

Meeting Minutes
State College Borough Council
Work Session
Friday, January 20, 2006

The State College Borough Council met in a work session on Friday, January 20, 2006, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Ms. Dauler called the meeting to order at 12:08 p.m.

Present: Catherine G. Dauler, President of Council
Thomas E. Daubert
Ronald L. Filippelli
Elizabeth A. Goreham
Donald M. Hahn
Craig R. Humphrey
Jeffrey R. Kern

Also present: Thomas J. Fountaine, II, Borough Manager; Thomas R. King, Chief of Police; Michael S. Groff, Finance Director; Carl Hess, Planning Director; Mark Henry, Health Officer; Michele Nicolas, Personnel Director; Tim Grattan, Information Systems Director; Amy R. Miller, Recording Secretary; Amy J. Story, Borough Engineer; Alan Sam, Arborist; Joanne Lopinsky, Assistant Zoning Officer; Ron Madrid, Chair of the Historic Resources Commission; members of the media; and other interested observers.

Public Hour. There were no comments from the public.

Procedures Manual. Mr. Hahn suggested changes to Council's Procedures Manual in three areas: Communication, Liaison and Organization. Council discussed these areas.

Mr. Hahn said he remembers from his first term on Council that often he would not receive all correspondence directed to Council and it was unclear who should respond. Mayor Welch was uncertain as to who responds and suggested to designate someone. Mr. Kern felt responses should come from the Mayor or the Council President. Mr. Hahn suggested the Council President respond to correspondence.

Mr. Daubert said when he was President he responded but when a much more detailed response was required, the Manager drafted a response. Mr. Fountaine added there were occasions when responding to correspondence was delayed, and agreed Council should appoint someone to respond. The Council policy manual states the Manager should respond and if Council would like this changed, they should designate someone.

The second item Mr. Hahn referred to was the liaison positions to the Authorities Boards and Commissions (ABCs). He felt Council's liaison role was redundant because staff was assigned to each ABC. He felt opportunity should be given to the ABC members to express their concerns to Council. Mr. Daubert disagreed and said ABC members have difficulty attending all Council meetings and said attending Council meetings is too much of a commitment for ABC members. Mr. Daubert added ABC members speak more freely in their own meetings and felt it was not staff's job to be liaison, but rather members of the ABCs should be responsible for letting Council know what the commissions are thinking. Finally, the Manager's Information Memo (MIM) does not include ABC updates as it should; therefore Council is not regularly informed on discussions from the ABCs.

Mr. Hahn said he agrees that it is not staff's responsibility nor the Council liaison's responsibility either and would like to determine what is best for Council.

Ms. Goreham said her appointments to various ABCs have been invaluable to her. Mr. Humphrey agreed and said Council members should continue to act as liaisons to the ABCs to keep informed.

Mr. Kern said he sees both viewpoints. A Council member cannot represent all the opinions of Council nor can an ABC member represent the ABC if they disagree. Another drawback of Council members serving on ABCs is that Council members sometimes act like managers. Mr. Kern said Council members should pay more attention to the ABC agendas.

Mayor Welch said he hopes that changes in liaison status will not mean that Council receives reports from the ABCs only once a year.

Mr. Filippelli said it had been his experience that committees do not speak as freely when higher level administrators are present. Members tend to rely on administrators present and their presence can derail free discussion.

Ms. Dauler said she sat through 42 hours of Planning Commission meetings which were televised. She said there is temptation to weigh in on conversations at ABC meetings. Ms.

Dauler suggested an informal poll. Council members who agreed to discontinue liaison positions included Mr. Hahn, Mr. Kern, Ms. Dauler, and Mr. Filippelli. Mr. Humphrey, Mr. Daubert and Ms. Goreham opposed the change.

Mayor Welch reminded Council work sessions are non-voting meetings and suggested to add the vote to the next regular meeting. Mr. Fontaine added if there will no longer be liaisons, more formal reporting from the ABCs is needed for Council to stay abreast of current issues. The subject will be added to the February 6 meeting agenda.

Mr. Hahn said his last concern was how the Council Presidency is determined. He suggested making the process more formalized and less personalized.

Mr. Daubert disagreed and said a person should first be willing to serve and should have the majority's support. Mr. Kern agreed and said Council is a political body and the President should be elected politically. Council agreed.

2006 Historic Resources Commission Work Program. The 2006 Historic Resources Commission work program is scheduled for approval on February 6, 2006. Mr. Daubert asked Mr. Madrid if the work plan was prioritized. Mr. Madrid said the Commission feels all projects are important.

Mr. Kern reminded Mr. Madrid to coordinate work in the Urban Village (UV) with planning so that work is not duplicated. Mr. Fontaine said there will be close coordination on the project.

Mr. Kern suggested the HRC get involved with the historical preservation of the fraternities. Mr. Madrid said that a walking tour would be given during the Arts Festival in the hopes of bringing resources to the attention of the community.

Council made no changes in the HRC work plan.

Group Health Insurance Update. The Borough has been working with several Centre Region municipalities, COG and CATA to explore a self-funded group health insurance program. There will be a presentation at the COG General Forum on Monday, January 23, but staff wanted to brief Council before the presentation where they will receive a regional perspective.

Ms. Nicolas said claims will be handled by Capital Blue Cross but Benecon will manage the health insurance program as well as offering actuarial services to estimate projected claims. Changes in employees' benefits are not expected because Capital Blue Cross can duplicate current plan designs for each municipality.

Ms. Nicolas explained given the worst case scenario of claims submitted, the Borough would still save money. The actual anticipated claims are significantly less, saving the Borough about \$171,497. She said without a third party administrator costs would be much higher due to discounts negotiated by the administrator. The program is a Preferred Provider Organization (PPO) and is a comprehensive benefit.

Ms. Goreham asked if the Borough is familiar with Benecon. Mr. Fontaine replied that Benecon is the managing company and not an insurance company. Benecon is currently working with various municipalities across the state and the Borough is familiar with those municipalities and what Benecon has done for them.

Mr. Hahn questioned the possibility of exorbitant claims. Ms. Nicolas answered the reinsurance companies would pick up those claims after reaching a pre-defined limit. Combining with other municipalities gives a much higher employee number; therefore the risks are spread through a much higher number of insured. Benecon's other groups have more stable premiums and most participants received refunds where money is returned to the municipality.

Mr. Fontaine added at Monday night's presentation a cross recovery plan would be discussed which means as much as 15% of the savings would go to a shared fund to help compensate for other members' claims and vice versa. If the Borough would have a bad claim year, money from other municipalities would help pay the costs.

Emergency & Municipal Services Tax Report. The legislature has taken no further action on the expected amendments to the EMST as of this meeting. The 2006 budget included a real estate tax increase of .835 mills to cover the loss of revenue anticipated due to a proposed increase in the minimum exemption level for the EMST to \$12,000.

Mr. Fontaine explained when the budget was passed the real estate tax was raised to cover the expected loss of the EMST. He said Council should decide whether to reduce the real estate tax rate or, if retaining the higher tax rate, prepare a statement to be distributed at the February 6 meeting.

Ms. Goreham understands the uncertainty but the need for the tax is gone. She feels the money should be set aside, and Council should address the issue at the end of the year. Mr. Hahn

agreed with Ms. Goreham and said Council might consider an end-of-year .1% earned income tax reduction.

Mr. Filippelli questioned the likelihood of the amendment being passed. Mr. Fontaine said discussions are ongoing in the House, however the House is not in session at this time.

Mr. Groff suggested waiting to observe how taxpayers react to the change. Taxpayers' heated discussions resulted in the House considering change. Midway through 2005 the House delayed discussions because taxpayers calmed down. Change is expected, but it is unknown when the change will come.

Council agreed to keep the tax but list specific projects for which the funds could be used.

COG General Forum Agenda - January 23, 2006. Mr. Humphrey attended COG's Executive Committee meeting. He said Council should bring their Act 537 Plan Updates binder to the January 23 COG General Forum meeting. He then briefed Council on highlights from the Executive Committee meeting which included discussions on the Emergency Services Training Center and the GIS report that was accepted without change.

Report on Wireless Internet in Downtown State College. Mr. Grattan delivered a brief report on his research into the possibility of a community wireless network. He asked Council for questions concerning the proposed wireless project, and Mr. Kern said he supports the wireless network.

Ms. Goreham asked if the project was feasible. Mr. Grattan said the wireless network was part of a long-term strategic plan and has been given priority because of residents' requests.

Mr. Daubert questioned funding for the project; Mr. Fontaine said funding has not yet been determined. Mr. Kern said part of the project would be funded via subscription fees. Mr. Grattan added funding issues would be determined in the future after meeting with stakeholders.

Items of Information. The February 3 work session is cancelled due to a lack of agenda items. Because of spring break and the NLC Conference in March, Council meetings on March 3, March 6 and March 13 are cancelled. The public will be notified accordingly.

The ABC dinner will be Wednesday, April 19, 2006, at 6:00 pm at the Nittany Lion Inn. Ms. Dauler asked Council members to attend.

Ms. Goreham would like to discuss the Metropolitan Planning Organization plans at an upcoming Council work session.

There being no further business the meeting adjourned at 1:39 pm.

Respectfully submitted by:

Cynthia S. Hanscom
Assistant Borough Secretary