

**Meeting Minutes  
State College Borough Council  
Work Session  
October 17, 2008**

The State College Borough Council met in a work session on Friday, October 17, 2008, in the State College Municipal Building, 243 South Allen Street, State College, PA. Ms. Goreham called the meeting to order at 12:04 p.m.

Present: Elizabeth A. Goreham, President of Council  
Ronald L. Filippelli  
Donald M. Hahn  
Theresa D. Lafer  
Silvi Lawrence  
Peter Morris  
James L. Rosenberger

Also present: Thomas J. Fountaine, II, Borough Manager; Carl R. Hess, Planning Director; Thomas S. Kurtz, Assistant Borough Manager for Community Services; Roger Dunlap, Assistant Borough Manager for Budget and Administration; Michael Groff, Finance Director; Ernie Dabiero, Director of Purchasing and Risk Management; Arthur Caccavale, Parking Manager; Amy R. Miller, Recording Secretary; Beth Johnston, Human Resources Director; Thomas King, Chief of Police; members of the media; and other interested observers.

**Public Hour.** There were no comments from the public.

**Citizen Survey Results and Environmental Scan.** Council received the results of the 2008 citizen survey. Highlights showed that, overall, citizens were pleased with quality of life and services. The survey showed potential downtown problems with alcohol and traffic volume. Results also showed the community is willing to participate in green sustainability programs.

Staff then presented a draft environmental scan that was completed by employees over a 4-5 month period to provide guidance in determining the primary vision and strategies of the Borough. The purpose of the document is to lead Council into a more extensive strategic planning process in 2009. Staff asked Council to begin discussing strategic issues and provide guidance for the 2009 budget process.

Council members noted the draft document was well written, comprehensive and believed the information included was accurate.

**Third Quarter Financial Report.** Michael Groff, Borough Finance Director, reported on the third quarter's financial performance. He said overall the Borough's performance is on target with budget. He added that the General Fund revenues were up slightly from 2007, and General fund expenditures are very close to where they were in 2007. Council was pleased to see the parking fund doing well and concurred with raising garage rates for special event weekends.

Council questioned why the Parking Fund contributes in-lieu of assessment payments to the Downtown Improvement District. Mr. Groff answered that the Borough is tax exempt and does not get assessed by the DID as is typical for other revenue producing parking facilities. He added that the payments are made according to an in lieu of assessment agreement with the DID that was negotiated several years ago.

**5-Year Financial Forecast.** Mr. Dunlap presented the Borough's 5-year financial forecast for 2009-2013. He also presented three scenarios for Council's consideration which were based on the Borough's 10 year financial history; scenarios presented were 5 year forecasts and staff is preparing for all scenarios dependent upon Council's choice. The scenarios include:

1. Status Quo – This option would maintain all programs and current levels of services. However, the annual expenditures will exceed annual revenues in all 5 years and deplete the general fund balance by 2010.
2. Increase Taxes – This option would also maintain all programs and current levels of services but the annual expenditures would exceed the annual revenues in 2 of the 5 years.
3. Reduce Operating Expenditures – This option would reduce spending by \$2.1 million in 2009 and projects future operating expenditures from that reduced baseline which would impact programs and service levels. The annual expenditures exceed annual revenues in 3 of 5 years. This option would decrease staff and services significantly.

Council suggested a combination of scenarios 2 & 3 because they believed choosing one option would not solve the problem adequately. Council added that given the citizen survey results, cutting services would be irresponsible. Council also suggested supporting state authorization of an alcohol, entertainment and/or hotel room occupancy tax.

**Items of Information.** Ms. Goreham informed Council of two workshops available to Council members; a university/community workshop in Harrisburg and an affordable housing workshop in

State College. She also announced that she, along with Council members Lawrence and Lafer, will attend the Mayor's bi-annual Borough/University Liaison meeting on Election Day.

Council agreed to cancel the 6 pm special meeting scheduled for Monday, October 20.

Mr. Hahn updated Council on the COG Finance Committee discussions.

There being no further business, the meeting adjourned at 2:18 pm.

Respectfully submitted by:

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Cynthia S. Hanscom  
Assistant Borough Secretary