

JOHNSTOWN CITY COUNCIL
WORKSHOP MINUTES
Wednesday, October 14, 2020

City Council met in a stated session for the general transaction of business. Mayor Frank Janakovic called the Workshop to order at 5:01 p.m.

Reverend King offered the invocation. The Pledge of Allegiance was recited.

The following members of Council were present:

Mr. Arnone, Mr. Britt, Mr. Capriotti, Mayor Janakovic, Reverend King, Mrs. Mock, Mr. Vitovich (7).

Also present were John Trant, Interim City Manager; Robert Ritter, Finance Director; Elizabeth Benjamin, Esquire, City Solicitor. Present via videoconference was Deborah Grass, Act 47 Coordinator.

Mr. Trant referred Council members to graph and revenue information for further discussion.

Deborah Grass, Act 47 Coordinator, provided an overview of revenue impacts due to COVID. She noted that in 2015 the audited fund balance was a little over \$1 million. Over the past five years, hard decisions were made. Debt was restructured. There were staff reductions, and she commended Council for their efforts during that struggle.

She noted the decrease in revenue was due to there being no increase in real estate assessments and had settled in around \$15 million or \$15.5 million.

Ms. Grass stated the unemployment rate through July remains higher than the national rate at 18.4 percent due to COVID, which has had an impact on the earned income tax and some of the business taxes.

She referred Council to an overview of information from January through September explaining that revenues are up over 9 percent this year due to the one-time deposit of \$1.1 million in the first quarter. Taking that number out, there was still a slight increase about a percentage or so.

Real estate taxes collected in the first quarter provided a two percent increase from 2019. Earned income tax was less than one percent and may slow more in the fourth quarter.

Significant decreases were shown in parking lot taxes and tickets, as there were a few months when no tickets were written at all. Amusement permits were 50 percent lower than 2019.

Ms. Grass noted that mercantile taxes were running about four percent behind, and business licenses were down 11 percent from 2019. Privilege was up about one percent. As expected state aid was down approximately 3 percent. She noted liquid fuel taxes were down about 10 percent across the Commonwealth due to lower gasoline taxes being collected.

Ms. Grass' recommendations were basically to hold the revenue and not to expect increases.

She indicated that excess funds would be realized in the current year as MMOs will be reduced before the end of the year, but other post employment benefits (OPEB) would need to be considered. She noted there was no provision in the exit plan that requires contribution to that plan, but it was still a liability that would need to be funded. Mr. Ritter stated it was approximately \$1.2 per year, which was mostly healthcare for retirees.

Mr. Vitovich had a pet peeve with "rogue" parking lot attendants, who charge \$5 to park while the Vine Street Garage sits empty. He suggested charging \$3 to park there rather than "getting nothing at all". Mr. Ritter commented that the city is supposed to receive 10 percent of those profits. There was further discussion regarding that matter. Mr. Arnone suggested that these rogue attendants should be billed just like vendors.

Robert Ritter, Finance Director, referred Council members to the spreadsheet for further discussion of the proposed revenue line items for the 2021 budget.

He compared the \$14,850,714 that would be budgeted with last year's figure in the amount of \$16,571,799. Mr. Ritter discussed the difference was due to the TAN loan, the sewer fund transfer but projected a slight surplus so none of the fund balance would need to be used.

Mr. Ritter explained that the real estate liens of \$7,000 was the estimate of the tax lien company for next year. The cable franchise fee was reduced approximately \$20,000 as there are less people using cable. There was further discussion regarding the fee.

Mrs. Mock suggested that advertisements be started for Roxbury, now that the rink is completed, and Sargent's Stadium at the Point. Mr. Arnone suggested that Lamar or another sign company such as Minahan be contacted regarding the matter to sell the spots with the City receiving 50 percent. Mr. Ritter commented that \$5,000 was added into the revenue for advertisement at the stadium. There was further discussion regarding a line item for maintenance

of playgrounds. Reverend King commented playgrounds were last inspected by the insurance company, and suggested an employee go through the actual certification course. Manager Trant noted that from a liability standpoint, the City would be better off hiring a third party. Mrs. Mock commented that a grant is pending for Roxbury Park.

Mr. Ritter referred to local payments for discussion, including \$358,828 from the Johnstown Housing Authority. Mr. Arnone noted the amount is based on the increase given to the Fire and Police. The local police contract is \$134,000 which is the Johnstown School District, Dale Borough and Middle Taylor.

Mr. Ritter stated the golf contract revenue is \$19,500, with approximately \$1,500 in green fees and \$18,000 in rent. There would be further discussion regarding this matter.

With regard to Sargent's Stadium at the Point, \$51,344 for Bishop McCort and \$15,000 for the new baseball team. Mr. Ritter will check into why there is no fee from UPJ as they play baseball there in the spring. It was noted that the contract with Sargent's is \$15,000 per year for five years.

Reverend King suggested that a director of recreation or manager be hired to ensure that matters are taken care of at Roxbury, Sargent's Stadium at the Point and the City's playgrounds.

Mr. Ritter summarized that advertising revenue is \$15,000 from Sargent's for Sargent's Stadium at the Point, with an additional \$5,000 for other advertising. There was further discussion regarding that account. Mr. Ritter noted it is in a separate account.

He stated there is \$125,00 under miscellaneous revenue; \$90,000 from the sale of the bulldozer and the remainder for selling different equipment and automobiles.

The contract in the amount of \$81,500 with the Johnstown School District for two policemen was the last amount discussed.

Interim Manager Trant stated adjustments would be made based on tonight's discussion and the revised revenue and expenditures would be reviewed at the next workshop.

ADJOURNMENT

There being no further business, the Workshop was concluded at 5:44 p.m.