

**State College Borough Council  
Work Session  
Monday, December 13, 2004**

The State College Borough Council met in a work session on Monday, December 10, 2004, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 7:30 p.m.

Present:

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

Also present: Thomas J. Fountaine, II, Borough Manager; Ronald A. Davis, Assistant Borough Manager; Michele Nicolas, Director of Human Resources; Thomas R. King, Chief of Police; Mark Whitfield, Public Works Director; Michael Groff, Finance Director; Timothy Grattan, Director of Information Systems; Amy R. Miller, Recording Secretary; Mark Henry, Health Officer; Linda S. Welker, Tax Administrator; members of the media; and other interested observers.

**Public Hour.**

Mike Wrackle, 221 E. Hamilton, addressed Council regarding the traffic survey sent out by the Public Works Department. The survey asks about traffic calming in the Highlands neighborhood, while the letter that accompanied the survey referred to traffic calming on Prospect Avenue. He believes the Borough needs to consider the Highlands neighborhood as a whole similar to College Heights rather than on a street by street basis. If the Borough changes anything on Prospect Avenue then it will dramatically change traffic on Hamilton Avenue.

Bob Seibel, 510 E. Fairmount Avenue, stated that the cover letter regarding the traffic survey and the post card creates a misconception. He, along with many of his neighbors, thought it was invalid because the wording in the cover letter was misleading. He hopes that Staff was not intentionally misleading and said the letter should have read East Highlands.

Peg Hamrick, 305 E. Hamilton Avenue, said that neighbors are very concerned about traffic in the neighborhood and hopes that East Hamilton, East Prospect and the Highlands be considered as a whole residential neighborhood.

Dave Swanson, 520 E. Hamilton Avenue, said he and most of his neighbors are concerned with protecting their street. One issue he would like Council to be aware of is the misalignment from Hamilton Avenue turning on to University Drive or vice versa because there is Evergreen Road about 50 feet from Hamilton to the south where traffic turning left on that street creates possible collisions.

Ilene Piersol, 436 E. Hamilton Avenue, is mostly concerned for the many children that walk to Easterly Parkway Elementary School. There are kids on rollerblades, scooters, bikes, and walkers. Garner Street and Prospect Avenue was a middle school bus stop until children witnessed a terrible accident, then the stop was moved. There is too much traffic in that whole area and the residents would like to see the traffic reduced.

Bob Rightmyer, 785 Walnut Spring Lane, asked Council to consider the traffic signal at Walnut Spring Lane and University Drive be kept operational through the night rather than flashing. He felt it is needed given there are an additional 35 homes in that neighborhood. The second item Mr. Rightmyer spoke on was in regard to the Walnut Spring Lane Master Plan. The scope of the contractor's plan does not meet the proposed wetland plan. He asks Council to look at the basic requirements for the Walnut Spring Master Plan before any

money is committed. Mr. Whitfield said PennDOT approves all timers on traffic lights; Staff can request the light be extended after gathering data and stating the case to PennDot.

### **Transportation Commission's Proposed Work Plan for 2005.**

Chris Falzone was present to answer Council's questions, but first expressed thanks to residents on Hamilton Avenue for their comments and invited them to attend the Transportation Commission meetings.

Ms. Goreham asked if C-Net will broadcast the Transportation Commission meetings; Mr. Fountaine expects coverage to begin in 2005.

Ms. Dauler felt the evaluation of the use of Calder Way from High Street to Burrowes Street was not necessary and not be given high priority.

Ms. Knauer asked if the way-finding signs were budgeted; Mr. Fountaine said the signs were moved to the Capital Improvement Program (CIP) for 2006. Mr. Daubert said any recommendations Council has for 2006 should be given by August.

Mr. Kern asked if a representative from Penn State has been attending the transportation meetings. Mr. Falzone answered yes, after a long absence someone from Penn State attended the November meeting. Mr. Kern said Penn State needs continued participation; Mr. Fountaine said Penn State has a transportation committee in which Carl Hess participates.

Mr. Daubert said spending a lot of time talking about classification of streets is not productive. Mr. Falzone said Hamilton Avenue goes from a commercial zone to a residential zone and should be considered.

Mr. Meyer suggested defining cut-through traffic; Mr. Falzone said the Transportation Commission is working on the definition.

Mr. Daubert questioned whether pedestrian nodes were taken out of the CIP; Mr. Meyer said that Council never agreed to remove nodes, but rather to remove the countdown signals. Ms. Knauer said that she agrees with the countdown signals, but Mr. Kern said countdown signals are only helpful if the law is enforced.

Ms. Goreham said she was in agreement with the residents and feels the East Highlands traffic study should be considered as a whole neighborhood. Mr. Falzone said the letters when to residents in the entire study area, and traffic interviews were also done Garner Street and University Drive and will be discussed at the next Transportation Commission meeting.

### **Review of Proposed 2005 Budget.**

Mr. Fountaine began with the estimated revenue from the Emergency Management and Services Tax (EMST) and distributed handouts. He stated if the current \$1,000 income exemption is maintained the revenue generated would be \$1.4 million, with a \$3,000 exemption about \$1.2 million and with a \$5,200 exemption about \$1.1 million. Council should remember during the first year the tax is collected, less revenue will result because of the first quarter loss.

Mr. Fountaine explained the second handout was a list of summary budget items related to various fees and taxes that have been proposed throughout the budget discussions. It is staff's hope that this list will aid in the final budget adoption. Also distributed was a letter received from the Downtown Improvement District (DID) requesting the elimination of the Business Privilege Tax (BPT) as a result of the recently enacted EMST tax, as well as a list of earned income tax estimates from residents and non-residents.

Mr. Fountaine continued with a list of questions Council asked at a previous work session which included earned income tax estimates where staff gave estimates for both 2004 and 2005 which are accurate. Council asked about ordinance enforcement numbers being off; numbers are off because staff no longer stores vehicles that are towed and have not had many boots over the past year and the overall number of parking tickets has been reduced.

However, regular ordinance enforcement for weeds and snow has increased. School tax collection services are down mainly because the Borough is not billing the school district on actual costs and expect this to remain for 2005.

Mr. Daubert said Mr. Fontaine presented a lot of information at once and suggested discussing one handout at a time. In regard to the 2005 budget action items, Council had agreed to increase the real estate tax but not increase the earned income tax. The EMST exemption should be decided on tonight. Mr. Fontaine recommended the discussion of parking meter rates and violations be put off until a representative from DID is present.

Mr. Daubert continued with the 2005 general fund budget and said focus should be given to restoring the various positions listed. Implementing the EMST tax will put an additional work load on employees and the Tax Department may secure additional services from another municipality for tax services. All costs related to these additional services would be covered by that municipality.

Mr. Daubert also stated that Council decided to restore the police officer position as well as the part-time Public Works laborers.

Mr. Meyer said that Community Service Representative (CSR) should not be put back in the budget and asked why Council wishes to put back these expenses.

Ms. Knauer suggested eliminating the Urban Village consultant because the study will not help the citizens. Mr. Kern said that gaining new citizens requires professional help even from developers. Chief King said calls have been logged and having the evening CSR has given a break to the county workload and asked Council to please consider keeping the additional records staff because a large amount of other work has been getting down as well. Council agreed to reinstate the CSR.

In addition, Ms. Dauler would like to reinstate employee step increases because the increases are based on work performance. She also felt Council would send an inappropriate message to employees if different expenditures are reinstated but not step increases. Mr. Davis said step increases only affect half of the employees; most employees are at the top of their scales and step increases are not always given because they are based on performance. The monetary figure represents all performance increases. Mr. Fontaine said the overall staffing needs to be considered and, as vacancies occur, staff will evaluate the positions to determine if they should be filled.

Ms. Knauer said the public works secretarial position has existed since she has been part of council and felt the position is needed. She also said it sends a negative message to the other secretarial staff because more work is expected of them without compensation. Mr. Fontaine indicated when the budget was prepared the public works secretary position was already vacant; therefore, it was recommended to remain vacant. Mr. Fontaine said the workload was reassigned to various parts of staff and the position is one where work can be shifted. Ms. Dauler said teamwork is admirable, but it can be problematic if one feels that one might not be doing their share of work.

Mr. Meyer said street resurfacing is not necessary and should be eliminated. Mr. Kern, Ms. Goreham and Ms. Knauer agreed.

Mr. Daubert indicated that Council previously discussed retaining the data integration/integrated operational management system.

Mr. Meyer said if Council removes items from the budget that have always been included, then it creates a problem when items are reinstated. He felt the shade tree trimming contract should remain. Council agreed to leave the item in the budget for now.

Mr. Fontaine said \$5,000 for playground equipment was carried forward from the previous year. Mr. Davis said about \$25,000 is always estimated for playground equipment repair. Mr. Whitfield said the original proposal estimate for playground equipment was \$30,000. Mr. Daubert suggested retaining the item in the budget.

Mr. Daubert asked for clarification on the public works laborer. Mr. Whitfield said if one full time employee is cut, then about \$26,000 could be eliminated. Staff proposes to keep 2 of the nine-month positions and 3 three-month positions. When demand is high, work is most effective. Council agreed.

Mr. Daubert asked Council if there were any items they wanted to add. Mr. Meyer stated that he did not agree with Mr. Groff's earned income figures. Mr. Groff said he could do more analysis of the data, but those numbers are based on the tax returns.

Mr. Daubert asked for further discussion of the EMST and the income exemption. Mr. Fountaine stated when the occupation tax was first approved in 1965; \$10 was a lot of money. Mr. Kern said \$5200 is good number because it is one percent which is what it was originally, however if the exemption is increased to \$5200 the Borough will fail to see revenue from some of the student population that utilizes municipal services. Ms. Dauler was concerned about the residents at poverty level and agreed with the \$5200 exemption.

Mr. Kern suggested placing extra money in the reserve and also considering a 1 mil increase. Mr. Meyer suggested leftover dollars be earmarked for the library fund. Mr. Fountaine said if the funds are earmarked for the library it will show up as an obligated reserve item. Mr. Daubert suggested putting leftover money in reserve and continued with discussion of the BPT.

Mr. Daubert stated that the BPT discussion is for 2006 with the combined homestead exemption. Ms. Dauler asked if the homestead exemption is decided at the municipal level. Mr. Kern said the Borough decides the value of the exemption based on the rules. Ms. Dauler's concern is for the business owners who pay rent because the burden will be passed from the property owners to the renters, which will result in some businesses being driven out. Mr. Kern said a balancing act would entail the Borough to determine a milage rate that increases the homestead act exemption that meets the homeowner nets of zero. The balance of the property tax then goes to the non-homestead properties which are commercial/income producing and not lived in by the owner. Mr. Kern continued and said his estimate of a 2 mil increase in the BPT and an \$11,000 homestead exemption would bring an increase of tax revenue of about \$400,000 for the Borough. The numbers are rough because it is assumed that all owners eligible for homestead exemption would apply. At this point the County has only collected roughly 1,500 homes that have applied for homestead exemption as opposed to the nearly 2,900 that could apply. The homestead exemption does not go to the school district.

Mr. Meyer said it will not be the Borough who drives out the businesses, but rather the school district real estate tax increase. Mr. Daubert asked for numbers from the BPT and the homestead exemption be put on paper and distributed at the next work session.

Mr. Daubert asked Council to look at tentative Council meeting schedule for 2005 and present recommended changes on Friday.

Mr. Daubert said to ask additional questions by Thursday for preparation by Friday.

There being no further business, the meeting was adjourned at 9:40 pm.

Respectfully submitted by:

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Barbara J. Natalie  
Assistant Borough Secretary