatantly false. People making as little as \$12,001 will suffer. They will pay more in taxes than they ever had to before. Folks that barely make a living will now have to pay an EIT.

I supported implementing the EIT incrementally, starting with .05% so we can accurately assess the amount of revenue that generates and use the next year to better understand the expenses we will actually need to fund MS4 projects in 2018, 2019, etc. Much of the unfunded mandates are not nailed down and there may be other funding avenues to explore, as well as potential partnerships with neighboring communities through which we could share expenses. I understand there are other future expenses, outside of MS4 projects, that we must start to save for and believe we have started that process with the various capitol funds that are currently part of our 2018 budget. Many stressed the importance of acting as good stewards for our community. I agree with this but add it is also important for us to be good stewards for our constituents too.

Ms. Coleman also requested that at the October 18, 2017 meeting the minutes be adjusted because they did not mention the opinion taken by the council members during the work session who indicated their support of .5% EIT. The council members who responded indicated their support of .5% and Ms. Coleman believes that explains why residents who attended the meeting on November 28th thought .5% was still an option for EIT.

Respectfully Submitted

Dorothy Omietanski,
Hulmeville Borough Secretary