

Meeting Minutes
State College Borough Council
Work Session
Friday, April 21, 2006

The State College Borough Council met in a work session on Friday, April 21, 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 12:05 p.m.

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

Absent: Jeffrey R. Kern

Also present: Thomas J. Fountaine, II, Borough Manager; Thomas S. Kurtz, Assistant Borough Manager; Mark A. Whitfield, Director of Public Works; Michael S. Groff, Finance Director; Norma J. Crater, Accounting Supervisor; Craig W. Bowser, Systems Analyst; Sheila Lubold, Recording Secretary; members of the media; and other interested observers.

Public Hour There were no comments from the public.

2005 Annual Financial Report and First Quarter Report for 2006 Michael Groff, Finance Director, attended the work session to present to Council the 2005 annual financial report and to provide an update on the first quarter financial status.

Mr. Groff started by reporting the outlook for the Borough was good, unlike the reserved forecast of previous years. He noted the positive outlook can be credited to the improvement in interest rates, having fines and costs rebound, a modest growth in income tax as well as having revenues continue to exceed expenditures.

The General Fund tax revenues show an increase which can be attributed to an increase in the real estate transfer tax as well as more monies collected from the Emergency and Municipal Services Tax (EMST). Council discussed how the portion of the Borough population that is 65 or older is growing, causing a negative impact on the amount of tax collected from the EMST.

Many categories of revenue in the General Fund have remained the same with the exception of fines and costs, interest and rents, and department earnings. There has been an increase of 18% in fines and costs and a significant increase in interest and rents. The increase in department earnings is attributed to an increase in police services as well as the janitorial contract with Schlow Library.

There have been some increases in the General Fund expenditures. One reason is the increase in the cost of health care and also the increase in the number of Borough employees. However, along with the increase in the number of employees has been an increase in the amount of money the employees are bringing to the Borough.

Council questioned how the departmental earnings have increased for the Police Department. Mr. Groff explained the number of service hours provided in Harris Township has increased.

Council discussed how the growth of the 65 and older population in the Borough is affecting the collection amounts of the Earned Income Tax and the EMST.

Mr. Groff reported on the first quarter of 2006. He stated the overall General Fund tax revenues are down for the first quarter but he does not feel there is reason for concern. Expectations are that it will return to normal after the real estate discount period ends and tax bills are paid. Even though some revenues are down there have been an increase in the real estate transfer tax and the Earned Income Tax.

Other revenue in the General Fund is in good standing. Fines and costs continue to increase and the technology services provided to the Townships are contributing to the increase in department earnings. The General Fund expenditures are at expected levels.

Mr. Groff did advise that the new tax structure has prompted new assumptions for predictions and he will have a better idea at the end of the second quarter how the new structure is working.

Articles of Agreement for Regional Park Development. Mr. Fountaine stated the COG General Forum has requested municipal review and comments on the draft Articles of Agreement for Regional Park Planning and Development to be distributed to the ad hoc Regional Park Committee. One issue is how to calculate the 1/10 mill increase that is being proposed. Mr. Fountaine stated the Borough is not in the position to pay the amount based on the theoretical tax

revenue if the homestead exemption were not in place. The Borough would have to dedicate more than the proposed 0.1 mill creating a budget deficit because the Borough cannot legally raise taxes to fund the Homestead Exemption. So questions remain whether the proposed formula should be based on each municipality's total assessed value of real estate or its actual real estate tax billed or collected by the municipality.

Mr. Daubert provided Council with a draft copy of the Regional Park Funding Option which he received from the ad hoc Park Committee. The draft adjusts the method reducing all municipal contributions to reflect the implementation of the Homestead Exemption. Mr. Daubert was asked why the expenditures were so high and he explained the money will be set aside for future development.

Council felt it may be sensible to use the COG formula and suggest a cap be placed on the highest amount.

Council agreed the Centre Region Parks and Recreation Board and the Centre Regional Recreation Authority should be two entities with one having operational control.

Council agreed with the current verbiage regarding the right to withdraw from the Regional Parks Agreement.

Council did not express an opinion regarding the required compliance through applicable deed restrictions and municipal ordinances.

Council Agenda Format. Mr. Fontaine presented to Council recommendations to modify the current Council meeting agendas. The changes would allow Council opportunities to present issues of concern, and improve the way the meeting agendas are organized. The intended result was more discussion time and the ability to make informed decisions on policy issues.

Mr. Fontaine proposed an open agenda at the beginning of the Monday night work session meeting. Each item would have a time limit with the intent of having an established order of business.

Ms. Dauler felt this was a good idea and may help to alleviate some of the tensions that exist without having such a policy in place. Mr. Daubert thought the proposal failed to allow for important matters not listed on the agenda to be presented, and did not allow for announcements to be made in a timely manner.

Mr. Fontaine stated there is a process in place to allow for emergency issues to be discussed and a section can be added to the agenda to allow for announcements to be made.

Ms. Dauler added the current procedures allow for items to be added to the agenda by contacting the Borough Manager and requesting the item be added. The item may not be added to the agenda immediately; there is some planning that does need to take place.

Mr. Fontaine stated some of the proposed changes are to eliminate redundancy and some unnecessary steps. The changes would allow the agendas to flow better and let people know where their topics and ideas of concern will be on the agenda. Mr. Fontaine also proposed two "blue sky" meetings a year to give Council a chance to discuss more openly what is on their minds and their concerns for the community.

Mr. Daubert expressed his concern with items being postponed and possibly missing deadlines and cut-off dates because items were never discussed by Council. Mr. Fontaine stated the proposed changes are a way to help Council do business better and be more informed of upcoming agenda items.

Review Items on the COG General Forum Agenda. Ms. Dauler reviewed some of the upcoming agenda items for the COG General Forum. The CATA budget will be discussed and appears to be straight forward. They will also be discussing whether to approve the expansion of the Sewer Service Area (SSA) and Regional Growth Boundary (RGB).

Items of Information. Mr. Fontaine also made Council aware of a possible oversight in the wording of the recent zoning amendment that was passed reducing the scale of structures. The current amendment applies to both dwelling and non-dwelling structures and Mr. Fontaine does not feel that was the intent of Council. Mr. Fontaine would recommend a new amendment be completed to exclude single family homes. Council asked to have something in writing to review.

There being no further business, the meeting adjourned at 2:06 p.m. to an executive session.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary