

Meeting Minutes
State College Borough Council
Regular Meeting
Monday, August 1, 2005

The State College Borough Council met in a regular meeting on Monday, August 1, 2005, at 7:30 p.m. in the State College Municipal Building Council Room, 243 South Allen Street, State College, PA. Mayor Welch called the meeting to order at 7:30 p.m.

Present: Bill Welch, Mayor
Thomas E. Daubert, President of Council
Catherine G. Dauler
Elizabeth A. Goreham
Craig R. Humphrey
Jeffrey R. Kern
Richard L. McCarl
James H. Meyer

Also present: Thomas J. Fountaine, Borough Manager; Terry J. Williams, Borough Solicitor; Mark A. Whitfield, Director of Public Works; Amy J. Story, Borough Engineer; Michael S. Groff, Finance Director; Carl R. Hess, Community Development/Planning Director; Michele Nicolas, Director of Human Resources; Cynthia S. Hanscom, Recording Secretary; members of the media; and other interested observers.

Mr. Welch began with a moment of silence and the Pledge of Allegiance.

Ms Goreham moved and Mr. Kern seconded a motion to approve the following minutes:

June 3, 2005, Special Meeting
June 3, 2005, Work Session
June 6, 2005, Regular Meeting
June 13, 2005, Work Session

The vote on the motion was approved unanimously.

PUBLIC HOUR

Presentation on the Cineplex. Mr. Fountaine said Council has selected the State College Downtown Improvement District to act as the redevelopment agency in connection with the redevelopment of the former State College Municipal Building property on Fraser Street. The site will also include the lot where the Medical Arts Building is located at the corner of Fraser Street and Beaver Avenue. The primary development goals for this site were developed from the Downtown Vision and Strategic Plan that was adopted in February, 2003. The plan calls for development of owner-occupied housing in the downtown. It encourages the development of a multi-screen cinema and other commercial/retail development. The Downtown Improvement District has solicited development proposals that meet these objectives.

Teresa Sparacino, Executive Director of the Downtown State College Improvement District, said in coming up with a development proposal for this site, the DID had issued a request for proposals. On June 1, they received a proposal from Susquehanna Real Estate. She said she was very excited about the project and introduced Jack Kay and Tim Fulton to present the proposal.

Mr. Kay said he appreciated the opportunity to present an overview on the project. He provided background on Susquehanna Real Estate, explaining that they are developers who concentrate on urban redevelopment. He presented examples of other projects in York, Maryland and New Jersey. Some projects relate to the adaptive reuse of old buildings such as warehouses and include conversion to high-end residential lofts. He said engaging the community is important and helps to ensure success.

Mr. Fulton presented the proposal for the Borough's location. The site was located at the northwest corner of Beaver Avenue and Fraser Street and extended down Fraser Street to Calder Alley. Although in the heart of the downtown, it was not in the heart of the student housing area. The vision was for a mixed-use development with residential condominiums, retail office space and a 10-screen cinema. He believed this was an urban setting which would complement the neighborhood properties and provide a regional gathering place and destination for visitors.

Mr. Fulton said the plan was for a \$32 million investment of 54 market-rate (non-student) condominiums, 21,335 square feet of commercial space, 57,800 square feet of cinema space with an elaborate 2-story lobby and plaza. The parking area will provide 112 spaces and additional parking for visitors can be provided by the Fraser Street garage located across the street and Beaver Avenue garage located across Beaver Avenue. Mr. Fulton mentioned that likely buyers for the condominiums will be local "empty nesters," single professionals, alumni, faculty members, and retirees seeking amenities of the college environment.

Drawings of the site were presented showing its appearance following the proposed Fraser street re-alignment. The height of the building at the street will be 2-story to give a pedestrian perspective. The residential tower will be set back to reduce the mass and volume. The keystone of project was the Cineplex, which will be a 3-story structure with large windows. It will be a meeting space with reception areas open to the floors above. Escalators will provide access to the second and third level theatres. Mr. Fulton presented a three dimensional image of the proposal in context with the neighborhood showing the mass and height. The opportunity to re-align Fraser Street creates a pedestrian friendly plaza area that can relate to Beaver Avenue while leading people down Fraser Street. He believed this will bring to downtown State College the vitality that Council members had in mind.

Mr. Kern asked the time frame for the project. Mr. Kay said he would like to start as soon as possible because the commercial market is here and ready to go. The challenge is to make the Cineplex work from a financial point of view. It will require some effort between the DID and Borough elected officials. He had spent time in meetings in Harrisburg regarding the state's funding cycle for this fall, and will prepare a proposal to submit for grant funding. The advantage of this project is that it is ready to go with a substantial private sector match. He commended the Borough in being proactive by providing the parking facility across the street. This will allow a nice package. He projected that the project would take 44 months but could be done realistically in 32 months, depending on the time it would take to get through the public process.

Mr. Humphrey asked how the public sector would be involved. Mr. Kay explained this is a candidate for funding at the state level to encourage economic development. Other costs, such as infrastructure, can be packaged together to accomplish the project.

Ms. Goreham asked if the residential/commercial development would be built in phases. Mr. Kay explained it was proposed to be completed as one package with all the construction taking place at one time. He opined it would be more disruptive to do in phases.

Ms. Goreham noted that making the Cineplex viable would be the most difficult. Mr. Kay agreed, adding that he has talked with cinema operators and there is strong concern with the economics. He felt confident that the problems were understood and they could deal with the problems.

Ms. Goreham asked the height of the building. Mr. Kay replied it will be 140 feet from Beaver Avenue. He noted the Cineplex portion will be substantially lower. The building was stepped back so the vista will appear as a two- or three-story structure.

Mr. Welch asked the total square footage of the project. Mr. Fulton replied it will be 220,000 square feet.

Mr. McCarl noted that from first impression there was not much open space or pedestrian area. Mr. Kay indicated that was correct. There will be some public plaza area along the realignment. He explained this was an urban project and conformed to urban design principals. Along Beaver Avenue, the streetscape will look similar to the existing Medical Arts Buildings. Fraser has interesting streetscape that allows for some plaza area with a glassy and open transparent building so that the inside and outside are connected. Mr. McCarl asked if there will be open space between the condominium and the Cineplex. Mr. Kay explained they will be connected by a parking facility.

Mr. Welch thanked both Mr. Fulton and Mr. Kay for their presentation.

Mr. Welch asked if there were any other comments from the public. There were none.

CONSENT ITEMS

Block Party. Mr. Fontaine said Council received a request to use High Street (from East Foster Avenue to Holly Alley) and Holly Alley for a neighborhood block party on Saturday, August 20, 2005, from 4:00 p.m. to 8:00 p.m.

Ms. Dauler moved to approve the use of this street for this activity. Mr. Humphrey seconded the motion. The vote was 7-0-0 in favor of the motion.

Senate Public Health & Welfare Committee Hearing. Mr. Fontaine said Senator Jake Corman has requested the use of the State College Council Chamber for a Public Health and Welfare Committee Hearing on August 31, 2005 from 10:00 a.m. until 1:00 p.m. Under the Borough's Facility Use Policy, use of the Council Chamber by an outside agency or group requires approval by Council.

Ms. Dauler moved and Mr. Humphrey seconded a motion to approve the use of the Council Chamber for a Pennsylvania Senate Public Health and Welfare Committee Hearing on August 31, 2005. The vote was 7-0-0 in favor of the motion.

Resolution Supporting an Application by the Downtown Improvement District for Main Street Funding. Mr. Fontaine explained Downtown State College Improvement District (DID) is submitting an application for \$25,000 in Main Street Funding from the Commonwealth to support

a Sign and Lighting Enhancement Program. The grant funds will be used to match dollar for dollar investments made by business owners for new signs and exterior lighting within the boundaries of the district. All signs and lighting must meet the Borough's zoning code and other regulatory requirements. The Civic Design Committee of the DID will oversee the program.

Mr. Daubert asked who appoints the members to the Civic Design Committee. Teresa Sparacino explained they were appointed by the DID. Members included Gordon Turow, Carl Hess, Zoe Boniface, Kevin Gombatz, Randy Hudson, Catherine Zangrelli, and Andrew Zangrelli.

Ms. Dauler moved to approve Resolution 885 supporting the Downtown State College Main Street grant application for \$25,000. Mr. Humphrey seconded the motion. It was approved with a 7-0-0 vote.

