

Meeting Minutes
State College Borough Council
May 21, 2007

The State College Borough Council met in a regular meeting on Monday, May 21, 2007, in the State College Municipal Building Council Room, 243 South Allen Street, State College, PA. 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; Carl R. Hess, Planning Director; Herman L. Slaybaugh, Zoning Officer/Planner; Michael S. Groff, Finance Director; Mark S. Henry, Health Officer; Ed Holmes, Facilities Coordinator; Mark A. Whitfield, Director of Public Works; Thomas R. King, Chief of Police; Norma J. Crater, Accounting Supervisor; Cynthia S. Hanscom, Recording Secretary; members of the media; and other interested members of the public.

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

Public Hour. There were no comments from members of the public.

Consent Items. Ms. Dauler moved and Mr. Hahn seconded a motion to approve the following consent items. The motion was approved unanimously.

- vouchers for the month of April 2007 in the amount of \$1,773,178.03.
- a request from the University Mennonite Church to conduct a walk on Sunday, June 24, 2007, from 10:00 a.m. to 12:00 p.m.
- a request from the Centre Region Parks and Recreation to close Foster Avenue from Locust Lane to Central Parklet for the Annual Kids on Wheels Parade on Saturday, June 30, 2007, from 9:30 a.m. to 11:30 a.m.
- a request from State College YMCA to conduct an annual 5K run/walk on various sidewalks in the Greentree subdivision on Saturday, June 16, 2007 from 9:00 a.m. to 11:00 a.m.

BIDS/CONTRACTS/AGREEMENTS

Project 13-2007 Pugh Street Garage Repairs. Mr. Fountaine said that bids for Project 13-2007 Pugh Street Garage Repairs were opened on Tuesday, May 15. The project consists of concrete repairs to driving surfaces, columns, ceilings, stairs and curb/sidewalk areas; repairs to expansion joints, handrails, parapet walls and the brick façade; and replacing sealants and traffic topping in the Pugh Street Garage. The bid documents also included an alternate bid item to provide and install up to 50 shear connectors in the McAllister Street Deck. These steel angles will supplement the original connectors which tie the double tees together, improving the durability of the top level of the garage. The bids were advertised in the *Centre Daily Times* in accordance with the Purchasing Ordinance. Two bidders submitted bids, with the low bid from Nathan Contracting, LP, in the amount of \$124,730.00. Funding for this award is from Capital Improvements for the Pugh Garage.

Mr. Kern asked if the Borough had worked with Nathan Contracting in the past. Mr. Whitfield replied that they had and found their work to be acceptable.

Mr. Welch asked if the shear connectors proposed for the McAllister Street Deck would improve the durability. Mr. Holmes replied the connectors on the top level of the deck are subject to stress because of snow removal. The angles will protect and strengthen the structure.

Mr. Kern moved to award the bid for Project 13-2007 Pugh Street Garage Repairs to Nathan Contracting, LP, in the amount of \$124,730.00. Ms. Dauler seconded the motion. The vote on the motion was 7-0-0.

GENERAL POLICY AND ADMINISTRATION

Presentation by Auditor. Mr. Groff introduced Rob Lent, Vice President of Maher Duessel, the independent auditor for the Borough of State College. He noted the 2006 audit was complete and would be available on the Borough's website the following day for public inspection.

Mr. Lent presented a summary of the audit, noting that under professional auditing standards the auditor obtains a reasonable but not absolute picture of general accounting practices. He said they do not audit every transaction but look at the riskier areas. Internal controls are considered but do not provide assurance on the internal audit systems.

Mr. Lent reviewed the auditor's requirements in the auditing process. Under audit adjustments there was only one of significance, which was conversion of entries to get to full accrual statements. He noted that Borough staff provided all the information to prepare the entries and there were no errors or disagreements and no significant deficiencies to report. He added that from working with other municipalities, this Council should be thankful for the group of people employed here.

He presented some of the highlights in 2006 which included:

- Repealing the Business Privilege Tax
- 1.8 mil increase with a \$25,000 homestead exclusion
- Acquisition of the former medical arts property
- 1.6 million in federal money, with the majority in CDBG/HOME programs

He noted that for 2007 the Borough should look to meet the requirement of Government Accounting Standards Board (GASB) 34, which deals with retroactive reporting of infrastructure. This creates a methodology for reporting and depreciating all assets, including roads and storm water systems.

Mr. Lent also stated that there will be eight new standards for auditing in 2007 that change the way internal control systems are documented and transactions are tested. There will be a risk assessment process to identify the major risks and determine what could go wrong. For example, the auditor should determine if money could be stolen and what controls are in place to keep that from happening.

Mr. Lent also suggested the Borough consider completing a Comprehensive Annual Financial Report (CAFR). He noted that there were over 65 municipalities in Pennsylvania that prepare a CAFR and he would like the Borough to take that step, which would require support by elected officials. Mr. Lent said he would be willing to discuss the benefits of the report if that was something the Borough wanted to pursue.

Mr. Lent concluded his presentation by noting that the management letter showed no significant deficiencies. There were three comments, which included a suggestion for a periodic reconciliation for the parking system, a comment on the bullet proof vest grant and creating a documented disaster contingency plan for the information control system.

Mr. Kern asked about non-depreciated assets. Mr. Lent explained those were land or construction projects in progress.

Mr. Kern also asked about the net gain of 3.6 percent for the pension fund and where that places the Borough in its unfunded liability. Mr. Lent said that would be part of the actuarial report which will be shown in the next scheduled report. He added that he would not be surprised to see the police plan fully funded and the government plan unfunded liability cut in half. Mr. Filippelli asked how the unfunded liability compared with other municipalities. Mr. Lent replied that it was dependent on the health of the community; some are funded at 40 percent while others are at 130 percent.

Mr. Daubert asked about the \$2,000,000 in the unreserved risk management balance and what the accounting standards recommended. Mr. Lent said there were no standards recommending a specific balance. Mr. Fontaine interjected that staff will recommend to Council a balance for the unreserved risk management balance as part of the budget process. He added that staff can provide detail on how those targets are derived.

Mr. Groff commented that the management letter prepared by the auditor was taken very seriously by the finance staff. In regards to parking system reconciliation, staff is looking at the software to determine a practical way to do what the auditor suggested. He noted that the money received from the U.S. Department of Justice for the purchase of bullet proof vests was never used because the vendor recalled and replaced the vests at no charge. Staff was waiting on clarification from the federal government on the use of those funds. Mr. Groff added that there was a disaster recovery plan for information technology but it was not a formalized policy; staff would be working on putting a written policy in place. Mr. Groff noted the auditor spoke highly of the Borough finance staff and he acknowledged the work of staff members Terree Knapik, Norma Crater, Erin Kauffman, and Deann Dyke; all were exceptional employees that take financial responsibility very seriously. He added that the Community Development Block Grant program staff in the Planning Department also does an excellent job in administering the federal funds.

First Quarter Financial Report. Mr. Groff reviewed first quarter financial report. With only three months of data, it was difficult to forecast to the end of the year. He compared the first quarter data to that in previous years. He noted the real estate funds appear to be less but because March 31 fell on a Saturday this year, last minute real estate tax revenue was logged in April. The local real estate market has cooled and revenues from the real estate transfer tax are down about 17 percent. The earned income tax is about 1.3 percent ahead from last year while the Emergency Management Services Tax is on budget. Mr. Groff reviewed other revenues, such as fines and costs, and noted that some were down primarily due to staffing issues. He reviewed the expenditures and noted that all were at or below budget.

Local Ordinance to Prohibit Smoking in Public Places. Mr. Fontaine noted that following discussion at the April 9 meeting, staff prepared a revised ordinance for Council to consider that would prohibit smoking in public places and work sites within the Borough of State College. Council

reviewed this document at its May 7 meeting and directed staff to revise the draft ordinance incorporating the following changes:

- Add a definition for fraternity house;
- Add a definition for private residence;
- Provide options to address smoking in fraternity houses:
 - Option 1 would prohibit smoking in all areas of a fraternity house except the private rooms of residences;
 - Option 2 would allow smoking in all areas of a Fraternity House except the kitchen area if a paid employee works in the kitchen;
- Modify Section 6.C to better define where smoking is allowed in a retail tobacco store;
- Change the effective date for bars to comply with the ordinance to January 2009 (all other parts of the ordinance take effect on January 15, 2008)

Mr. Fountaine asked Council to review the revised draft ordinance, make any additional changes and direct staff to schedule a public hearing for June 18 to accept public comment on the proposed ordinance prohibiting smoking in public places.

Mr. Daubert said the public hearing should not be held in June when Penn State classes were not in session. A suggestion was made to hold a special meeting on Friday, June 13, 2007, at 12:00 noon, which is during the Arts Festival. Fraternity members and advisors would be in town and would be available to attend a public hearing. Council members agreed to hold a second public hearing on July 13.

Mr. Kern moved to receive the ordinance and schedule a public hearing on June 18 with a special meeting to take public comment on Friday, July 13, 2007, at 12:00 noon. Ms. Dauler seconded the motion. The motion passed with a 7-0-0 vote.

PLANNING AND ZONING

West End Revitalization Plan. Mr. Fountaine reminded Council that at the March 30 work session Council received a summary presentation and copies of the draft final plan for West End Revitalization from the Steering Committee and consulting team. Council met on several occasions to review the plan. During review, Council discussed several issues related to the plan, including prioritization of the recommendations made in the plan. At its meeting on May 14, Council directed staff to put the plan adoption on this agenda.

Following adoption of the plan, Mr. Fountaine noted, work will continue in three areas:

1. Changes in the zoning and other regulations
2. Planning, budgeting and constructing public improvements
3. Initiating revitalization projects.

Mr. Fountaine said staff will present recommendations for the initial implementation activities at the June 1 work session. Staff is recommending that Council adopt the plan, agree to appoint a steering committee to guide implementation, authorize continued collaboration with Penn State officials, direct staff to begin preparing recommendations to address the zoning amendments required by the plan and to identify the capital improvements that will ultimately be included in the Borough's Capital Improvement Program. In adopting the plan, Council is reserving the right to prioritize the 40 actions called for in the plan.

Ms. Dauler moved to approve the West End Revitalization Plan as recommended by the Urban Village Steering Committee, dated March 16, 2007, with the points just outlined by the Manager. Mr. Kern seconded the motion, which passed unanimously.

Mr. Kern moved and Ms. Dauler seconded a motion that Council retain the final responsibility to determine priorities for implementing the 40 actions recommended in the plan. The motion passed unanimously.

Mr. Daubert asked about the West End Revitalization Plan committee and if this would be another steering committee. Mr. Fountaine explained the committee would have no legislative power and would simply be an oversight committee for the implementation portion of the plan; the group would cease to exist once the implementation portion of the plan was complete.

Mr. Kern moved to agree to appoint an ad hoc West End Revitalization Plan Committee to oversee and guide implementation of the plan, and to provide recommendations to Council on implementation issues requiring Council action. Ms. Dauler seconded the motion, which passed with a 7-0-0 vote.

Mr. Kern moved to direct staff to return with recommendations for the Phase III scope of work and consultant contracts on June 1. Mr. Humphrey seconded the motion.

Mr. Daubert said he could not agree with that motion and said there may be other options for the completion of Phase III, such as hiring another staff member. With a staff member, Council would have more input and have a better handle on what is happening with the process. Council members discuss the option of hiring an additional staff member and comments were made both in favor of retaining the consultant and on hiring a staff member.

John Simbeck, 601 West College Avenue, said that \$135,000 has been spent and the residents have yet to see public infrastructure improvements. It would be difficult for the property owners to work with a consultant through the implementation stage that has not been working with them up to this point. New plans could be developed that would look very different. He understood that money spent on consultants is necessary and encouraged Council to work quickly to make the infrastructure changes in a timely manner so that many of the changes that this plan was asking property owners to make would be accepted.

Rosalie Bloom-Brooks, 812 West Beaver Avenue, said she lived in the west end of the Borough and was also on the steering committee. She endorsed the recommendation from Mr. Kern. She said she believed her neighbors were enthusiastic about this plan and it was important to continue the momentum. The breadth of knowledge the consultants brought to this project inspired the consensus among the property owners.

Ms. Dauler moved to amend the motion to ask staff to come up with the costs of hiring an additional staff member rather than a consultant. Mr. Daubert seconded the motion. The vote on the motion was 3-4-0, with Mr. Hahn, Mr. Kern, Mr. Humphrey and Mr. Filippelli opposed. The motion failed.

Council then voted on the main motion to direct staff to come back to Council with recommendations for a consultant to work on Phase III of the West End Revitalization Plan. The vote on the motion was 4-3-0, with Ms. Dauler, Mr. Daubert, and Ms. Goreham opposed. The motion passed.

COMMUNITY DEVELOPMENT

2007 CDBG/HOME Consolidated Plan Amendment. Mr. Fontaine said that State College Borough will receive \$731,653 CDBG and \$504,527 in HOME funding for 2007. The amount originally budgeted was \$735,478 for CDBG and \$508,302 for HOME. A consolidated plan amendment is necessary to account for this reduction and to allocate CDBG funds to the Temporary Housing Foundation to replace HOME funds that were used to provide assistance to a First Time Homebuyer family. He noted that the CDBG Citizens' Advisory Committee met on May 14 2007, and unanimously recommended the changes.

Ms. Dauler moved to receive the recommendation and schedule a public hearing on the amendment for June 4. Mr. Kern seconded the motion, which passed unanimously.

OFFICIAL REPORTS AND CORRESPONDENCE

Mayor's Report. Mr. Welch reported on the Borough/University Liaison meeting held on May 15. He noted that subjects discussed with University officials included land trust activities for graduate students and faculty, Greek Pride week activities, staff changes in the Office of Student Affairs, the status of the law school, enrollment for the Fall semester and the delay of the construction of the HUB lawn stage.

President's Report. Ms. Dauler noted that both she and Ms. Goreham had been meeting with committees of the National League of Cities (NLC). She noted that Ms. Goreham had been working on transportation issues and she was on a committee dealing with town/gown relations. Both groups meet and work on policy issues and resolutions that would be voted on at the NLC annual conference.

Regional Liaison Reports. Mr. Kern reported that both he and Mr. Daubert had been meeting with the code enforcement staff to discuss the height issues for requiring a second egress. The Borough currently requires a second egress for floors over 20 feet from the ground. Code Enforcement personnel were suggesting that be increased to 25 feet. Both he and Mr. Daubert have strongly pushed for the 20 foot restriction.

Mr. Kern also said the code office was told that more consistent inspections and coordination with the Health Department was needed. Consideration was given to hiring another code enforcement officer with more hours dedicated to the Borough. This would require a change to increase the inspection fees to cover the additional cost for the officer. Mr. Kern said that currently the fees and fines cover the cost of the program. He reported that recommendations would be made to the Borough Manager which would come back to Council for consideration.

Staff/Committee Reports. Mr. Fontaine reported the Redevelopment Authority would be meeting on Friday with the expectation that a tax increment financial district be created. This would require approval from the County and the State College Area School District. To expedite the process for completion by the end of July, Council would need to hold a public hearing at the end of June. Mr. Fontaine suggested a public hearing be scheduled on Friday, June 25, at 12:00 noon.

Council members discussed the schedule and said delaying the hearing would only hold up the developer by one week. Council members agreed that a public hearing could be held on July 9 with approval on August 6.

Mr. King reported that there is a proposal to move the central booking for area police departments to the Centre County Prison. Currently, suspects are taken to the Penn State police station for fingerprinting but the individual officers do the booking. Mr. King said the concept was to have a centralized booking operation which will improve consistency on the collection of fingerprints and processing suspects. This would allow officers to get back on the street quickly and be more productive. There would be some local costs for the first year. Ms. Goreham asked if the centralized

booking would cover all of Centre County. Mr. King noted that the state police have their own facility but it would be available to them. Mr. Hahn asked about the cost effectiveness of other booking centers. Mr. King said that many centers are self-sufficient and fully funded through collection fees.

Items of Information. Mr. Welch announced that a generous gift of \$10,000,000 was made by H.O. Smith for the arboretum at Penn State.

There being no further business, the meeting adjourned at 9:23 p.m.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary