

Meeting Minutes
State College Borough Council
Monday, December 18, 2006

The State College Borough Council met in a regular meeting on Monday, December 18, 2006, in the State College Municipal Building Council Chambers, 243 South Allen Street, State College, Pennsylvania. Mr. Welch called the meeting to order at 7:30 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
 Jeffrey R. Kern

Also present: Terry J. Williams, Borough Solicitor; Thomas J. Fountaine, II, Borough Manager; Thomas S. Kurtz, Assistant Manager; Thomas R. King, Chief of Police; Carl R. Hess, Community Development/Planning Director; Amy J. Story, Borough Engineer; Norma J. Crater, Accounting Supervisor; Michael S. Groff, Finance Director; Mark A. Whitfield, Director of Public Works; Mark Henry, Health Officer; Tim Grattan, Director of Information Technology; John P. Marchek, Risk Manager; Cynthia S. Hanscom, Recording Secretary; members of the media; and other interested observers.

Mr. Welch began with a moment of silence and the Pledge of Allegiance.

PUBLIC HOUR

Zachary Good, 616 East College Avenue, spoke to Council about pedestrian safety at the intersection of East College Avenue and High Street. He reported that a student was recently hit by a car at this intersection and both the driver and the pedestrian were intoxicated. Regardless of the alcohol factor, he stated that there was a pedestrian problem at that intersection. He presented a diagram of the street showing how vehicles traveling north on High Street must turn without stopping onto College Avenue. The sidewalk that stretches from the intersection to the high-rise student structures was not separated from the roadway and was only 5 feet in width. He said he believed that, if the sidewalk was wider and if there was some separation from the roadway, the accident might not have happened. Mr. Good presented several suggestions for this location. First, he noted that rumble strips could be placed on High Street to slow vehicles down. Currently the speed limit is 25 mph but very few vehicles obey the speed limit. Second, he suggested that signs be placed on High Street to inform drivers that there is a sharp turn ahead. Currently there were no signs, just directional arrows. Third, he suggested the sidewalks be moved further away from the street and that some separation be provided. Lastly, he suggested that a raised platform, enclosed walkway be constructed for pedestrians to cross East College Avenue to the University property. Currently there was a chain link fence in place on the University's property along East College Avenue but people were jumping the fence to cross the street rather than crossing at an intersection.

Ms. Goreham asked if the sidewalk along East College Avenue was at grade. Mr. Good said it was raised but not at a significant level so that pedestrians feel that there is a separation.

Mr. Kern noted that when the student structures on the University's property along East College Avenue were built, there was a request for the University to provide a pedestrian bridge but it was rejected.

Council discussed the fencing and shrubbery separating the University housing from East College Avenue and the observations that a number of people were still cutting through this barrier. Ms. Story noted there is a worn path next to the University's signage where individuals were cutting through to East College Avenue. Mr. Welch commented that this was a state highway and the Borough has a limited ability to act.

Council members thanked Mr. Good for his presentation and strongly urged him to discuss this with the Transportation Commission at their next meeting, which would be January 9.

CONSENT ITEMS

Ms. Dauler moved and Mr. Hahn seconded a motion to approve the following consent items. The motion passed with a 7-0-0 vote.

- Approve Vouchers for the month of November 2006 for the Borough in the amount of \$2,139,249.47 and, as agents for the Centre Region Council of Governments, in the amount of \$525,147.80.

- Approve the following minutes for November:

November 6, 2006	Regular Meeting
November 13, 2006	Work Session
November 17, 2006	Work Session
November 20, 2006	Regular Meeting

- Approve the revised meeting schedule for 2007. The only change is to move the January 2 meeting to 12:00 noon and correct a meeting date in October.

GENERAL POLICY AND ADMINISTRATION

Resolution for the Destruction of Records. Mr. Fontaine said that in accordance with Act 428 of 1968, adopted for use by Council through enactment of Resolution 706 in 1993, each individual act of record disposition must be approved by Resolution of the governing body. A list of obsolete records that are proposed to be destroyed must be passed by Resolution. The Health Department has requested that the following records be destroyed.

Record Title	Date
Restaurant & Retail Outlet Inspection Reports	2001
Restaurant & Retail Outlet License Applications	2001
Snow Ordinance Warnings and Violations	2001
Weed Ordinance Warnings and Violations	2001
Rental Housing Inspection Reports	2001
Correspondence	2001
Dog Complaints	2001
Citations	1995
Recycling Warnings and Violations	2001
Refuse Warnings and Violations	2001
Lawn Parking Warnings and Violations	2001
Swimming Pool Inspection Reports	2001
Ordinance Violation Payment sheets	2001
School Inspection Reports	2001
Restaurant Plans	Prior to 2004

Mr. Daubert moved to enact Resolution 931, authorizing the destruction of obsolete records being held by the Health Department. Mr. Hahn seconded the motion. The motion passed with at 7-0-0 vote.

2007 Operating Budget. Mr. Fontaine indicated the proposed 2007 budget was presented to Council on November 13, 2006, and was made available for public inspection immediately following its presentation to Council. A public hearing was held on December 4 and continued to December 11 to receive comments on the budget proposal; no one appeared to offer comments at the hearing; however, written comments from the public were received for distribution to Council. Additional work sessions were held in November and December to discuss the budget but no significant changes were made.

Mr. Fontaine said the general fund budget is balanced with revenues of \$15,802,225 (and \$36,642 from the unappropriated fund balance) and expenditures of \$15,838,867. The total budget for the Borough after adjustments for interfund transfers is \$27,991,011. The budget is broken down into the following amounts:

General Fund	\$ 15,838,867.00
Capital Project Fund	1,417,810.00
Refuse Fund	3,309,158.00
Sanitary Sewer Fund	4,514,574.00
Parking Fund	3,035,467.00
Highway Aid Fund	675,294.00
Bellaire Court Fund	72,045.00
Bus Terminal Fund	16,456.00
Adjustment for Inter-Fund Transfers	(888,660.00)

Mr. Hahn commented that Council spent a great deal of time reviewing the budget and he commended staff on their responses to Council's requests. He also agreed that the Capital Improvement Program review should be done in the spring; it was important to review the large projects earlier in the year. Mr. Hahn also remarked on the need for a finance committee. He agreed with concerns expressed by other members that the budget was a fundamental duty of Council but also believed that decisions could be improved with the input of opinions and expertise from members of the community.

Mr. Kern moved to approve Resolution 926 approving the 2007 Budget, appropriating those sums listed and required for the purposes specified during 2007. Mr. Hahn seconded the motion. The motion passed with a 7-0-0 vote.

Mr. Fontaine noted the 2007 budget does not include a real estate tax increase. An ordinance fixing the 2007 real estate tax rate at 10.035 mills was distributed to Council.

Mr. Humphrey moved to approve Ordinance 1859 fixing the real estate millage at 10.035 for 2007. Ms. Dauler seconded the motion, which passed with a 7-0-0 vote.

Mr. Fontaine said that Council establishes discount and penalty amounts for the payment of real estate taxes. For 2007, it is proposed to continue the discount of 2 percent for payment of real estate taxes paid within two months after the date of the tax notice, and the penalty of 10 percent for failure to make payment within four months of the tax notice.

Mr. Kern moved to enact Ordinance 1860 to continue the same penalty and discount rates for the payment of real estate taxes in 2007. Mr. Hahn seconded the motion. The vote on the motion was 7-0-0 in favor.

Mr. Fontaine said as part of the budget adoption process, Council must also approve a pay plan for non-union employees. A resolution was provided to Council to establish a position classification and compensation plan for non-union employees in 2007. The plan is incorporated in the budget and represents an across-the-board cost-of-living adjustment of 3 percent for non-union workers.

Mr. Kern moved to approve Resolution 927 approving the 2007 Pay Plan. The motion was seconded by Ms. Dauler and approved with a 7-0-0 vote.

Mr. Fontaine said, as part of the budget approval process, the General Government pension ordinance authorizes contributions by participants from zero to 4 percent, with the annual rate established based on the amount of state aid anticipated. During 2007, it will be necessary to establish the general government employees' pension contributions at 4 percent.

Upon motion by Mr. Kern, and seconded by Ms. Dauler, Council voted unanimously to approve Resolution 928 establishing member contributions to the General Government pension plan at 4 percent.

Mr. Fontaine said the police pension ordinance requires contributions by police pension participants whenever an actuarial study shows that such funds are needed to maintain the soundness of the fund. Based on the actuary's advice, it will be necessary to establish police pension contributions at the maximum 5 percent rate in 2007.

Mr. Kern moved and Ms. Dauler seconded a motion to approve Resolution 929 to establish member contributions to the police pension fund at 5 percent for the year 2007. The motion passed with a 7-0-0 vote.

Mr. Fontaine also explained that, in order to maintain an adequate reserve in the sewer fund, Council is being asked to approve an ordinance to increase the sewer rental fees in 2007. The change would include an increase in sewer rental fees from \$5.20 to \$5.90 per thousand gallons per quarter and change the minimum charge per quarter from \$15.60 to \$17.70 (based on 3,000 gallons).

Mr. Kern moved to approve Ordinance 1861 to increase sewer rental fees for 2007. Mr. Hahn seconded the motion, which passed with a 7-0-0 vote.

Mr. Fontaine noted that the 2007 operating budget includes regional programs and the COG budget. Last month, Council reviewed the proposed 2007 COG budget and, at the General Forum meeting in November, the budget was forwarded to participating municipalities for adoption. For 2007, the COG budget totals \$10,669,791.00, of which \$1,183,357.00 is to be funded by the Borough of State College.

Mr. Daubert moved to approve the 2007 COG budget, in amount \$10,669,791.00 and appropriate \$1,183,357.00 as the Borough's share to support it. The motion was seconded by Mr. Kern. The motion was approved unanimously.

Property Assessments for the Downtown State College Improvement District. Mr. Fontaine said each year it is necessary for Council to enact an ordinance to establish millage rates for the assessment of properties located within the downtown Neighborhood Improvement District. The proposed millage rates for 2007 are the same as those assessed for the past five years. Approximately \$307,657.00 will be generated from the assessment of 483 properties within the district.

Mr. Kern asked the approximate cost for collection of the assessment. Mr. Groff indicated that the Downtown Improvement District manages the collection and the Borough prepares and maintains the files and collection of the liens. The cost to the Borough is about \$3,000 per year. He noted that there were very few collections needed; of the 483 properties, only 8 or 9 properties fail to pay the assessment.

Mr. Kern moved to enact Ordinance 1862 to establish the amount and method for assessing properties within the Downtown Improvement District for the year 2007. Mr. Hahn seconded the motion. The motion was approved with a 7-0-0 vote.

Retainer for the Borough Solicitor. Mr. Fontaine reminded Council that the Solicitor's retainer has been adjusted annually since 2001. To keep the retainer current, it is recommended that small adjustments be made on a routine basis. The Solicitor's 2006 retainer of \$33,310.00 covered all legal matters for the Borough with the exception of actual litigation and legal work related to municipal bonds and other debt instruments.

Mr. Hahn moved to approve a retainer of \$34,309.00 per year for 2007, a 3% increase, by approving Resolution 930. Upon second by Mr. Kern, the motion passed with a 7-0-0 vote.

Agreement Between the Borough of State College and AFSCME Local 1203-A, Representing Public Works Employees. Mr. Fontaine announced that the collective bargaining agreement between the Borough and AFSCME 1203-A expires at the end of 2006. Representatives from the union and Borough management have met several times, and have tentatively agreed to the terms of a new, 3-year agreement. The employees met on Thursday, December 14, and voted to ratify the agreement. In general, the contract calls for a 3.5% wage increase in the first year, and 3% in years two and three. The contract also provides for increased employee contributions to health care, and changes to the prescription, vision and dental plans without increasing cost.

Mr. Kern moved to approve the proposed agreement. Mr. Hahn seconded the motion, which passed unanimously.

REGIONAL ISSUES

COG: Alternate Delegate Voting Rights – 2007. Mr. Fontaine said that every year each COG municipality is asked to affirm or change their policy regarding alternate delegate voting rights at COG's standing committee meetings. Once established, the policy remains in effect throughout the year. Council's policy has been:

“Any State College Borough staff member or Council member, in attendance at a COG standing committee meeting, who is attending in lieu of the representative designated to attend and has been appointed by that representative, has the power to vote on behalf of State College Borough Council.”

Mr. Daubert moved, and Mr. Kern seconded, a motion to approve the policy for 2007. The motion passed unanimously.

Regional Emergency Management Program Agreement. Mr. Fontaine said the Centre Region Council of Government General Forum referred the new Regional Emergency Management Program Agreement to the municipalities at the meeting on November 27. The agreement establishes a revised joint and cooperative public service for the response to natural and human made disasters or acts of terrorism

Ms. Dauler moved to enact Ordinance 1863 to approve the agreement and to authorize the President of Council to sign the agreement on behalf of Council. Mr. Hahn seconded the motion, which passed unanimously.

Implementation Agreement for Centre Region Regional Growth Boundaries/ Sewer Service Areas. Mr. Fontaine said the General Forum agreed to forward the Centre Region Regional Growth Boundaries/Sewer Service Areas Implementation Agreement to the municipalities for adoption at the meeting on October 23, 2006. The agreement establishes a regional process to consider proposals to expand the Regional Growth Boundary/Sewer Service Area (RGB/SSA) and provides the General Forum an advisory role in the review of major rezonings and zoning text amendments within the RGB/SSA.

Mr. Kern made a motion to enact Ordinance 1864 approving the Implementation Agreement and to authorize the President of Council to sign the agreement. Ms. Dauler seconded the motion. The motion passed with a 7-0-0 vote.

Spring Creek Watershed Commission. Mr. Fontaine said that, since 1997, elected and appointed officials from 14 municipalities have been meeting regularly to discuss issues of common concern to the watershed's land and water resources. To formalize the Commission, an Agreement has been prepared for enactment by the participating municipalities. In addition, basic financial administrative support is being requested with a 2007 cost of \$.065 per resident from each participating municipality. According to the Commission, \$1,717 is being requested, which is based on 26,423 residents (which does not include those students living on campus). Funds are available in the National Pollution Discharge Emission Systems (NPDS) line item from the budget (01-408-265), he noted.

Ms. Dauler moved to enact Ordinance 1865 to approve the agreement, to authorize the President of Council to sign the Agreement and to appropriate \$1,717 in contributions for the Commission's work in 2007. Ms. Goreham seconded the motion. The vote on the motion passed 7-0-0.

Ms. Goreham took the opportunity to recognize Amy Story, Borough Engineer, for her work with the Commission.

PUBLIC WORKS

Ordain West Park Avenue. Mr. Fontaine said that Council is asked to ordain the portion of West Park Avenue from Atherton Street west to the mutual property line between 777 West Park Avenue and 800 West Park Avenue. West Park Avenue west of South Atherton Street was never constructed to Borough standards and remained a private street. In 2005, residents petitioned Council to construct and ordain the street. Because the original subdivision plans allowed for a 20 foot right-of-way, and no other right-of-way was available, the street was constructed to sub-standard widths as requested by the residents. The Borough Engineer designed the street to be constructed to alley standards. The cost of construction was shared equally by the property owners and the Borough.

Mr. Humphrey asked if the roadwork had been completed. Mr. Welch replied that it had; it was paved and currently free of potholes. Ms. Dauler expressed accolades to Mr. Whitfield and his staff for their diplomatic efforts in facilitating an agreement to fund this project.

Ms. Dauler moved to enact Ordinance 1866 ordaining West Park Avenue. Mr. Humphrey seconded the motion, which passed unanimously.

ECONOMIC DEVELOPMENT

Extend Economic Development Agreement and Right of Entry Agreement for Fraser Centre. Mr. Fontaine said the Borough and the Downtown Improvement District (DID) have previously entered into an Economic Development Agreement dated April 4, 2005, for the development of a multi-use project generally known as Fraser Centre. The development project consists of a multiplex theater, market rate owner-occupied housing, and commercial uses to be constructed on property currently owned by the Borough between Calder Way and Beaver Avenue on Fraser Street. The agreement sets forth the terms for the conveyance of land and the development. The agreement expires on December 31, 2006. Due to a delay in the release of funds necessary for the project to proceed, the Borough and the DID have not concluded the terms of the agreement and the agreement must be extended for the project to continue. An Addendum Agreement has been prepared to extend the Economic Development Agreement for six months with a new termination date of June 30, 2007.

Mr. Fontaine added that a second agreement is also presented that will allow the DID or the DID's assigns to have access to the project site for purposes of site preparation, testing and demolition prior to the conveyance of the property. This agreement has been prepared by the Borough Solicitor and reviewed by the DID. The agreement contains indemnification provisions to protect the Borough. The agreement will permit the DID and its developer, Susquehanna Real Estate, to gain access to the site to allow preliminary elements of the project to proceed before the property is conveyed. By granting access to the site, the developer will be in a position to move construction of the project once the funds are released and the property is conveyed.

Mr. Daubert moved to approve the Addendum Agreement to extend the terms of the Economic Development Agreement for the Fraser Centre project through June 30, 2007, and approve the Access Agreement for the site. Ms. Dauler seconded the motion.

Mr. Hahn noted that he would prefer the a more reasonable extension of March 31 so that Council will have an opportunity to receive an update on the project. Mr. Welch said that he believed Teresa Sparacino, Director of the DID, would be happy to provide an update at any time.

Mr. Kern questioned the release of the funding and when, if ever, it would occur. If not, he suggested Council may want to start talking about an alternate plan for the site. Mr. Fontaine said that by June 30, Council will know more about the release of funds. If funds are not released by that date, staff may be asking Council to consider alternate development plans. In the interim, he recommended Council continue to work on getting the release of funds. Mr. Kern said development costs, the real estate market, and funding mechanisms change rapidly over time. Although it seemed reasonable for a government entity to wait six month, a private entity cannot afford to wait that long.

Mr. Welch suggested Council continue to work on this project and be optimistic. Susquehanna Real Estate was still on board with the plan and he did not believe that six months was unreasonable. Mr. Fontaine agreed and noted that any uncertainty expressed by Susquehanna would prompt staff to come back to Council. In the next six months, Susquehanna can work on the permitting and the conveyance of the property. Mr. Welch added that public/private partnerships are historically complicated and time consuming. Council was aware at the beginning of this project that there would need to be some patience involved.

Mr. Humphrey asked if the demolition of the existing building would be delayed. Mr. Fountaine explained the access agreement would provide Susquehanna the opportunity to complete site clearance activities.

Mr. Hahn reiterated that he believed that extension should be on a shorter time frame and moved to amend that agreement be extended to March 31, 2007. There being no second to the motion, the motion failed.

Ms. Gorham asked that Council receive an update on the project in March. Mr. Daubert added that the Borough Manager could provide an interim report as the process develops.

There being no further discussion, Council voted Mr. Daubert's motion, which passed with a 7-0-0 vote.

PLANNING AND COMMUNITY DEVELOPMENT

Urban Village Revitalization Plan. Mr. Fountaine indicated that the second public input meeting for the Urban Village Revitalization Plan was held on December 13 followed by a Steering Committee meeting on the evening of December 14, 2006. Based on the results of the initial round of public input and stakeholder meetings, there is a concern among staff, the steering committee and the consulting team that the current project schedule does not provide adequate time to develop consensus among the stakeholders on the future direction of Urban Village. It may be necessary to allocate additional time for the critical step of stakeholder "buy-in" to assure that we have an implementable plan at the end of the planning process. To produce a plan that is implemented, it may be necessary to shift the deadline from a late January/early February time frame to an early March time frame. The additional time will require budget adjustment of \$6,600.

Mr. Daubert commented that he was opposed because the consultants had signed a contract to provide a product within a specified period of time. If every consultant hired by the Borough came back and asked for additional time, nothing would get done. He also was opposed to providing additional money to complete the project. Mr. Fountaine noted that the additional time would result in an expanded scope of services beyond the original agreement. The consultants would need to provide additional trips to State College to attend the public meetings that were beyond that originally proposed.

Mr. Hahn noted that consultants had remarked that there was a great deal of interest in this project. He said he sensed that the consultants encountered more resistance from property owners but that they were working toward a consensus.

Mr. Kern said the \$6,600 was not an unreasonable expense. Because the study is being done over the holiday period, more meetings may be necessary. He said the consultants have done good work up to this point and more input has been collected and more meetings are needed than was anticipated.

Mr. Daubert agreed that the \$6,600 was not an unreasonable amount of money but disagreed with the precedent setting that this could create for consultants to come back to Council once a contract has been signed. He argued this Council did not agree to expand the scope of the contract. Mr. Fountaine responded that the final product would suffer without the advantage of fully developing what has been occurring. The feedback from the steering committee and staff recommends that the scope of the project be expanded to include the additional public meetings. If Council agrees to do so, an additional fee should be provided.

Ms. Goreham questioned what additional output would be created. She noted that Council was specific in the contract. The consultants were experts but were not able to gauge the level of outreach needed to the community to complete the job. She added that she was disappointed that the consultants were not present at this meeting.

Mr. Fountaine said one of the key points raised by the consultants at the initial meeting was that the time line was accelerated. The consultants expressed some concern at that time that imposing a deadline could be limiting to the public process. The public was very interested in this project as was shown by the response to the meetings already held. By adding the additional time for public meetings to be held, a more realistic project can be completed.

Mr. Filippelli noted that he was on the steering committee and agreed that the consultant had done the work they said they would do as part of the contract. The work they have done has generated a great deal of interest in the community and he believed it would be foolish to cut the process off at this point. The additional time will allow for a good report that will be thorough and based on good data.

John Simbeck, property owner in the Urban Village and member of the steering committee, said the consultants were working very hard on the project and were bringing up issues that people have been trying to do for years. The report will include substantial changes to the area which may take more time to explain to the public. He felt Council did a very good job in selecting the consultants and the committee members. He was very impressed with this process to date and

hoped that everyone was ready for new ideas. It was very important to have the public input that has occurred.

Mr. Kern moved to increase the budget for the Urban Village Revitalization Plan by \$6,600 and extend the time through March 2007; the time extension should focus on additional public meetings. Mr. Hahn seconded the motion. The vote on the motion was 7-0-0 in favor.

OFFICIAL REPORTS AND CORRESPONDENCE

Mayor's Report. Mr. Welch congratulated the State Theatre on their hugely successful debut opening. There seemed to be a good line up of entertainment and he wished them the best.

Mr. Welch also noted that next week would be the fifth anniversary of the new Borough hall. The like-new condition of the building was a testament to the maintenance and facility staff. He congratulated Council and all those who worked on the project; the building was doing what it was set out to do, which was to provide a meeting space for the community

President's Report. Ms. Dauler announced an executive session held prior to this meeting, one to be held after this meeting, and one held on November 29, 2006, for the purposes of discussing possible litigation and personnel matters.

There being no further business, the meeting adjourned at 8:25 p.m.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary