

**Meeting Minutes**  
**State College Borough Council**  
**Regular Meeting**  
**Monday, August 1, 2011**  
**7:30 p.m.**

The State College Borough Council met on Monday, August 1, 2011, in the State College Municipal Building, 243 South Allen Street, Room 304, State College, PA.

Present:            Ronald L. Filippelli, President of Council  
                      Thomas E. Daubert  
                      Donald M. Hahn  
                      Theresa D. Lafer  
                      Silvi Lawrence  
                      Peter Morris

Also present: Thomas J. Fountaine, II, Borough Manager; Terry J. Williams, Borough Solicitor; Carl Hess, Planning Director; Sharon K. Ergler, Assistant Borough Secretary; Michael S. Groff, Finance Director; Mark A. Whitfield, Director of Public Works; Amy J. Story, Borough Engineer; Beth A. Johnston, Human Resources Director; Thomas King, Chief of Police; Charles DeBow, Parking Manager; Roger Dunlap, Assistant Borough Manager; Norma J. Crater, Accounting Supervisor; Ernest C. Dabiero, Purchasing Agent/Risk Manager; Lu B. Hoover, Planner/CDBG and interested members of the media and concerned residents.

**Public Hearings**

Domestic Partner Registry - Mr. Merrill Long, 403 South Allen Street and Don Smith stated they have been partners for 35 years. They retired to State College in 2006. They felt they lost all civil rights as a couple. They wanted to commend Council for undertaking this project. They felt this registry would provide some protection and felt it was extremely important and would like to thank Council very much.

2009 & 2011 Consolidated Plan Amendments - There was no one from the public who wishes to speak on this matter.

A Councilman asked why would you program \$197,000 for the College/Fraser Intersection ADA project. Staff responded that this is based on the engineer's estimate. The final amount would be based on bids received. An amount of \$36,000 would be received from PSU for this project. In order to not hold up the Consolidated Plan, in 2012 an additional amendment will have to be undertaken for the project costs.

**Consent Items**

On a motion by Ms. Lawrence, second by Mr. Morris, Council voted unanimously to approve the following consent items:

- The use of the Council Chambers by the American Association of University Women (AAUW) for an issues forum for State College School Board candidates on Tuesday, October 18, from 6:30 p.m. to 9 p.m.
- Award the Base Bid in the amount of \$125,900.00 and the Alternate Bid in the amount of \$36,544.00 for Project #15 (College Avenue/Fraser Street Intersection Improvement Project) to Stone Valley Construction, Inc., the low responsible and responsive bidder, for a total amount of \$162,444.00.
- A resolution authorizing the submission of the 2011/2012 grant application to the Pennsylvania Liquor Control Board for the purpose of Reducing Underage and Dangerous Drinking.
- The bid for traffic signal poles and mast arms to Friedman Electric of State College, PA, the low bidder meeting specifications, in the amount of \$51,420.00 and to reject the low bid from Signal Services, Inc. for failure to meet specifications.

## **General Police and Administration**

### Domestic Partner Registry

Mr. Morris moved to approve the Domestic Partner Registry by enacting Ordinance #1971. Ms. Lafer seconded the motion.

Mr. Morris stated this is the biggest thing State College Borough can do in making an attempt to not discriminate against many of our citizens. He stated we cannot do anything about marriage and can't legalize same-sex marriage. He felt this is a good and just thing to do and he proudly votes in favor of it.

Mr. Hahn stated he does not believe in the entire continuum, but believes in this step.

A roll call vote was taken motion passes unanimously.

### Noise Ordinance Waiver

Mr. Filippelli moved to grant Columbia Gas of PA a waiver of the noise ordinance to install a gas line in Calder Way, crossing Atherton Street. Mr. Hahn seconded the motion.

A Councilman questioned the people affected who happen to be in the Atherton Hotel and a few single-family homes on the west side of Atherton Street and people in the apartment buildings. He also asked how this construction would connect with the PSU calendar and whether or not there will be people in these apartment buildings.

Staff responded that two hotels would be affected. There are high-rise and medium rise apartment buildings in this area and several rental units will potentially be affected. Although this is not the most desirable solution, staff believes it is the most reasonable alternative to make sure the construction is done quickly. To do this during the day would create significant traffic issues in the downtown.

Another Council member stated he felt it was unfair to not give more notice to the Atherton Hotel. He stated they probably don't even know this is going to happen. He did not think this was fair to the hotel or their guests and wondered why couldn't we make them schedule it this week?

Staff stated we did discuss scheduling and agrees with the comments made by Council. The contractor will need to work with the affected properties and hopefully this will allow the hotel to move guests to other parts of the hotel so they are not adversely affected by the noise. The gas company was put on notice that blanket permits will not be approved in the future, especially where there are conflicts.

Another Councilman stated we are nearing finals and she suspected students would have to move to the library to hear themselves think. The contractor will be putting large lights up so they can see what they are doing and she didn't see how there would be any place where they would not be disturbed. She stated, in general, that she would be against the very idea of this in the middle of town where dozens or hundreds live.

Another Councilman stated she had that happen to her in New York City, in Manhattan, last year and it was extremely annoying. She stated she is more concerned with safety and traffic. She felt the Borough should make certain the road is safely opened, both lanes, all day.

Staff noted PennDOT controls work in the PennDOT right-of-way. The noise waiver requires all roads to be opened by 7 a.m. PennDOT controls the roadway.

In response to a question from Council, staff stated in order to avoid problems of this nature in the future; we will not entertain blanket permits like this. We would not anticipate a request like this in the future unless there is an emergency. As part of this process, we have put the contractor on notice and no permits will be issued this late in the season, unless an emergency.

A Councilman asked if we could tell them they have to schedule work of this nature. Staff responded that we could add a stipulation of this nature to the notice.

Staff noted PSU finals ends this Friday and we could ask the contractor to schedule the work next week and limit the times.

Mr. Daubert moved to grant the waiver to the noise ordinance contingent upon the required work being done next week with notification of residents and abutting businesses sometime this week. Ms. Lawrence seconded the motion. The motion passed 5-1 with Ms. Lafer voting against the motion.

## **Planning and Zoning**

### Inclusionary Housing Ordinance

Mr. Filippelli moved to have the public hearing on this ordinance on August 15. Ms. Lafer seconded the motion.

A Councilman stated he had a question under the student issue and undergraduate students enrolled at least half time. He stated anyone that takes 6 credits could qualify. He stated these are not the people we are trying to help with this ordinance. He also questioned the sixth criteria and noted a seventh criterion doesn't exist.

Staff stated this ordinance is using the same eligibility they use for Section 42 tax credit projects. This is the standard recognized by the IRS and Tax Credits Bureau. This set of criteria has passed the test of time and worked in other instances where there was other affordable housing.

A Councilman asked for clarification of the language regarding undergraduates who are enrolled at least half time. He stated the way the ordinance is written, they have to meet at least three other requirements. Staff stated they would have to meet all three of the criteria.

A Councilman asked for clarification on building height. Staff responded the ordinance has provisions to accommodate up to one additional story above the traditional zoning requirements. The R-1 zoning district does not allow for a multi-family dwelling but duplexes are allowed in the R-2 zoning district. Therefore, an extra floor height could, theoretically, be added on to an existing building.

A Councilman stated if you have duplex, you couldn't have six units. It doesn't work. Staff responded that if you have a large enough tract of land and you were going to do a new subdivision, you might be able to come up with six dwelling units. Smaller lot sizes would need to be developed with more vertical height than horizontal area. The only tract of land large enough in the Borough is the Centre Hills Country Club.

A Councilman stated she could see the potential for someone could do that or put together lots. She stated there should be some clarity to know this could happen, as well as in other zones, when there are six units and we now add another floor. Staff stated the additional story would be to multi-family units only not one or two family dwellings. The Councilman stated you could if you redeveloped it. Staff responded only if you redeveloped into multi-family dwellings could you a story to the building as a bonus for multiple units.

Another Councilman stated since it would need to be multiple units more than one or a duplex without rezoning, it would be impossible in an R-2 or R-1. If we were in an R-3 district and redeveloped that building into 6 units that would that fall into this. Staff responded that that was correct; however, these questions were hypothetical and a property owner would need to raze what was there and put up a new building but the lot would need to be large enough to renovate and add six new units.

Those present discussed the bonus section of the ordinance with regard to density and rehabilitation. Staff discussed the conversion of non-residential units, changes in the regulations to get the units off-site and reduction in lot size and lot width.

Council members expressed concerns with the zoning options and people looking for ways around it. It was noted by one member that this would be difficult for the Borough to implement and it might be more appropriate if it was done regionally, at the same time. Following these discussions, Council asked that the changes discussed be incorporated into the ordinance and the ordinance brought back to them as quickly as possible. The motion passed 6-0.

### **Official Reports and Correspondence**

Mayor's Report – Ms. Goreham said she had nothing to report.

President's Report – Council will hold an Executive Session following this meeting to discuss Real Estate.

Staff/Committee Reports - Chief King provided a progress report on accreditation. He noted that three years ago the Borough Police Department received state accreditation. The accreditation is good for three years. The department continues to maintain and follow the 125 professional standards. In June 2011, he noted we had three assessors come on-site and work with one of our lieutenants (Chris Fishel). There were 125 files for each of the three years. He advised Council that at the PA Chief of Police Conference, we received a reaccredited status. This reaccreditation shows proof that we are complying with the professional standards. He felt this was only possible because of the best accreditation manager in Chris Fishel and he feels very strongly about the program; as do the members of the department.

Mr. Hess discussed the Department of Ordinance Enforcement and Public Health's mid-year report. He stated Page 1 showed the amount of snow, grass and weeds violations and rainfall and snowfall. He noted the amount of activity affected by the weather. He noted more refuse violations are now being written since there is an Ordinance Enforcement Officer working every weekend.

He discussed scofflaws of these ordinances and how violations proceed to warrants and possibly liens. He also discussed property maintenance, animal enforcement in College Township and restaurant inspections in the townships. He noted there are 400 licensed establishments, retail food outlets, grocery stores, school district kitchens, etc. that are inspected by staff. He also discussed training activities the department does. He noted best food practices make it easier to maintain safe and sanitary operations at the facilities. He briefly discussed a series of proposed amendments that were triggered by state law. He stated he would be talking to the Board of Health on the 16<sup>th</sup> of August. He also advised that the Cooking for Crowds class that the Borough held earlier received an excellent turn out and he was surprised that we had to cancel the two most recent classes. He noted the department has added a part-time person that is shared with Parking Enforcement. There are no new staff changes this year.

Council questioned time limits given to property owners to fix up their properties, and graffiti and how it is handled. Staff advised the ordinance does include time limits to discourage additional graffiti being placed on properties.

ERP – Status report of the ERP IT 111 Project – moving towards contract award.

Staff reported Council is expected to award a contract on the ERP at their August 15 meeting. The goals of the ERP are to improve services to the COG, library and C-NET. With this program, we will be able to have more information at our fingertips for striving to achieve this. Staff noted this project has been ongoing for a number of years and is a project we can achieve.

Staff noted the Borough is a late adopter in this ERP Market. However, this has been to our advantage as we can learn from the mistakes of others. Staff felt this was a good strategy and no modifications are needed to the software.

Staff stated this program would change the way we do our jobs and engage with residents and customers. We will do things differently and do different things. We will be able to do what our customers want and in a way they would like to do business with the Borough.

Staff stated they are working on an RFP for the software with the vendors and are looking at their tract record with regard to their success. We are currently in negotiations with our preferred vendor and

performing due diligence reference calls. Staff has checked on two vendors and taken a site visit to Cranberry Township who has very recently implemented a similar program. Staff will continue our due diligence and bring this item back for the August 15<sup>th</sup> meeting.

The financial functions of the program will be first. A presentation will be given to try to engage Council in conversation on this project in anticipation of the 15<sup>th</sup> contract award.

Council asked about the neighboring townships and regional cooperation in this project. They asked what efforts have been made to include them in the process. They asked about the need for upgrades, and asked if cost concerns were considered so we don't price ourselves out of their budget.

Staff responded we have been understanding and conscious of existing contracts and relationships with COG. Several members of their agencies have been involved since the beginning. They were not invited as part of the Steering Committee, but were included on business requirements, interviews, and one-on-one and groups settings. They were invited to our three vendor demonstrations and a number of sessions, and not just COG, but other member municipalities - College, Patton, and Ferguson. Every municipality was represented at the on-site demos. Code Office is looking into a software project where they are hoping to hire some new solutions and improve their business processes. Staff noted people like to do business on-line. They don't want to wait three days for a permit. We are trying to coordinate with Codes. We will be conducting another demonstration of Tyler Software and Tammy Strouse from the Code office will be able to take a look at the software. This meeting will be on Wednesday and we will schedule another opportunity to review the software and see if it meets the needs of the Code office.

Staff responded that the primary concern from COG is their ability to have a better opportunity to serve the customers. The Accounting software will give them greater ability to access portions of the COG budget more efficiently. That part of the relationship has been positive. Many discussions have not resulted in a whole lot of dialogue. The Code software is the most significant and has been the most challenging.

Staff noted cost is a concern. There is not enough information to determine how much this will change for financial services. It is not going to increase their costs. Change is what everyone is scared of. A Council member stated if cost is the factor scaring COG it could be that we are biting off more than is needed and we are being more ambitious causing some of the other units to not be interested. Staff stated the existing system is less expensive than other packages. The two main concerns are cost and timing. How quickly will this ERP be in place? The Borough is in a good position of being ready sooner than the COG program. We are continuing to work at that.

In response to a question from Council, staff stated we are buying what we think is in the best interest of State College. This product could work efficiently for the Region. Staff feels we have kept the best interest of the region and municipalities involved in mind.

One Councilman stated the old system is limping along and needs to be replaced. She stated she has lived through this more than once. Whether or not Code or COG joins in, our staff has put in amazing amount of time and effort in finding a design that works well for us. She noted there might be some bugs to be worked out but she has faith that staff had a good handle on what we wanted and needed. She felt we were as comfortable as one can be. She felt we need to make it separate from COG and Codes. She felt it would work best if we agreed on a system and went ahead and wit it if it is right and we are comfortable with it.

In response to a question from a Councilman regarding the past CIPs, Projects #103 and #111 (Enterprise Resource Planning System), staff stated there have been a number of individual IT projects in the past CIPs; however, all projects are essentially part of the ERP. These projects have been moving along and gathering steam. All of those items became to be known as ERP 111. Staff noted it is time to start moving on this project because we have customers out there who need to feel served.

A Councilman stated we have to move ahead with what is best for State College. If COG and the other municipalities turn it down, we should go ahead on our own. Politics should not get into this project. He

felt we should move ahead and do what we need to do. Our customers are not COG. They are our citizens.

Staff stated that is the schedule we are on. They advised Council that if they needed additional information, they should let staff know.

A Council member stated our customers are borough residents and our residents are rather well served if we can market our services to other municipalities. He felt there would be savings to our customers and the surrounding municipalities.

Second Quarter Budget Report – Staff reported positive news regarding the second quarter. This information will be placed on the Borough's website and will be available for public view. Staff reported all revenues and expenditures are on target. We are \$29,000 ahead of this time last year. We are on par and on pace this year. There have been no significant costs in fees. Some positive things this quarter were a slight increase in the cable franchise, police, and public works services. One area that was down was interfund transfers. There have been decreases in interfund from some of the enterprise funds. On the revenue side, we are on target.

Expenditures are under \$9 million. This is \$550,000 ahead of last year. The third quarter reflected energy costs are related to that in the second quarter. There have been some savings in other areas, such as staff vacancies. Parking is also on target. There are losses of under \$7,000 compared to loss of \$65,000 last year. There has been improved performance and an increase of \$41,000 over the same period last year. We have received interest from special rates and from the Fraser Centre interest payment.

The Sanitary Sewer Fund is on target, showing a profit of over \$1,000,000 compared to \$860,000 last year. This is largely due to sewer rental fee increases implemented in 2010. Expenditures are running \$1.7 million versus \$1.4 million for the same budget period last year. This increase is primarily due to the timing of payments for treatment costs, as well as capital costs incurred for the West Foster Avenue capacity upgrade project.

The Refuse Fund is also on target and staff advised Council to look at the report for actual numbers and savings.

In response to a question from Council about reports from other cities about parking performance, staff stated we are doing better than the National average.

Financial Trend Monitoring System Report – Staff reviewed the report for Council and identified key factors of analysis. The Real Estate Tax revenue was discussed first. It was noted this revenue increased from \$2 million to \$4.8 million, largely due to the result in the millage of the tax rate, which makes comparison difficult. Increase was offset by the impact of inflation. Assessed valuation has declined, especially in new construction. Approximately 45% of our realty is tax exempt. The Business Privilege Tax was repealed. This is an area of concern but we have little control over it. There have been increases in assessed valuation; however, this has not enjoyed the same growth. The Borough is built out.

Earned Income Revenue has only increased 8.7% for the period or 1% per year. Wage earners generate earned income tax and impact the revenue. This is an unfavorable trend with an 18% decline in the value of EIT revenue. The per capita basis has been adjusted for inflation and has declined from \$95 to \$71 per person. The Borough doesn't enjoy the growth that our neighbors enjoy.

The General Fund has increased 42%. Approximately \$2.3 million of this increase was to fund three CIP projects: the new municipal building, the Borough's share of the COG office building and the new Schlow Library. Fund expenditures increased just \$959,000 or 7.6%. Staff noted the per capita expenses are incorrect and will be corrected on the website. With regard to the General Fund Operating Performance, staff noted since 2005, General Fund revenues have exceeded our expenditures. Increases in revenues have been impacted by decreases in our debt in 2009.

Staff noted that Council adopted a policy in 2005 calling for the unreserved fund balance to be maintained at a minimum level equal to 12% of General Fund expenditures and that target has been achieved. Staff discussed the outstanding debt by fund and noted most of this debt is in the parking fund. Another outstanding debt is the Borough's portion for the regional swimming pool improvement projects. Staff noted the composition of the debt is changing. The Borough is one of less than 20 other communities that have an AA rating from Standard & Poor's. No more than 10% of our revenues are devoted for debt services and lately, we have been in the 7% or, now closer, to 5% range.

Staff also noted that seven of our financial trend indicators are favorable and nine are neutral. The Borough has a solid financial basis for moving forward into the future. There was one alert on assessed valuation. The Borough is in good financial health and the AA rating is indicative of this. However, we need to be aware of this on an annual basis.

Council thanked staff for this report and stated it was very informative and instructive. It was noted that neighboring communities have a lot of available land to be developed. Council discussed our problems on EIT and assessed valuations similar to other cities in PA. It was noted that we are probably better off than most cities. If there is an example out there, of attracting earned income taxpayers, in terms of safety, tax level and the quality of service, we are probably marketably higher and we are still suffering the erosion.

Staff noted the PA Economy League on Fiscal Health summarizes it. The challenge is to find different assessment practices. It is difficult to compare from county to county. We need to assess how we compare without core communities.

The breadth and depth of services offered here was discussed. The Manager noted the issues that staff points out cut across the board. The problems relate to the earned income tax base. There is no example of any city that is doing measurably better in any of those categories. Many are doing more poorly because of the economy.

Council thanked staff for pulling a lot of information together clearly. It was noted we need to get people of working age to want to move into our community.

UPUA Student Representative – The representative had no report.

There being no additional business, the meeting adjourned at 9:40 p.m.

Respectfully submitted,

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Sharon K. Ergler  
Assistant Borough Secretary