

Meeting Minutes
State College Borough Council
Work Session
December 5, 2005

The State College Borough Council met in a work session on Monday, December 5, 2005, immediately following their regular meeting, in the State College Municipal Building Council Room, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 8:27 p.m.

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

Also present: Thomas J. Fountaine, II, Borough Manager; Carl R. Hess, Planning Director; Mark A. Whitfield, Director of Public Works; Amy J. Story, Borough Engineer; Michael S. Groff, Finance Director; John P. Marchek, Risk Manager; Cynthia S. Hanscom, Assistant Borough Secretary; members of the media; and other interested observers.

Public Hour: There were no public comments received.

2006 Operating Budget. Council continued their review of the budget by considering items from the Planning Department. Ms. Goreham noted that many of the departmental line items were down except publications and subscriptions. She applauded the enforcement efforts of the zoning office and asked if enforcement levels would be continued. Mr. Hess indicated there would be no staff changes in zoning.

Mr. Meyer noted that Zoning Hearing Board legal services were over budget for 2005. Mr. Hess indicated Zoning Hearing Board costs are increased because of longer meetings and additional cases. One case that took much of the Zoning Hearing Board Solicitor's time was the appeal made by the Catholic Student Center on West Park Avenue.

Mr. McCarl asked for clarification on tables included in the budget text. Mr. Hess explained that one table shows the total number of complaints and investigations on zoning violations and the second table indicates whether or not the complaint was initiated by staff.

Mr. Meyer asked that status of the Sign Ordinance re-write. Mr. Hess explained, if Council agrees to proceed with the re-write of the land development regulations, the Sign Ordinance would be included. Funds are available in the Capital Improvement Program for this multi-year project.

Ms. Goreham asked about the reduction in staff for the Planning Department. Mr. Hess said in anticipation of the reduction in CDBG funds, it became obvious that the planner position could not be supported through administrative funds. Ms. Goreham asked the Borough's reduction for 2006 in federal funds. Mr. Hess explained there would be a loss of \$150,000.

The next section of the budget discussed was Capital Projects/Asset Replacement. Mr. Meyer expressed concern that the general fund transfer is set at zero because the 2005 surplus is being used for 2006. One reason for the surplus is that the Borough is not at full employment. This may not be the case in 2007 if surplus funds are not available. He noted that the budget for 2007 may include an "unseen" increase of \$650,000-\$750,000. Council should be aware of this and accommodate in future years.

Mr. McCarl asked if there was an increase in the Penn State University impact fee. Mr. Fountaine noted that there was an inflation factor written in the agreement which will increase the impact fee.

Ms. Goreham noted the prior authority was \$1.2 million. She asked if the additional funds were needed to meet the needs. Mr. Marchek indicated that \$623,000 comes from the General Fund contributions and \$514,000 would be received from other sources such as grants.

Mr. McCarl asked if the \$57,000 budgeted for the Alpha Community Ambulance Service was the final installment in the Borough's contribution. Mr. Groff replied affirmatively and indicated 2006 would be the final installment for the State Theatre contribution as well.

Mr. Meyer expressed concern that all of the money placed in the asset replacement fund would be spent in 2006. Mr. Marchek noted that the Asset Replacement Fund balance at the end of 2005 would be \$1,979,149. It is anticipated that \$347,836 of the fund balance will be needed in 2006 for the purchase of computers, equipment and vehicles. Mr. Meyer indicated he would like to see the future projected asset replacement costs for 2007 and 2008 to see if there are dips and rises in the balance. It was difficult to determine if the Borough was keeping up with the pace of replacement costs. Mr. Whitfield said that the depreciation schedule would include some of this information. A

pro forma could be completed that would show the ongoing trends in replacement costs for vehicles.

One member of Council asked why the new phone system had not been purchased. Mr. Fontaine noted that because of changing technology, it seemed prudent to wait.

Mr. Daubert asked if the approval for the police records management system would come back before Council for final approval. Mr. Fontaine explained that it would not if it were under state contract or less than \$25,000.

Council discussed insurance costs for all of the vehicles. Mr. Groff indicated the cost of insurance would be shown as a budget line item in each individual department.

Ms. Goreham asked where grants were shown. Mr. Groff indicated there were shown as a budgeted receipt. Ms. Goreham asked specifically about the grant from the Department of Community and Economic Development for the Zoning Ordinance re-write. Mr. Fontaine indicated that grant had not yet been awarded and, therefore, would not be shown in the budget. If a grant is received and matching funds are needed that are not budgeted, staff would come back to Council to discuss ways to come up with the funds.

Next, Council discussed the section on Regional Projects/Miscellaneous. Mr. Daubert commented that the COG budget will change because of Halfmoon Township's withdrawal from the library program. Mr. Marchek noted the increase in the Borough's contribution would be \$11,858. Because of a reduction in fire of about \$1,300, the net change would be \$10,500.

Council discussed funding for Downtown State College Improvement District. It was noted that \$75,000 is contributed from the Borough of State College. Mr. McCarl noted the funding level has remained the same and they seem to be doing a good job of operating at the same funding level. Council discussed some of the on-going programs, such as the foot patrols and the ambassadors. Mr. Fontaine noted that staff continues to work with the organization and hoped to use their marketing expertise to increase the usage of the parking garages.

Mr. McCarl asked about funding in 2005 for the PLCM conference. Mr. Fontaine noted it would be shown as an expenditure in the Administration department fund.

There being no further discussion, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary