

Meeting Minutes
State College Borough Council
Work Session
November 17, 2006

The State College Borough Council met in a work session on Friday, November 17, 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; Terry Williams, Borough Solicitor; Thomas S. Kurtz, Assistant Borough Manager; Carl R. Hess, Planning Director; Mark A. Whitfield, Public Works Director; Michael Groff, Finance Director; Tim Grattan, Information Technology Director; John Marchek, Risk Manager/Budget Officer; Norma Crater, Accounting Supervisor; Art Caccavale, Parking Manager; Cynthia S. Hanscom and Sheila Lubold, Recording Secretaries; members of the media; and other interested observers.

Public Hour. There were no members of the public that spoke during the public hour.

Planning Commission Work Plan. John Cahir, Chair of the Planning Commission, presented their work program and plans for 2007. Work items included the Urban Village, amendments to the mixed use overlay, amending the curb cut regulations, and continuing their work with the downtown ad hoc committee on housing. He also noted that the Commission hoped to develop solutions so that parking regulations do not drive the process. He also noted that the Planning Commission would play a major role in certifying the areas to be considered by the Redevelopment Authority. Lastly, he noted that the Commission would be considering private property owned in the University Planned District, such as the fraternities on campus, which may need to be rezoned to reflect that ownership.

Mr. Humphrey asked about the work with the Redevelopment Authority and where how those areas would be designated. Mr. Cahir explained according to state law for authorities, the Planning Commission would need to certify those areas. Mr. Welch noted that the Redevelopment Authority was unlike others in that there is state law that requires the Commission to designate blighted areas. Mr. Kern noted that this Council would be part of that process as well because they would need to approve the redevelopment plans. Mr. Daubert asked about the delay in moving forward with the work of the Authority. Mr. Fountaine said the redevelopment authority has not been certified by the state. In addition, there have been conflicts in scheduling meetings. Mr. Cahir added that there were already activities in motion that bear on this, such as the State College Area land use plan. The Commission is also working on downtown areas that may need special attention.

Mr. Kern suggested that the Westerly Parkway shopping center be considered for redevelopment. This is the only piece of underdeveloped land left in the Borough. He suggested a discussion be instigated on using this for work force housing. The Borough needs to be proactive and ahead of the potential buyer by planning for this property.

Ms. Goreham noted that Council should identify areas for redevelopment. It was important that the Commission work with Council so that there is some agreement. Mr. Cahir agreed. He reminded Council that there would be a joint meeting of the Redevelopment Committee, Planning Commission and Council on December 13 at 12:00 noon. This would be the first opportunity for concerns and ideas to be expressed by all the parties.

Ms. Goreham also asked that the Planning Commission work with the Transportation Commission on the Urban Village plan because of the pedestrian and vehicle impacts from any development in that area.

Mr. Cahir stated that he had distributed a memo to Council on behalf of the Commission asking that a letter be sent to the State College Area School District to address aesthetic concerns with modular classrooms. Ms. Dauler noted that this would be discussed by Council at a future meeting.

Transportation Commission Work Plan. Chris Falzone, chair of the Transportation Commission, presented the 2007 work program. Other than regular review items such as the Capital Improvement Program, the Commission would be considering the impacts of the State College School District renovation project and the proposals in the Urban Village. Policy issues included the street classification system and traffic mitigation, both of which would take a great deal of time. Lastly, Mr. Falzone spoke on some of the positive outcomes from their work,

particularly with pedestrian issues. He referred to the 3-second lead time for crosswalks in the downtown. He noted that this Council should be commended for supporting these type of pedestrian safety projects.

Mr. Daubert questioned the ability of the Commission to complete all of the work items in 2007. He suggested the Commission prioritize the projects that were not mandatory.

Mr. Falzone said that Borough staff keeps the Commission on target and moving forward. Many of the work items listed in the work program would take very little time to complete. He noted that the priority of the Commission was to work on the street classification system and traffic mitigation. He noted the overall interest of the Transportation Commission was to make a safe community.

Ms. Goreham asked about the mitigation strategies and whether or not they would replace the mitigation policy. Mr. Falzone replied that it would not replace the policy but rather would add to it. There are different things that can be done to reduce speed and increase safety without the impact of a diverter.

Mr. Daubert asked about the official Borough street map. Mr. Whitfield explained the Borough does not currently have an official street map. Mr. Fontaine explained the official map can be used to guide development.

2007 General Operating Budget. Mr. Fontaine noted that 2007 Operating budget had been distributed to Council at their work session of October 13. He presented slides summarizing revenues and expenditures in previous years and proposals for 2007. He noted that Council had requested the budget show the location of fund balances for all funds and that there be a summary of future year's debt service. The goals of Council for 2007 would be to work on meeting affordable housing needs, improving neighborhood quality of life issues, and institute a performance measurement/benchmark program for the Borough. Mr. Fontaine summarized the highlights of the budget which included:

- o No tax increases proposed
- o Earmark .23 mills of real estate tax for regional parks
- o Revenue from the Emergency and Municipal Services Tax is uncertain
- o Pension obligation costs funded by Insurance Reserve Transfer (\$256,000)
- o Use of 2006 fund balance to offset 2007 expenditures (\$550,000)
- o Consolidate enforcement/inspection services in Health Department
- o Reinstate Planning Technician position
- o Capital Improvement projects for municipal facilities delayed (\$121,400)
- o Capital Improvement Program contribution to municipality facilities reserve eliminated in 2007 (\$65,000)
- o Implement Neighborhood preservation and quality of life programs
- o Continuation of \$25,000 Homestead Exclusion
- o Increase support of affordable housing with grant funding in addition to General Fund contributions
- o Redevelopment Plan for Urban Village
- o Performance Measurement/Benchmarking
- o Complete Cable TV franchise agreement
- o Complete State College area-wide plan
- o Provide additional services via Borough website
- o Fraser Centre/Redevelopment Authority

He noted that Council will discuss the budget on November 29, December 1, 11, and 15 with a public hearing on the budget scheduled for December 4. Approval of the budget was scheduled for December 18.

Mr. Humphrey asked if the 12 percent held over in reserves would be used to fund the capital fund. Mr. Fontaine indicated that funds above the 12 percent would be held in reserve for 2008 or placed in the capital fund.

Mr. Daubert asked if there will be a schedule of what is discussed at each work session. Mr. Fontaine said he hoped to have a schedule of discussion items for Council next week. He encouraged Council members to submit questions so that staff has the opportunity prepare answers.

Ms. Dauler noted that there were three questions listed in the Manager's letter that Council members should concentrate their discussion on. Those questions are:

- Is 12% of total annual budget an appropriate General Fund balance?
- How should the long term issue of funding Capital Improvements be addressed?
- How should the long term issue of funding employee Pension Costs be addressed?

Mr. Filippelli asked whether the portion of the budget committed to police services, which is 49 percent of the total budget, is comparable to communities of similar size. Mr. Fontaine replied

he thought the proportions are comparable if paid fire department budgets are removed from budgets of similar size municipalities.

Mr. Filippelli asked why the number of employees had increased in recent years. Mr. Fontaine noted that in some cases the number of employees has increased because of contracted services. For example, the custodial staff was increased by two employees because of the contract to provide these services to the Centre Region Schlow Memorial library.

Mr. Hahn commented that the draw from reserves to cover 2007 expenses was a different strategy than the past two years'. Mr. Fontaine noted that the reserve funds for 2006 would be used to cover expected shortfalls in 2007.

Mr. Hahn asked what was planned with the funds expected from the sale of former municipal building. Mr. Fontaine said it was not known at this time; staff would make a recommendation to Council but it was ultimately Council's decision on what should be done with the funds. Those funds may need to be used to help balance the parking fund.

Mr. Kern asked that Council discuss the contributions made to the Downtown State College Improvement District and how that number related to their total budget.

Ms. Goreham said that she would like to have a better understanding of the tax policy and strategy for taxation. Council is financially responsible for the Borough; since taxes are the major source of income, she would like to be better informed of the options and how Council can be more actively involved.

Tax Exempt Properties. Mr. Fontaine said that Council members had requested this opportunity to review the list of tax exempt properties. Information has been provided on the County's qualifications for real estate tax exemption. He noted this was a complicated subject and staff has spent time in preparation and making the process understandable. In referring to the list of tax exempt properties provided to Council, Mr. Fontaine noted the Penn State University properties were included.

Council members discussed the list. Particular attention was given to those properties that were listed as tax exempt for church use. Mr. Fontaine noted that any properties that Council questions the tax exempt status could be investigated by staff to determine if that the tax exemption is still valid.

Council discussed the University owned properties and those used for commercial activity, such as the book store, which is still listed as a tax exempt parcel because it is related to the University's education mission. It was noted that the fraternity properties located on campus were privately owned and listed as separate parcels.

Ms. Goreham noted that the Borough needs to be more aggressive in assuring that properties that should be taxed remain on the tax rolls. Mr. Fontaine noted that the Borough has been more aggressive and is actively involved in litigation on real estate tax exemption issues.

Mr. Kern stated that the Borough needed to take another look at the University's in lieu contribution. What may have been appropriate 10 years ago may not be appropriate now. Mr. Fontaine noted that in 2005 the in lieu agreement was extended for an additional 10 years.

There being no further business, the meeting adjourned to an executive session at 2:22 p.m.

Respectfully submitted by:

Cynthia S. Hanscom
Assistant Borough Secretary