

State College Borough Council
December 20, 2004

The State College Borough Council met on December 20, 2004, in the Council Chambers of the State College Municipal Building, 243 South Allen Street. Mayor Welch called the meeting to order at 7:32 p.m.

Present: Bill Welch, Mayor
Thomas E. Daubert, President
Catherine G. Dauler
Elizabeth A. Goreham
Craig R. Humphrey
Jeffrey R. Kern
Janet K. Knauer
James H. Meyer

Also present were: Thomas J. Fountaine, II, Borough Manager; Terry J. Williams, Solicitor; Ronald A. Davis, Assistant Manager; Barbara J. Natalie, Assistant Secretary; Thomas R. King, Chief of Police; Michael S. Groff, Director of Finance; Mark A. Whitfield, Director of Public Works; Mark S. Henry, Health Officer; Tim Grattan, Information Systems Director; Herman L. Slaybaugh, Zoning Officer; Amy J. Story, Borough Engineer; Linda S. Welker, Tax Administrator; Michele Nicolas, Director of Human Relations; members of the media; and other interested observers.

The Pledge of Allegiance followed a moment of silence.

PUBLIC HOUR. No one spoke to issues that were not included on the prepared agenda.

CONSENT ITEMS

COG: Alternate Delegate Voting Rights – 2005. The first item of Consent was to approve voting rights for Centre Region Council of Governments' (COG) committee meetings in 2005.

Every December, Mr. Fountaine said, each COG municipality is asked to affirm or change their policy regarding alternate delegate voting rights at COG's standing committee meetings. Once established, the policy remains in effect throughout the coming year. Council's policy has been:

“Any State College Borough staff member or Council member, in attendance at a COG standing committee meeting, who is attending in lieu of the representative designated to attend, has the power to vote on behalf of the State College Borough Council.”

Upon motion of Ms. Knauer, second by Ms. Dauler, Council voted 7-0-0 to approve the same policy for 2005.

Adelphia: Cable Television Franchise Agreement Extended. Council was next asked to consider a Resolution, drafted to extend the cable franchise agreement between the Borough and Adelphia.

Mr. Fountaine distributed a Resolution, prepared by staff, to extend the franchise agreement with Adelphia Central Pennsylvania, LLC, for six months while negotiations to renew the agreement continue. If approved, he noted, the agreement will expire on June 30, 2005.

Ms. Knauer moved to enact Resolution 874, extending the existing Agreement with Adelphia until June 30, 2005. Ms. Dauler seconded her motion, and it carried unanimously.

ABCs: Appointment of Members to... The only other item of Consent was to appoint members to various Authorities, Boards, Commissions, and Committees.

Mr. Daubert advised that Council selected several nominees to serve or continue to serve as members of advisory groups. Each of the nominees was contacted and expressed a willingness to serve on the boards assigned to them. They are:

<u>Advisory Group</u>	<u>Nominee</u>	<u>Term Expires</u>
Authorities Board.....	Robert P. Weaver	12/31/2009
Board of Health.....	Richard W. Bryant	12/31/2009
Water Authority	Emory E. Ensore, Jr.	12/31/2009
CDBG Citizens' Advisory		
Committee.....	Theresa D. Lafer	12/31/2008
.....	Shelton S. Alexander	12/31/2008
.....	Melissa Alvarez	12/31/2008
.....	Wayne Gersie.....	12/31/2008
Historic Resources		
Commission.	Richard Virgil	12/31/2008
.....	Richard W. Bryant	12/31/2008
.....	<u>Katsuhiko</u> Muramoto	12/31/2008
State College		
Planning Commission	Ron Madrid	12/31/2008
Tree Commission	Marc McDill.....	12/31/2007
.....	Kelleann Foster	12/31/2007
Local Tax Appeals Board	Robert Klingler	12/31/2006
.....	John P. Marchek, Jr.....	12/31/2006
Rental Housing Revocation		
Appeals Board.....	Paul G. Knight	12/31/2007
Zoning Hearing Board	Michael W. Roeckel.....	12/31/2007
Library Board.....	Catherine H. Zangrilli	12/31/2007
Community Land Trust.....	Craig R. Humphrey	12/31/2007

Mr. Daubert moved to appoint the members listed to their respective boards for the terms quoted and, as required by the Municipalities Planning Code, to enact Resolution 875, affirming the appointment of Michael W. Roeckel to the Zoning Hearing Board. Ms. Goreham seconded his motion, and it carried unanimously.

BIDS/CONTRACTS/AGREEMENTS

Urban Village District: Market Feasibility Study of... The first item of this category was to consider a proposal to employ a consultant for a market feasibility study of the Urban Village (UV) district.

Mr. Fontaine noted that the employment of a consultant to perform a market feasibility study of the UV district, adjacent areas in Ferguson Township, and land along West Beaver Avenue was received on December 6 and discussed on December 10. Three consulting firms submitted proposals to do this work:

Weber Murphy Fox, Incorporated	\$ 30,000.00
State College, Pennsylvania	
Economics Research Associates	\$ 27,500.00
Chicago, Illinois	
Synergy Real Estate Corporation.....	\$ 14,500.00
Pittsburgh, Pennsylvania	

A subcommittee, set up to review the proposals, recommended that Council hire Synergy because they were the only bidder under budget with the proviso that, if both the Borough and Ferguson Township were able to find extra funding, Economics Research Associates (ERA) be hired. The Borough's share of funds needed to employ ERA would be \$16,500.00. Ferguson Township approved the additional funds to employ ERA. Council considered this during a work session held December 10 and, at the time, it appeared there was a consensus to approve the ERA contract and appropriate funds for the Borough's share in the 2005 budget. Mr. Fontaine recommended that Council award the contract to ERA.

Mr. Kern moved to award the contract to ERA, in amount \$27,500.00, and include the money needed to pay the Borough's share of this work in the 2005 budget. Ms. Dauler seconded his motion.

Ms. Knauer reiterated her concern that a consultant will tell Council what they already know. She believed this study would be a waste of money, money that could be better spent to improve the neighborhoods.

Council voted 6-1-0 to approve Mr. Kern's motion. Ms. Knauer voted against it.

Project 6-2004. The only other item of this category was to take action on bids received for Project 6-2004.

Bids for Project 6 were opened on November 23rd, Mr. Fontaine said. Project 6 consists of the upgrade of approximately 1,755 linear feet of sanitary sewer, from 6- to 8-inch pipe. The project area included Hamilton Avenue (Pugh to Locust Lane) and Burrowes Street (Highland to Nittany). Project 6 was put out to bid with a base to "remove and replace" the pipe and an alternate to "pipe burst" it. Seven contractors expressed an interest in doing the work; three bids were received:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alternate A</u>
DAC Enterprise.....	\$ 219,290.00.....	No Bid
Douglas A. Crestani, Owner Julian, PA		
Glenn O. Hawbaker, Inc.	\$ 226,897.50.....	No Bid
Daniel R. Hawbaker, President State College, PA		
Paradise Contracting	\$ 248,622.00.....	No Bid
Mark Campolongo, Partner Bellefonte, PA		

Mr. Fontaine explained that, originally, staff thought it would be necessary to increase the main line on Hamilton Avenue and anticipated less interruption to the residents with the "pipe burst" method; however, no "pipe burst" method bids were received. A closer review of the flow data shows no current capacity issues with the 6-inch pipe and further review of the video tapes indicates only a few areas where spot repairs will be necessary. This is something that the Borough crews can complete over the winter months. The sanitary sewer on Burrowes Street is in need of a capacity increase but can be incorporated into the street reconstruction project proposed for completion in 2005. Staff felt that residents and businesses along Burrowes would be inconvenienced less with one project versus two separate projects. For those reasons, Mr. Fontaine recommended that Council reject all bids received.

Ms. Goreham moved to reject all bids received for Project 6. Mr. Meyer seconded her motion.

Ms. Goreham asked what savings would be produced from this change. Mr. Fontaine said there would be some savings but reminded members that part of the work will be incorporated into the Burrowes Street reconstruction project. Mr. Kern was disappointed that the bidders put in an effort to make offers only to find that the Borough changed its mind; as one who does this for a living, he found it exasperating. Ms. Story advised that staff may have recommended a contract be awarded had any bidder offered to pipe burst the project, but none of the bidders do that type of work and they would have had to subcontract it.

When the question was called, Council approved Ms. Goreham's motion unanimously.

ABC RECOMMENDATIONS

RER: Subdivision of 845 North Allen Street. The first item referred by an advisory group was to approve a subdivision plan for 845 North Allen Street.

Mr. Fountaine reported that the Borough received a minor subdivision plan that proposes to divide 845 North Allen Street into two smaller lots for the intended purpose of creating a new building lot. The plan was reviewed and approved by the Planning Commission on December 8 and recommended for approval by Council with two conditions:

- (1) The required driveway easement must be generated and recorded with the plan; and,
- (2) The carport must be demolished.

The lot, she said, is located at the southeast corner of the intersection of Thomas and North Allen Streets. A single-family, owner-occupied, residence with a detached carport sits on the site. The lot is large enough to be divided into two 1-family building lots, which the owners proposed to do by having one lot contain 20,258 square feet and the other 14,818 square feet. A shared driveway easement will be executed by the landowners and recorded as part of the replot. Although not required by law, he said, the Planning Commission requested that notification be sent to all adjoining land owners informing them of this subdivision. The notices were mailed on December 10. Mr. Fountaine recommended the subdivision be approved.

Upon motion of Mr. Kern, second by Mr. Meyer, Council voted 7-0-0 to approve the subdivision with the conditions recommended by the Planning Commission.

RER: Replot of 230-232 and 234-236 South Allen Street. The only other item referred by an advisory group was to consider the replot of 230-232 and 234-236 South Allen Street.

Mr. Fountaine reminded members that this replot was generated by staff to facilitate the coordinated development of the Borough's land with those of Ralph Heimer. The replot was reviewed and approved by the Planning Commission on December 8 and is being recommended for approval by Council with one condition, that the existing house at 234 South Allen Street be demolished. He noted that the Borough owns 230-232 South Allen and Ralph Heimer owns the adjacent 234-236 South Allen Street. Heimer proposes to redevelop his lot by demolishing the existing building and erecting a new commercial/residential building with parking in the rear. A grade-level plaza will be located along the front and south side of the new building. The Borough plans to redevelop its two lots by demolishing the existing house and building a new parking lot. To facilitate the redevelopment, the two parties will swap land. 674 square feet will be conveyed to Heimer by shifting the front lot line. This shift will allow Heimer to control the plaza around his new building. Heimer will convey 672 square feet back to the Borough by shifting the lot line on the rear portion of the lot. This shift will allow the Borough to control the land on which its parking is located and permit landscape improvements to be made. Both the Planning Commission and Council previously approved the coordinated redevelopment approach.

Mr. Kern moved to approve the replot, as recommended by the Planning Commission. Mr. Humphrey seconded his motion and it was approved by a vote of 7-0-0.

OLD BUSINESS ITEMS

Transportation Commission: Work Plan for 2005. There was only one item of Old Business, to approve the Transportation Commission's work plan for 2005.

On November 17, Mr. Fountaine said, the Transportation Commission approved its work plan for 2005 and forwarded it to Council for approval. Council discussed the plan at its December 13th work session and asked that it be included on this agenda for action.

Ms. Dauler moved to approve the work plan for 2005 as it was modified during the December 13 work session. Her motion was seconded by Ms. Goreham.

Mr. Humphrey reported that, on two separate occasions, he was approached by residents who were concerned about the safety of children walking to and from the Easterly Parkway elementary school (children who live within one mile of a State College Area School District school are not provided bus service). After hearing that other members of Council had had similar discussions, he moved to amend the Commission's work plan to add this topic to their

list of things to do in 2005. Ms. Goreham seconded his motion and it carried unanimously. The main motion, as amended, was also approved unanimously.

NEW BUSINESS ITEMS

Earned Income & Net Profits Tax Ordinance: Rules & Regulations for... The first item of New Business was to take action on new rules and regulations for the collection of the earned income and net profits tax.

Mr. Fontaine told Council that tax collectors within the State College Area School District meet regularly to review federal and state tax law changes and judicial decisions to determine whether or not changes need to be made to the local earned income and net profits tax rules and regulations. He itemized several changes being recommended and suggested Council approve the new regulations.

Upon motion of Ms. Dauler, second by Mr. Kern, Council voted 7-0-0 to enact Resolution 868 amending the rules and regulations for the collection of the earned income and net profits tax, beginning on January 1, 2005.

Council Meeting Schedule – 2005. Next, Council was asked to approve a schedule for its meetings in 2005.

Mr. Fontaine noted that, each year, Council approves a schedule for meeting in the coming year. He distributed a calendar that was prepared using 2004 as a sample and recommended it be approved.

Because there were no pressing issues to be deliberated, Council agreed, without dissent, to cancel the January 3, 2005 meeting and to publish the remaining schedule as provided.

Downtown Improvement District Millage Rates – 2005. The next item was to fix the millage rates for property assessments in the downtown.

Every year, Mr. Fontaine said, it is necessary for Council to enact an ordinance to establish millage rates for the assessment of properties located within the Downtown Improvement District (DID). The millage rates being recommended for 2005 are the same as those assessed for the past three years. Approximately \$307,657.00 will be generated from the assessment of the 483 properties within the district.

Upon question, Teresa Sparacino, Executive Director of the DID, said their organization could always use more money; however, according to the Commonwealth's enabling legislation, they are not permitted to increase rates during the first five years of operation.

Ms. Dauler moved to enact Ordinance 1802, fixing the millage rates for DID property assessments at the same level as 2004. Ms. Goreham seconded the motion, and it was approved unanimously.

2005 Borough Operating and Special Fund Budgets. The next item was to take action on the 2005 operating budgets.

The proposed 2005 budget was made available to Council and the public in mid-November, Mr. Fontaine said. A public hearing was held on December 6. One comment was received urging Council to show restraint in approving the budget. Council members reviewed the budget at several work sessions over the past 30 days. During the review period, Pennsylvania Act 511 was amended authorizing municipalities to enact an Emergency and Municipal Services (EMS) tax of up to \$52.00 per year, an increase of \$42.00 over the current Occupational Privilege Tax. Although revenue from the EMS tax may only be used for specific purposes, enactment of the tax provided Council an opportunity to review the mix of taxes levied and services provided and consider, among other options, the repeal of the Business Privilege Tax when coupled with the adoption of a Homestead Exemption to provide property tax relief for homeowners in the Borough in 2006. As a result of the budget review process, a budget package was developed for 2005 that provides sufficient revenues

in both 2005 and 2006 to leave these options open for consideration. The final budget proposal for 2005 includes the following:

- an additional police officer, bringing the authorized strength of the police department to 63 officers;
- provides funds for the Borough's obligations in connection with the Schlow Memorial Library project;
- provides funds to restore the general fund unreserved balance to 12 percent of the general fund budget;
- provides for a reserve of \$325,000.00 to apply to the homestead exemption in 2006;
- provides for the transfer of \$180,000.00 to the capital reserve fund and restores part of the Capital Improvement Program for 2005;
- provides for restoring part of the proposed reductions in Borough staffing for 2005;
- provides for rolling back the proposed increase in the earned income tax to previous levels;
- provides for increasing on-street parking meter fees by 25¢ per hour and restaurant and food license fees to cover the cost of the programs;
- provides for a real estate tax levy of 7.3 mills in 2005; and
- provides for an emergency and municipal services tax of \$52.00 with an exemption of \$5,200.00 (this will raise an estimated \$984,585.00 in 2005, all of which will be used to fund the Police Department, including the hiring of new officers).

Although the budget provides a tax and revenue structure that will permit Council to consider a variety of options related to the taxes levied and the services provided by the Borough, Mr. Fountaine said Council will not take up these issues until 2005. An ad hoc committee may be appointed to study the tax issues related to repealing the business privilege tax and report back to Council on the impact of shifting this loss of revenue to the property tax, along with the implementation of the homestead exemption. Once Council has this report, decisions can be made for the 2006 budget.

As presented, the budget total of \$25,769,221.00 is recommended for approval. The budget includes the following:

General Fund	\$14,208,977.00
Capital Projects Fund.....	1,209,100.00
Refuse Fund	2,851,173.00
Sanitary Sewer Fund.....	4,169,310.00
Parking Fund	2,615,356.00
Highway Aid Fund.....	645,415.00
Bellaire Court Fund.....	53,590.00
Bus Terminal Fund	16,300.00

Mr. Kern moved to enact Resolution 869, appropriating those sums listed and required for the purposes specified during 2005. Ms. Dauler seconded his motion.

Ms. Goreham noted that the budget being recommended does not include extended parking enforcement hours. She suggested that enforcement until 10:00 p.m. be an item for Council's work session agenda in January. Her suggestion did not receive a second.

Mr. Meyer preferred to leave daytime rates at their current level and reprogram meters to add five hours of enforcement. His reason was that shoppers use the meters during the daytime hours whereas a different crowd comes downtown in the evening. Ms. Goreham seconded his motion.

Mr. Kern said he may agree philosophically but parking is a complicated issue, one that cannot be resolved on the floor. Mr. Daubert disagreed with Mr. Meyer's motion; he wanted to encourage garage use and felt the way to do that is to increase fines for not feeding the meters. Ms. Knauer agreed; she thought the increases should be included in the budget.

Voting on Mr. Meyer's amendment, Council voted 1-6-0. Mr. Meyer was the only one who voted for it.

Ms. Knauer reminded Council that one of its priorities was to focus on the preservation of neighborhoods; she hoped that members would return to that philosophy. Ms. Goreham expressed concern that homeowners and wage earners are paying for most of the services; she would like to have other options.

Voting on the main motion, Council approved it unanimously.

Real Estate Tax: Millage Fixed for 2005. Next, Council took action to fix the real estate tax millage for 2005.

To balance the budget just passed, Mr. Fontaine said it is necessary for Council to enact an ordinance to levy a real estate tax for the coming year. For 2005, staff is recommending it be fixed at 7.30 mills, an increase of 1.6 mills.

Mr. Kern moved to enact Ordinance 1803 to fix the real estate millage for 2005 at 7.30 mills. Mr. Daubert seconded the motion.

Ms. Goreham said she could not vote for the increase because businesses are paying 4 to 5 mills of assessment to Downtown State College on top of their property taxes. The increase will not only be paid by homeowners, but it will be passed along to renters. She would have preferred to wait until 2007 to raise taxes. Mr. Kern pointed out that the budget just approved is predicated on the passage of this tax increase. The Commonwealth leaves municipalities with no other options than to increase real estate or earned income taxes.

When the question was called, Council voted 6-1-0 to approve the motion. Ms. Goreham voted against it.

Real Estate Penalty and Discount Rates. The next item was to establish the penalty and discount rates for the payment of real estate taxes in 2005.

Every year, Mr. Fontaine said, Council establishes discount and penalty amounts for the payment of real estate taxes. For 2005, it is proposed to continue the discount of 2 percent for payment of real estate taxes paid within two months and the penalty of 10 percent for failure to make payment within four months of the tax notice.

Upon motion of Ms. Goreham, second by Mr. Kern, Council voted 7-0-0 to enact Ordinance 1804, to continue the same penalty and discount rates for the payment of real estate taxes in 2005.

Emergency & Municipal Services (EMS) Tax. Council was then asked to initiate an Emergency and Municipal Services (EMS) Tax.

Mr. Fontaine reported that Act 222 of 2004 amends the Local Tax Enabling Act (511 of 1965) to permit municipalities and school districts to impose a combined EMS tax of up to \$52.00 a year beginning January 1, 2005. Act 222 replaces the Occupational Privilege tax. As legislated, the total EMS tax paid by any individual in a calendar year is limited to \$52.00, regardless of the number of political subdivisions in which an individual works during the year. If enacted, five of those dollars will continue to go to the school district. The Act provides for a low-income exemption and restricts the use of the funds collected to pay for police, fire, or emergency services; road construction or maintenance; or for the reduction of property taxes. And, Section 9 of the Act prohibits municipalities from requiring that employers withhold and collect the EMS tax more than once in a calendar year.

Mr. Daubert moved to enact Ordinance 1805, repealing the Occupational Privilege Tax and levying an EMS tax at a rate of \$52.00 per year, beginning January 1, 2005; providing for an exemption from paying the tax if an individual earns \$5,200.00 or less during any calendar year; and providing for the tax to be collected by employers. Mr. Kern seconded his motion.

Ms. Goreham stated that the poverty level is currently \$9,000.00 and asked if the motion could be amended to raise the exemption level. Mr. Daubert said the \$5,200.00 figure was discussed in work sessions and chosen by Council members because it maintains the same 1 percent rate as the current Occupational Privilege Tax.

Council voted 6-1-0 for Mr. Daubert's motion. Ms. Goreham voted against it.

2005 Pay Plan for Non-Union Employees. The next item was to approve the 2005 pay plan.

Mr. Fountaine distributed a resolution providing for a position classification and compensation plan for non-union employees in 2005. The plan is incorporated in the budget, he said, and represents an across-the-board cost-of-living adjustment of 3 percent for non-union workers.

Upon motion of Ms. Dauler, second by Mr. Kern, Council voted 7-0-0 to enact Resolution 870, implementing the pay plan for 2005, as described.

General Government Employees' Pension Fund. Next, Council was asked to establish member contributions to the general government employees' pension fund.

Mr. Fountaine described a resolution prepared to establish the terms and conditions for maintaining the general government employees' pension plan. The pension ordinance authorizes contributions by participants of from zero to 4 percent, with the annual rate established based on the amount of state aid anticipated. During 2005, it will be necessary to establish the general government employees' pension contributions at 4 percent.

Upon motion of Ms. Dauler, seconded by Mr. Daubert, Council voted unanimously to enact Resolution 871, establishing general government member contributions to the pension plan at 4 percent.

Police Pension Fund Contributions. Council was then asked to establish member contributions to the police pension fund.

Mr. Fountaine shared a resolution prepared to establish member contributions to the police pension fund. He noted that the police pension ordinance requires contributions by police pension participants whenever an actuarial study shows that such funds are needed to maintain the soundness of the fund. Based on the actuary's advice, it will be necessary to establish police pension contributions at 5 percent in 2005.

Upon motion of Ms. Goreham, second by Mr. Humphrey, Council voted unanimously to enact Resolution 872 to establish member contributions to the police pension fund at 5 percent for the year 2005.

Mayoral Salary. The next item was to fix the Mayor's salary for the next mayoral term.

Mr. Fountaine advised that candidates for the office of Mayor should understand what salary they will receive should they be elected to that office. Candidates for the office of Mayor will begin to circulate their petitions in February to be included on the ballot for the primary election in the spring of 2005. In accordance with Section 1024 of the Borough Code, the Mayor's salary is fixed by ordinance and may not be changed during a mayoral term. The Mayor's salary of \$8,000.00 was established in 1989. If changed, the new amount will remain in effect until at least December 31, 2009.

Mr. Kern moved to fix a salary for the Mayor, beginning January 1, 2006, at \$12,000.00 per year. Ms. Dauler seconded his motion.

Ms. Knauer said she never understood why the Mayor receives a stipend when Council members do not. If the money given to the Mayor is truly a salary, then Council members should also receive a salary.

Council voted 6-1-0 to enact Ordinance 1806, fixing the Mayor's salary at \$12,000.00 per year beginning January 1, 2006.

Ms. Knauer made a motion to have Council consider a salary for themselves, a salary that would begin in the 2006 budget. Ms. Goreham seconded the motion.

Mr. Meyer pointed out that this would amount to \$84,000.00; he wondered how that would be funded. Ms. Knauer replied that her motion was to discuss a salary; during discussion funding could be considered.

When the question was called, Ms. Knauer's motion failed by a vote of 3-4-0. Ms. Knauer, Ms. Goreham, and Mr. Humphrey voted for the motion.

Solicitor Services: Retainer for... The next item was to approve a new retainer for the Borough Solicitor.

Mr. Fontaine reminded Council that the Solicitor's retainer has been adjusted annually since 2001. To keep the retainer current, he recommended that small adjustments be made on a routine basis. The Solicitor's current retainer of \$31,380.00 covers all legal matters for the Borough with the exception of actual litigation and legal work related to municipal bonds and other debt instruments. For litigation, the Solicitor's hourly rate of \$85.00 will continue to apply.

Ms. Goreham moved to enact Resolution 873, setting the retainer for the Solicitor, beginning January 1, 2005, at \$32,340.00 per year, a 3 percent increase. Her motion was seconded by Mr. Humphrey and carried unanimously.

Parking: Fees for...Amended. The next item was to amend the Vehicle & Traffic Ordinance to change fees for parking.

During budget deliberations, Mr. Fontaine said, Council determined that, in order to provide parking facilities and services at the current level, it would be necessary to increase user fees. Staff drafted an ordinance to increase certain parking fees. As written, the ordinance increases fees for commuter parking (from \$35.00 to \$ 40.00 per month) and monthly rental parking fees (from \$72.00, \$54.00, and \$30.00 per month to \$84.00, \$63.00 and \$35.00 per month, depending on where the rentals are located). Hourly rates for on-street parking meters are also increased, from \$.75 per hour to \$1.00 per hour in the commercial district and from \$.40 per hour to \$.50 per hour for on-street meters in the long-term meter zones.

Mr. Daubert moved to enact Ordinance 1807, amending the Vehicle & Traffic Ordinance to increase fees for parking, as described. Ms. Dauler seconded the motion.

Mr. Kern wanted to encourage the use of garages. The fees proposed would put an unwelcome burden on those employees who work downtown, especially those who rent multiple spaces for their businesses, of which he is one.

Mr. Meyer moved to amend Mr. Daubert's motion to remove all of the monthly parking increases from the ordinance. Mr. Kern seconded the motion.

Mr. Meyer wanted to see a year's use of the new garage before raising garage rates are increased. Mr. Fontaine pointed out that the bond issue for the new garage is predicated on increases in parking rates. He said the Parking Fund may be able to absorb debt payments without an increase in garage rates in the short-term but he doubted that could be sustained. Mr. Daubert noted that the cost to park in a private surface lot is sometimes more than the Borough is charging to park in the garages.

Voting on Mr. Meyer's amendment, Council voted 4-3-0 to approve it. Ms. Knauer, Mr. Daubert, and Mr. Humphrey voted against the motion.

Voting on the main motion, as amended, Council voted 5-2-0 to approve it. Ms. Knauer and Mr. Humphrey voted against it.

Food Establishments: Licensing/Inspection Fees to be Increased. Next, Council was asked to increase fees for licensing and inspecting establishments that sell food.

Mr. Fontaine reported that license fees for food establishments were last increased in 1997 and were set at \$100.00 for eating and drinking establishments, \$50.00 for retail food establishments, and \$40.00 for the first day (\$3.00 additional for each day thereafter) for

temporary food establishments. Staff is recommending the fees be amended to reflect the increased cost of staff time to inspect and administer the program. Fees are being proposed at: eating and drinking establishments, \$130.00 per year; retail food establishments, \$65.00 per year; and temporary food establishments, \$45.00 for the first day and \$5.00 additional for each day thereafter up to a maximum of \$110.00 (for two weeks). If the establishment continues longer than two weeks, he said, a regular license would be issued.

Mr. Kern moved to increase the fees for licensing and inspecting food establishments, as described. Ms. Dauler seconded his motion.

Mr. Kern asked if the increases would cover the cost of providing these services. Mr. Fontaine said the increases would contribute greatly but would not cover all of the staff time required to do inspections. When asked, Mr. Henry said that the establishments vary so widely it is hard to create a fair cost for inspecting. As an example, one restaurant may have four kitchens while another has one; obviously, it requires less staff time to do the latter. Mr. Kern suggested the cost for licensing an establishment be based on service delivery areas or some sliding scale that would cover staff's time.

Ms. Goreham moved to table this subject pending further discussion at a work session in January. Mr. Kern seconded her motion and it was approved by a vote of 7-0-0.

COG Budget – 2005. The next item was to take action on the 2005 Centre Region Council of Governments' (COG) 2005 budget.

Last month, Mr. Fontaine recalled, Council reviewed the proposed 2005 COG budget. At the General Forum meeting in November, the budget was forwarded to participating municipalities for adoption. For 2005, the COG budget totals \$7,896,065.00, of which \$1,006,697.00 is to be funded by the Borough of State College.

Ms. Dauler moved to approve the COG budget, in amount \$7,896,065.00 and appropriate \$1,006,697.00 as the Borough's share to support it. Mr. Daubert seconded her motion.

It appeared to Mr. Kern that the Borough is not getting \$1 million worth of services from COG. In 2005, he said he would be willing to inspect that budget to see if State College is receiving its fair share of services. Mr. Daubert noted that a large part of the Borough's share in 2005 is due to the construction of a new library, although he did not disagree with Mr. Kern's offer to look into COG's distribution of services.

The question was called and Council approved Ms. Dauler's motion unanimously.

State College Planning Commission: 2005 Work Plan. Council was next asked to receive a proposed work plan for the State College Planning Commission.

Mr. Fontaine said that, on December 16, the Planning Commission voted to forward its proposed work plan for the coming year to Council. He recommended Council receive it.

Mr. Daubert moved to receive the proposed work plan and table action pending further review of it in January. Ms. Dauler seconded his motion, and it carried by a vote of 7-0-0.

Sewer Tapping Fee: Increase. The last item of New Business was to increase the fee for tapping into the Borough's sewer system.

Mr. Fontaine informed Council that staff was notified by the University Area Joint Authority (UAJA) that on January 1, 2005, their portion of the tapping fee will increase to \$3,415.00. Cory Miller, Executive Director, indicated that the increase is based on the cost escalation rate from the Engineering News Record, which is the rate of increase that was agreed to when the tapping fee was adopted. Currently, UAJA's portion of the tapping fee is \$3,162.00. The Borough's portion of the fee will remain the same, at \$2,575.00. Because of the proposed UAJA increase, it is necessary to revise the Borough's Sewer Disposal and Sewer Connections Ordinance to adjust the amount the Borough collects for this service.

Upon motion of Ms. Dauler, second by Mr. Kern, Council voted 7-0-0 to enact Ordinance 1808, adjusting the fee for tapping into the Borough's sewer system upward to \$5,990.00.

VOUCHERS. Upon motion of Ms. Knauer, second by Ms. Goreham, Council voted unanimously to receive vouchers for the month of November, 2004, for the Borough of State College, in amount \$2,071,800.29, and, acting as agent for the Centre Region Council of Governments, vouchers totaling \$662,005.92.

MINUTES. Upon motion of Ms. Knauer, second by Ms. Goreham, Council voted 7-0-0 to approve minutes of previous meetings, as submitted, as follows:

- A. Special Meeting, October 22, 2004;
- B. Work Session, October 22, 2004;
- C. Work Session, October 29, 2004;
- D. Regular Meeting, November 1, 2004;
- E. Work Session, November 8, 2004;
- F. Regular Meeting, November 15, 2004;
- G. Work Session, November 19, 2004; and a
- H. Work Session, November 23, 2004.

OFFICIAL REPORTS AND CORRESPONDENCE

President's Report. President Daubert announced three executive sessions, one held on the 15th day of December, 2004, to discuss personnel matters; one to be held following this meeting to discuss personnel matters; and one to be held on January 10, 2005 to discuss personnel matters.

Liaison Reports. Ms. Goreham reported that the group considering a relocation of the Intermodal Transportation Center is working with a consultant to evaluate four potential sites. They will meet next on January 14 in the State College Municipal Building. Ms. Knauer wondered if Council should express its feelings about one or more sites now. Mayor Welch thought outside input should be withheld until the consultant's report is done and the group's recommendations are forwarded to the governing bodies for consideration.

Staff/Committee Reports. Mr. Fontaine acknowledged the efforts of staff to produce a pared but balanced budget for Council to consider. He especially recognized the efforts of Ron Davis, Mike Groff, and Michele Nicolas. Mayor Welch believed Council's review of this year's budget was better because members focused more on policy making than detail.

There being no other business to come before Council, the meeting was adjourned at 9:15 p.m.

Respectfully submitted,

Thomas J. Fontaine, II
Borough Secretary