

Meeting Minutes
State College Borough Council
September 17, 2010

The State College Borough Council met on Friday, September 17, 2010, in the State College Municipal Building, 243 South Allen Street, Room 304, State College, PA. Council President Filippelli called the meeting to order at 12:03 p.m.

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

Also present: Thomas J. Fountaine, II, Borough Manager; Carl R. Hess, Director of Planning; Amy R. Miller, Recording Secretary; Charley DeBow, Parking Manager; Linda Welker, Tax Administrator; Michael Groff, Finance Director; Thomas King, Police Chief; Roger Dunlap, Assistant Borough Manager; Beth Johnston, Human Resource Director; members of the media; and other interested observers.

PUBLIC HOUR. There were no comments from citizens.

PROJECTS REPORT. Staff presented Council with an updated list of projects currently in progress and anticipated. Prior to the meeting Council reviewed the project status report and directed any questions to the Manager. Council's only questions were the reasons for the delay in the Calder Way Storm Sewer Rehabilitation and the Fairmount Avenue Reconstruction. Staff indicated that the reason for the delay in Calder Way was because of an adhesion problem and the delay with Fairmount was due to unexpected rock excavation.

UPCOMING AGENDA ITEMS. Council members suggested the following items be added and/or corrected to a future meeting agenda:

- The Same Sex Registration has not yet been scheduled, but should be renamed to "Partnership Registration."
- The 2013 PLCM annual meeting in State College.
- Temporary Use Ordinance.
- An invitation for various human relations organizations to present an overview of issues they have handled.
- Renaming an area, perhaps the Municipal Plaza, after the late Mayor Bill Welch.
- A Ten Year anniversary recognition for the Municipal Building.

Council also reminded staff to schedule important issues during the time when students remain in town and can attend the Council meetings.

PENSION REPORT ON FIDUCIARY MATTERS. Randall R. Rhoades from the firm of Rhoades & Wodarczyk, LLC presented a review related to fiduciary matters associated with the Borough's pension plan arrangements. Mr. Rhoades recommends a panel to review the International City/County Management Association Retirement Corporation's (ICMA RC) work in relation to fiduciary matters, as ICMA RC has become passive in regard to the Borough pensions. As a result, the Borough became their own fiduciary. He also suggested staff develop a committee and, with the help of a consultant, determine how to proceed with further investments. An investment consultant would guide and make recommendations and help develop an RFP, and upon Council's approval, adopt new plans for fiduciary matters.

Council suggested staff be cautious and conduct a thorough review of the recommendations.

MINIMUM MUNICIPAL OBLIGATION FOR THE BOROUGH'S PENSION PLANS IN 2011. Act 205 of 1984 (as amended by Act 189 of 1990) requires that a budget for the Borough's minimum pension obligations for the upcoming year be submitted to Council prior to September 30 of each year. Staff indicated that this budget is based on actuarial costs of the pension plan, obtained from the Borough's actuary, and an estimated payroll figure, which is developed by staff.

Jeff Myers, Actuary from Conrad Siegel, presented an overview of the savings on the pension plans. Mr. Myers said that Act 44 has allowed pension plans to become less of a burden.

Staff recommends funding the MMO at the full level by 2011. Council agreed and added the item should be a separate item on the agenda and not part of consent items.

UPDATE ON DEFINED CONTRIBUTION PENSION PLAN. Staff stated that one of the products of the Borough's most recent collective bargaining efforts with ASFCME was the establishment of a defined contribution pension plan. Staff provided a brief outline of the requirements for the plan.

Council expressed their apprehension of moving the liability from the Borough to the pensioner. Staff responded that a defined contribution can be more costly and could become a liability, but is a relatively low risk.

ACT 32 TAX COLLECTION AGREEMENT. Staff summarized the agreement between the Centre County Tax Collection Committee and the Borough of State College. The agreement appoints the Borough to collect Act 32 Earned Income Taxes for all taxing districts in Centre County beginning January 1, 2012. The agreement will be distributed to the full Centre County Tax Collection Committee, and the Committee is expected to approve the agreement at their meeting on October 7.

Staff reviewed key points of the agreement and reiterated that Council's legal relationship is with the Committee, not the municipal body.

In answer to Council's questions, staff indicated that municipalities will be charged a flat fee for taxes collected rather than a percentage. After actuals are determined, then the municipality may owe additional fees or be refunded fees paid. Staff added that only earned income tax will be collected and electronic filing will not be required.

There being no further business, the meeting adjourned at 1:42 p.m.

Respectfully submitted,

Sharon K. Ergler
Assistant Borough Secretary