

Meeting Minutes
State College Borough Council
Work Session
Friday, September 30, 2005

The State College Borough Council met in a work session on Friday, September 30, 2005, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 12:06 p.m.

Present: Thomas E. Daubert, President of Council
Catherine G. Dauler
Elizabeth A. Goreham
Craig R. Humphrey
Jeffrey R. Kern
James H. Meyer

Absent: Richard L. McCarl

Also present: Thomas J. Fountaine, II, Borough Manager; Carl R. Hess, Planning Director; Mike Groff, Finance Director; Mark Whitfield, Public Works Director; Amy J. Story, Borough Engineer; Amy R. Miller, Recording Secretary; members of the media; and other interested observers. Mayor Bill Welch arrived at 12:45 pm.

Public Hour. There were no comments from the public.

2006-2010 Capital Improvement Program. Council received the 2006-2010 Capital Improvement Program. Discussions began with street projects.

Ms. Goreham asked if Borough staff is looking into the inadequate service provided by Allegheny Power. Mr. Whitfield said there is a review being done that may eliminate the need for Allegheny Power. The Borough could take over responsibility which would decrease overall costs.

Mr. Kern questioned street resurfacing of some alleys and Westerly Parkway and the widening of alleys; Mr. Whitfield said Westerly Parkway would be postponed because Westerly Parkway is not a high priority nor will alleys be widened. Mr. Daubert asked if D Alley was on the schedule because its condition is dangerous. Mr. Whitfield answered no, but D Alley would be patched in 2007. Mr. Whitfield said street resurfacing is based on survey ranking and deterioration level. Cost for paving is roughly about \$9.50 per square yard.

Mr. Meyer felt the O'Bryan Lane reconstruction could be spread over 2-3 years because of the high school expansion. He also suggested installing a traffic light at Westerly and O'Bryan working the cost in at the same time. Mr. Daubert said the O'Bryan Lane project has been delayed the past 3 years and should be delayed further. Mr. Daubert said to include O'Bryan Lane on the final list of reconsiderations for the CIP.

Mr. Daubert referred to the central business district (CBD) improvements and asked what purpose a kiosk would serve between McAllister Street and Beaver Avenue, as well as a pedestrian node. Mr. Kern felt the location was ideal because of the heavy pedestrian traffic. Mr. Daubert asked if Council agreed to \$35,000 for one kiosk. Ms. Teresa Sparacino, Director of the Downtown Improvement District (DID), said DID requested the kiosk and agreed to fund half the cost.

Mr. Daubert said bike facility improvements do not require money for 2006. Mr. Kern commented on the Transportation Commission's recommendations to encourage citizens to use bikes; more bike racks are needed to eliminate tying bikes to trees and poles in the downtown. In addition, Mr. Kern said Council needs further information on the Foster Avenue bike lane. Mr. Daubert said the highest priority with bike facility improvements are the bike racks and suggested funds to cover the costs.

Regarding neighborhood traffic mitigation, \$12,000 is committed for the Highlands traffic humps.

Mr. Whitfield said Penn State will pay \$347,800 of the \$562,483 for the signal light on their property across from Blue Course Drive and the remaining cost will be divided between Ferguson Township and the Borough. Mr. Meyer said there were no new General Fund dollars put into traffic lights; money should be budgeted for the future because there will be a need for signal lights in the future. Mr. Daubert said consideration for an additional \$100,000 for traffic lights will be added to the list for further consideration in the final CIP approval.

Mr. Whitfield said the traffic light at Allen and Atherton streets is top priority for replacement. Mr. Meyer said the light is budgeted for 2007; however there is money throughout the 2006 budget that will not be used and suggested moving money to the traffic signal improvement fund. Mr. Whitfield replied that staff has considered shifting money and dividing expenditures over the five year period. Mr. Meyer suggested the work be done in 2006 and payment delayed to 2007. Mr.

Fontaine said staff needs to carefully consider the workload so that projects are completed successfully.

Mr. Daubert said the Urban Village (UV) improvements could not be made with the budgeted \$10,000 and recommends putting additional money in the UV fund. Mr. Fontaine said the study that was presented to Council suggests the next step in the master plan for the UV is to put together a comprehensive team to carry out the recommended projects. He also said staff should be cautious putting money into projects that are not well defined. Ms. Dauler said the UV neighborhood has recommended trash receptacles and believes funds should be added; residents need to know their requests are being considered. Mr. Kern believes if trash receptacles are put in the UV, then other neighborhoods would want them as well.

Mr. Daubert questioned the classification of Whitehall Road and why assessments would be required. Mr. Whitfield replied there are no curbs and sidewalks on Whitehall Road, which have to be assessed to adjacent property owners. PennDOT would be responsible for relocating streetlights; curbs and sidewalks would be the Borough's expense.

Ms. Goreham asked why West Highland Alley was delayed for a number of years; Mr. Whitfield said the past years did not present any problems.

The discussion of Other Projects would continue at Monday's Council meeting.

Ad hoc Tax Study Committee Report. Council continued to discuss recommendations from the ad hoc Tax Study Committee as well as Ms. Goreham's proposal. Mr. Kern said he advocates the tax committee's recommendation to repeal the business privilege tax (BPT). Mr. Meyer asked what motion would be presented on Monday's agenda. He also asked if the amount of exemption needed to be determined by Monday evening. Mr. Kern said the motion will be to dispose of the BPT and raise property tax while offering homestead exemption. Mr. Groff said the maximum homestead exemption is about \$32,000; Mr. Kern added the exemption could be between \$20,000 and \$32,000. Mr. Meyer felt it was too early to set the amount of exemption. Mr. Fontaine said guidance is needed in regards to the amounts suggested. Mr. Groff added that he is currently working on numbers to present at the next meeting.

Mr. Fontaine said comparisons will be based on 7.3 mils and 10.8 mils. If \$20,000 is used for the exemption then about \$482,000 of revenue would need to be made up; if a \$25,000 exemption is used then about \$605,000 of revenue would be needed; and if \$30,000 exemption is used then about \$721,000 of revenue would be needed. Mr. Meyer disagreed with the amount of revenue needed because the amount needed results from projected income and projected expenses. Mr. Groff did not disagree but said amounts need to be analyzed for forgiveness. Mr. Fontaine stated by law the BPT and the homestead exemption do not have to be tied together. However the committee recommends linking the taxes together because homeowners should not have tax relief unless the businesses have tax relief. Mr. Kern said he would not vote for the homestead exemption without the repeal of the BPT.

Mr. Daubert reminded Council that discussions are about a resolution, not passing an ordinance. He also suggested less than \$30,000 for the exemption. Mr. Kern said he would be in favor of a \$25,000 exemption and removing the BPT.

Mayor Welch thought suspending collection was not a good idea; Ms. Dauler disagreed. She said certain things cannot be predicted and Council should allow for flexibility. Ms. Dauler said there are over 300 communities that collect the BPT and she favors staff recommendations.

Mr. Meyer suggested consulting with Terry Williams on either eliminating or not collecting the BPT. Mr. Fontaine said Terry Williams recommends suspending the BPT rather than repealing.

Mr. Kern said a tax is not legal unless it is collected. If staff stops collecting and then reinstates the tax, residents could take the Borough to court. Mayor Welch argued suspension should not be considered because the Borough would not receive revenue, but the albatross tax would still exist.

Mr. Groff said real estate taxes could not be raised to pay for homestead exemption. Based on the current tax rate there may not be enough revenue to pay for the homestead exemption. Mr. Fontaine explained there must be a certain amount of revenue in order to fund the homestead exemption.

Ms. Goreham said about 2 mils of tax would be needed to replace the BPT, and the homestead exemption would be funded by the earned income tax, therefore an additional raise in property taxes could be done without concern. Mr. Fontaine said that was a legal question; the challenge would be to clearly show the increase in property taxes was not used to fund the homestead exemption.

Mr. Humphrey asked Mr. Groff for clarification of the decline in income tax as a source of revenue. Mr. Groff said mid-year collections in 2005 were on par with 2004. However, there has been a decline of about 7 percent in employer withholding which is roughly \$150,000, mainly because there are fewer working people living in the Borough.

Mr. Fountaine replied staff can prepare recommendations and add a blue sheet for specific recommendations. Mayor Welch said if the suggested motion does not pass, the motion can be changed and brought to a vote again. Mr. Daubert asked Mr. Groff to present Council with specific numbers for mils versus dollars.

October 3, 2005 Agenda. Mr. Fountaine explained the information on the pension fund shows the Police Pension Plan has 28 years left and the General Government Employees Pension Fund has a period of 15 years remaining on the amortization of unfunded liability.

Items of Information. Members from Penn State's Interfraternity Council (IFC) were present to address Council on fraternity related issues. Members present included: Chris Brehm, Community Relations Chair for IFC; Brian Bertges, President of IFC; and Drew Conly, Executive Vice President of IFC.

Mr. Brehm asked if the BPT is repealed where it would leave the fraternities. Ms. Goreham said fraternities are not owner-occupied and would not be affected.

Mr. Brehm asked Council if there were any comments or complaints received about fraternities at this time; Council did not have any. Mr. Daubert questioned the status of the fraternity cleanup program. Mr. Bertges said there is an issue with safety and liability to make sure fraternity members are safe while cleaning next to streets.

Mr. Bertges said a point system program was instituted to force fraternity members to be aware of trash and take better care of the properties. Problems are not limited to any one fraternity. Mr. Bertges added that a tracking system can help focus on a problem fraternity and require cleanup of their property.

Mayor Welch said he was pleased with the response from members of ACACIA to volunteer on the Borough's ABCs. He added if every property would clean their yard, then trash would not be a problem. Mr. Conly said less than 10 percent of fraternities create the trash problem. Fraternities are required to have a national sponsorship by which they are held accountable.

Mr. Daubert asked if Council could do anything to make their work easier. Mr. Bertges said the Greek Ambassador program should help to encourage citizen awareness.

Mr. Bertges said a major problem the fraternity system is having is with the US Postal Service not forwarding fraternity mail. Mr. Daubert said legally the postal service cannot refuse to forward mail. The US Postal Service policy is to forward mail for one year. Mayor Welch suggested IFC call Congressman Peterson's office to handle this matter. Mr. Bertges feels the mail problem is one reason why fraternities are targeted.

Mayor Welch said previous Greek Sweeps were helpful and brought positive attention to the fraternities. Council suggested doing 'sweeps' through the Highlands after football weekends. IFC was trying to create more of a daily program. Mr. Fountaine suggested the fraternities create a cleanup program like "adopt-a-street or neighborhood".

Council suggested giving tours of the fraternities to the public so the public could see the history inside the fraternities.

IFC representatives will give a presentation to Council at their regular meeting of October 17.

There being no further business the meeting adjourned at 2:20 pm.

Respectfully Submitted by:

Cynthia S. Hanscom
Assistant Borough Secretary