BIDS/CONTRACTS/AGREEMENTS

Project 8R-2005 Allen Street Parking Lot and Walkway. Mr. Fontaine indicated Project 8R-2005 Allen Street Parking Lot and Walkway consists of construction of a .24 acre paved parking lot with approximately 790 linear feet of straight concrete curb; the installation of a brick plaza and approximately 1200 square feet of 5 foot concrete sidewalk; the installation of a stormceptor system and associated junction boxes, inlets, and storm sewer; and other amenities such as 5 benches, 17 new parking meter posts, 80 linear feet of hoop tree fencing, 7 streetlights and associated electrical appurtenances. Bids for this project were opened on July 28, 2005, at 11:00 a.m. The bids were advertised in the Centre Daily Times in accordance with the Purchasing Ordinance and a total of 6 bid packages were purchased. The following bids were received:

	Contractor	Bid Amount
1.	HRI, Inc. State College, PA	\$245,182.00
2.	Glenn O. Hawbaker, Inc. State College, PA	\$262,575.45
3.	Leonard S. Fiore, Inc. Altoona, PA	\$263,000.00
4.	Gordon L. DeLozier, Inc. Hollidaysburg, PA	\$282,977.00
5.	Haratin Construction, Inc. Bellefonte, PA	\$387,832.50

Construction time is 45 days and is anticipated to begin with the Notice to Proceed scheduled to be issued on August 11, 2005.

Based upon the apparent low bid, the project is now estimated to be \$163,015.10 for the parking lot, and \$120,966.90 for the walkway. The parking lot portion of the project exceeds the available budget by \$20,765.10 and the walkway portion of the project exceeds the budget by \$20,966.90. Funds for both the parking lot and the walkway are available as follows:

30-454-650	Allen St. Walkway	General Fund	\$ 100,000.00
30-454-690	Park Land Improvements	General Fund	20,966.90
06-466-730	Capital Improvements	Parking Fund	142,250.00
	Bond Issue	Parking Fund	20,765.10
Total			\$ 283,982.00

The additional funds for the walkway were identified in the 2005 Capital Improvement Plan to come from the Park Land Improvements Prior Authority. The additional funds for the parking lot are available in the parking component of the 2005 Bond Issue as a result of the nearly \$75,000 savings on the McAllister Parking Deck project.

Since this project has already been redesigned and rebid, Staff does not believe that any additional savings can be achieved on this project. The previous low bid was \$327,189.65. Staff has also reviewed the bids and believes that the low bid is reasonable. HRI, Inc. is qualified to perform the work set forth in this contract.

Mr. Humphrey asked about the location of the pathway. Mr. Fontaine explained there would be a walkway on the southern edge of the lot connecting Allen Street to Central Parklet. The parking lot was proposed for the north side of the lot. Mr. Humphrey asked if, in relation to the Heimer project adjacent to the Borough's lot, the two parking lots could be combined and moved to the southern edge of the Borough's lot. Mr. Fontaine indicated the Borough had negotiated with the abutting property and an agreement had been reached (see next agenda item). Mr. Daubert noted the pathway would be too far north to connect to Central Parklet.

Ms. Dauler indicated there was no mention of actual plant material. Mr. Whitfield explained that was a separate item not included in this project. The Borough will be purchasing plant material this fall and a volunteer group will be placing them in the lot according to the landscaping plan.

Mr. Daubert moved to award the bid for Project 8-2005 to HRI, Inc., the low bidder, in the amount of \$245,182.00. Mr. Meyer seconded the motion. The motion passed with a 7-0-0 vote.

Agreement for the Exchange of Land with Jeramar LLC. Mr. Fontaine noted that the an agreement was forwarded to Council with Jeramar LLC, the owners of the property at 228-232 South Allen Street, for the exchange of 512 square feet of land in order to facilitate development on Jeramar's property; specifically, allowing Jeramar to construct an outdoor plaza area as part of their condominium project, and providing the Borough setback space for the proposed public parking lot. After the subdivision and replots are complete, the Borough will provide a permanent easement to Jeramar of approximately 168 square feet to permit Jeramar to meet setback requirements for the construction of a parking lot. In consideration of the easement, Jeramar will allow the outdoor plaza area and steps to the rear of the proposed condominium unit to be open to the general public for access to the Borough's public parking lot. Jeramar has also agreed to construct the plaza area and the area between the curb of South Allen Street and the proposed condominium building of brick pavers, thereby matching the Municipal Building brick pavers and pavers along the proposed public parking lot plaza area.

Mr. Humphrey asked if the plaza area would connect to Central Parklet. Mr. Welch indicated it would not; the design of the front walkway of their building would coordinate in style and materials with the existing municipal building. Mr. Meyer asked what would happen if the building was not built. Mr. Fontaine explained the agreement would be null and void.

Mr. Kern moved to authorize the Council President to execute the Agreement on behalf of Borough Council. Mr. McCarl seconded the motion. The motion passed unanimously.

OLD BUSINESS

Inter-Municipal Transfer of a Liquor License. Mr. Fontaine reminded Council that a public hearing was held on the inter-municipal transfer of a liquor license request for Rotelli Restaurant on July 5, 2005. Testimony was received from the applicant, staff and public. Staff has also presented a report on the transfer as required by the Borough's ordinance. The staff report concluded that, unless conditions are placed on the license to restrict the use of the license to mitigate the adverse affects, the approval of a transfer would adversely affect the public's welfare, health, peace, and morals of the municipality or its residents. Staff recommended that Council approve the transfer only if conditions be attached to and made part of the license by the Pennsylvania Liquor Control Board (PLCB) and that the conditions be enforced by the PLCB. Council discussed the transfer request at its work session on July 11, and directed staff to prepare a resolution to approve the transfer with the following conditions, as more fully set forth in the resolution:

1. 75 percent of the total business must be in food sales, provided the Borough reserves the right to increase the ratio of food sales up to 80% of total sales if liquor law violations occur. The applicant will provide quarterly reports to the Borough to verify the food/alcohol sales;
2. Any bar area shall be a service bar only. No bar seating shall be permitted;
3. Entertainment shall be limited to instrumental music (for example, piano or acoustic guitar) only. Vocals are prohibited;
4. No alcoholic beverages may be served between midnight and 10:00 a.m., provided that the Borough and the applicant agree to discuss this provision at the first renewal of this license;
5. Beer and liquor may only be sold by the single drink;
6. No expansion beyond 250 East Calder Way or transfer of the license to another location in the Borough, or to another person or corporation without Council approval;
7. No request for modification of these conditions may be made directly to the PLCB without first obtaining approval by the State College Borough Council; and
8. This transfer request shall only be approved if PLCB agrees to place the same conditions set by Council and enforce such conditions if violated.

Subsequent to the July 11 work session, the applicant has objected to the provision that allows for a service bar only at the establishment. Council's inclusion of the service bar only condition was based in part to prevent the license being used for a bar instead of liquor service as part of a restaurant, and in part based on the applicant's testimony at the public hearing that he intended to open the restaurant whether or not a liquor license transfer is approved. The applicant, through his legal counsel, requested that the decision on the transfer be continued until August 1, 2005, to allow an opportunity to address the conditions discussed at the July 11 work session.

Mr. Fontaine noted that staff agrees with Council's concern, as well as the community's concern, that any license transferred into the Borough for the primary purpose of alcohol service will only add to the well-documented problems associated with alcohol service and alcohol abuse. However, staff has concluded that adding restrictions to a license being transferred into the Borough will limit or preclude the use of the license to create a nuisance bar. In the case presently before Council, the limitations on hours of alcohol service, the 75% food service requirement and the restriction of sales by the drink are expected to restrict this license to a food service establishment as opposed to a bar.

Mr. Fontaine said he was recommending that Council approve the transfer only if conditions are attached to the approval that would limit the use of the license for a restaurant. He was also

recommending that a small bar area of no more than 12 seats be permitted as long as this bar area is separated from the restaurant area by a physical barrier. Three draft resolutions have been prepared. The first sets forth conditions as discussed at the July 11 work session, including the service bar condition. The second resolution sets forth conditions discussed at the July 11 work session but allows a limited seating area at the bar. A third resolution would deny the transfer on the basis that permitting the transfer will adversely affect the public's welfare, health, peace, and morals.

Ms. Goreham asked if the LCB agreed to restrict the hours of alcohol service between midnight and 10:00 a.m. Mr. Fontaine explained this Council would set the standards that would be enforced by the Liquor Control Board.

Michael Hughes, co-president of Boltera, Inc. (the company that would own the franchise for the Rotelli Restaurant), explained he has been communicating with Borough staff. He assured Council that it was not in his plan to have a bar targeted to the student audience. The reason for the 10-12 seat bar was to have a place for people to sit and wait for their table. If there was not an area to wait, people would leave.

Ms. Goreham asked how many tables would be provided. Mr. Hughes replied there would be 48 seats on the second floor. The first floor would have about 30, but the final number had not been determined.

Mr. Meyer asked why Council would meet with the owner at the time of renewal. Mr. Hughes indicated he agreed with this condition; he wanted to make sure that Council was comfortable with the operation.

Mr. Kern moved to approve Resolution 884 which recommended approval of the transfer of a liquor license with conditions, including a bar consisting of no more than 12 seats; if all conditions are acceptable to the PLCB, they should be included and made a part of the liquor license and fully enforced by the PLCB. Mr. Meyer seconded the motion. The vote was 7-0-0; the motion passed.

Post North Patterson Street No Parking Any Time. Mr. Fontaine explained a request was received from a business owner on North Patterson Street to post North Patterson Street "No Parking." Presently, the west side of the street from Grass Alley to the lands of Penn State is posted for 2-hour parking. The street width is 24 feet, and in accordance with standards issued by the Institute for Transportation Engineers, the street is too narrow to safely accommodate parking. The Borough-wide traffic counts taken in November of 2003 indicated that 1526 vehicles per day use the street. Users include tractor-trailer delivery trucks, school buses, residents, and those accessing the West Campus graduate housing development.

The Transportation Commission reviewed the request and concurred with staff that parking should be prohibited. On February 22, the Transportation Commission held a hearing on the matter. One property owner spoke in favor of the proposal, and one spoke against. The person who spoke against stated he had concerns with persons parking in his private lot without permission, due to insufficient parking in the general area. During the discussion, property owners indicated that much of the parking on the street was students going to class. They also indicated that enforcement of the 2-hour limit was difficult due to the outlying location of the street. Staff pointed out that parking between College and Beaver on South Patterson Street permitted 2 hour visitor parking (between the hours of 6 am – 6 pm) and R permits was underutilized. After discussion on the item, the Transportation Commission concurred with the staff recommendation to prohibit parking due to safety concerns.

Mr. Meyer moved to adopt an ordinance amending the Vehicle and Traffic Regulations to prohibit parking on both sides of North Patterson. Mr. Kern seconded the motion.

Mr. Daubert expressed his opposition to the removal of the parking. This was proposed to accommodate the large trucks for one business. For residents on Patterson Street, there would be no place for visitors to park. An alley had been opened to accommodate the trucks. He did not believe it was necessary to remove the parking.

Mr. McCarl agreed. He noted there was a fraternity on the corner of West College Avenue and Patterson Street. He asked if they had been notified of the removal of the parking. Mr. Whitfield said notification was sent to the property owners asking for their input; nothing had been received from the fraternity.

Mr. Kern said he shared Mr. Daubert's concern. On-street parking was a form of traffic calming. To continue to eliminate on-street parking was not healthy for the Borough. Although the street was narrow, he believed the trucks could make the turn.

Mr. Meyer asked if there was a specific width that would be considered too narrow to accommodate on-street parking. Mr. Whitfield responded that the 24 foot width is too narrow to accommodate the on-street parking, particularly with the amount of traffic using the street. If vehicles are parked on the street, two vehicles cannot pass each other. Since there are school buses using the street to access the West Campus housing, he felt this was a safety concern.

Mr. Kern noted the agreement with the University to open North Patterson indicated that they would assist in mitigation efforts should the traffic become a problem. Mr. Welch did not believe mitigating the traffic problem should be their first step. He felt one recourse to solving the safety issue was to remove the on-street parking.

The question was called and the vote on the motion was 3-4-0 with Mr. Daubert, Mr. Kern, Mr. McCarl and Ms. Goreham opposed. The motion failed.

OFFICIAL REPORTS AND CORRESPONDENCE

Mayor's Report. Mr. Welch noted that at the Ray of Light concert he was credited with the success of the shade tree program; however, he said that he has nothing to do with the program and felt the credit should go to the Tree Commission and the staff members involved. Mr. McCarl mentioned, as liaison to the Tree Commission, he commended the group on their knowledge about trees and the plantings throughout the Borough.

President's Report. Mr. Daubert announced an executive session was held prior to this meeting to discuss litigation with the Solicitor.

Staff/Committee Reports –Ad Hoc Tax Study Committee. Mr. Fontaine said, in January, Council appointed an ad hoc Tax Study Committee to consider the most appropriate mix of taxes for the Borough to implement in 2006. The Committee was asked to consider a variety of issues related to the Homestead Exclusion, the Business Privilege Tax and Real Estate Taxes. The Committee has concluded its work and will report at this meeting. Mr. Fontaine distributed copies of the report.

Mr. Kern thanked the members of the ad hoc Tax Study Committee, Mr. Daubert, Janet Knauer, Kathryn Bitner, Rich Kalin, and John Lowe. The Committee spent a great deal of time studying the materials on this complicated and tedious issue. He also thanked Mr. Groff and his staff for providing the technical support in generating this report.

Mr. Kern indicated the Committee was looking at repealing the Business Privilege Tax (BPT) and instituting the Homestead exclusion. To determine the impact, the entire budget process needed to be reviewed. In addition, there are amendments to the Emergency and Municipal Services Tax (EMST) and pending court cases on the BPT that will affect the revenue from those taxes for the Borough.

Mr. Kern stated the BPT was a controversial tax. Some believe that the tax is unfair and has resulted in an anti-business image. Others felt the tax was appropriate because revenue was obtained from sources that were otherwise not taxable. The basis for the elimination of the tax is to attract new businesses and change the image caused by the imposition of the tax. An increase in the real estate tax would generate more income from rental housing than the BPT. In addition, the BPT is the most expensive tax to collect. On the other hand, eliminating the BPT would absolve some businesses from paying any tax in the Borough.

Mr. Kern presented figures on the revenue generated from the BPT, real estate tax, EMST, and earned income tax. He also presented tables on the Homestead exemption and the changes in revenue if excluding \$30,000 of assessed value. He explained that increasing the real estate tax would be necessary if the BPT was eliminated. This change, in conjunction with the Homestead exemption, could actually save the property owner money. He presented figures showing an exclusion of \$30,000 of assessed value and the yearly taxes for property owners with assessed values less than \$250,000. He noted that commercial property owners would not qualify for the Homestead exclusion.

Mr. Kern told Council that \$300,000 of the BPT was at risk and \$400,000 of the EMST was at risk. If they both go against the expected revenue for the Borough, this would be a \$700,000 shortfall. He reviewed other tax trends, including the continued decrease in earned income tax.

He concluded that the Committee was recommending a \$30,000 exemption in assessed value for the Homestead exemption, elimination of the BPT, and increasing the property tax to 10.8 mils. He noted that if the Homestead exemption were lowered to \$10,000, the real estate tax could be set at 10.1 mils.

Mr. Kern said this change would be a major redistribution of the tax burden. For some businesses, the change would only be in the name of the tax that is paid. He presented information on how this change would affect businesses in the Borough. He also presented information on how this would affect rental property owners with large apartment buildings. He noted that although the increase in real estate taxes would cause an impact, the cost spread through each unit would be minimal.

Mr. Kern explained the Committee struggled with both the fiscal impact on the Borough and on the philosophy of tax distribution. More than one committee member expressed significant concern about the fiscal impact. In the end, Council must engage in the dialogue about impact and effect. One view was that the BPT and Homestead issues are different and should be

viewed on their own merit. In another view, the Council cannot be expected to view these issues isolated from its overall budgetary and fiscal responsibilities. The Committee believed that the time has come for Council to clearly and affirmatively make a decision on the BPT and Homestead issues.

Mr. Welch said the philosophy was that Council needs to make a decision on the BPT and Homestead exclusion for 2006. He asked if these two separate issues could be staggered. Mr. Fontaine said, if the BPT is eliminated then it is essential that it be coupled with the homestead exclusion because of the increase needed in real estate taxes.

Ms. Dauler indicated that some property owners may not have applied for the Homestead exclusion. She asked if people could reapply. Mr. Fontaine noted those already approved would be eligible. There would be another opportunity to apply in the future; he believed it was December.

Mr. Fontaine noted the report will be posted on the Borough's website. In addition, copies will be distributed to all neighborhood association presidents, the Downtown State College Improvement District, Penn State University, Chamber of Business & Industry of Centre County, and Heritage One. The goal will be to conclude and make a decision by September 19 in order to implement the changes with the 2006 budget.

Mr. Meyer questioned if the real estate millage could be increased in the same year as the Homestead exclusion. Mr. Kern said the real estate taxes would be increased because of the elimination of the BPT. The municipality is restricted from raising taxes because of the Homestead exclusion. The increase can be justified by a significant loss in other revenue.

There being no further business, the meeting adjourned at 9:25 p.m.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary