

JOHNSTOWN CITY COUNCIL
WORKSHOP MINUTES
EXIT PLAN STATUS
Wednesday, February 12, 2020

City Council met in a stated session for the general transaction of business.
Mayor Frank Janakovic called the meeting to order at 5:00 p.m.

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

The following members of Council were present for roll call:

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

Elizabeth Benjamin, Esquire, City Solicitor; Robert Ritter, Finance Director/Acting City Manager; John Trant, Interim City Manager; Deborah Grass, Act 47 Coordinator; Michael Foreman, Department of Community and Economic Development; John Dubnansky, Economic Development Director; Melissa Komar, Executive Director, JRA, were also present.

Deborah Grass, Act 47 Coordinator, stated the meeting would relate to the exit plan strategies, initiatives underway, and those that had already been addressed. She introduced Kathy Clark, a member of the Act 47 team, and Michael Foreman, DCED.

Ms. Grass commented that the City had finally come to a point with some financial stability. She noted there would be review of financially-based preliminary items and the bulk of the discussion would be with regard to community development and community development projects.

Financial Review

Ms. Grass noted very good results financially over the last three years. She indicated the City was no longer running a deficit. She referred Council to the unaudited summary of the 2019 Budget for discussion of the major revenue and expenditure categories. Reference was made to the -\$455,345 deficit that was to be used to balance the budget, but Ms. Grass noted that none of that was used and explained why. She noted, with regard to expenditures, all departments came in under budget, with the exception of the Fire Department and Community Development. Ms. Grass explained that while unrestricted funds would be used to balance the budget as long as those funds are available. There was further discussion of the budget analysis.

Stabilization of Management Team

Michael Foreman, Department of Community and Economic Development, addressed Council. He explained that the grant for the disposition of assets and manager salary subsidy had been executed and could be acted upon relative to requests for reimbursement for services rendered. He noted the appointment of a City Manager would allow for the use of those funds for a salary subsidy for the new manager for \$325,000 over a five-year period. Mr. Foreman explained that the City would request a contract extension for one year, and before the fourth year was up, the City would request an extension for the fifth year to allow the full amount to be utilized to subsidize the salary and benefits of the City Manager. He stated the requirements would be enhanced with regard to the expertise and experience of the individual. There was further discussion regarding this matter.

Mr. Foreman commented that the expectation was that when the grant funds ran out, the City would be able to pick up the full balance of funds necessary to subsidize the salary and benefits without any further DCED funding assistance.

Ms. Grass stated the City Manager compensation, skills and expertise should be discussed. She suggested that Council not "rush into" recruitment of a City Manager until after other matters are addressed.

Structure of Government

Ms. Grass encouraged the City to organize a committee that would actually review the Home Rule Charter provisions and Administrative Code to propose amendments. She referred to a draft resolution included in the packet for further review. There would be further discussion as to which Councilmembers would be interested.

Ms. Grass explained that the three-member committee would make recommendations, moved on to the Solicitor for approval once in draft form, and then submitted to county election officials to be considered by voters in the next primary, municipal or general election.

Revenue Generation

Ms. Grass referred Council members to information regarding dedicated sources of revenue. She noted that the City would lose the Local Services Tax (LST), which was approximately \$900,000, and the payroll preparation tax upon exit

of Act 47. There was further discussion with regard to deed transfer tax, use of the payroll preparation tax, and loss of LST.

Mayor Janakovic opined that he had always been a strong lobbyist of continuing LST; without that \$900,000, the City would be back to "square one". It was noted that the LST has been adopted in some cities that left Act 47, including Altoona and Scranton. Mr. Foreman suggested that the City contact the State Senators and Legislators to put it into the Fiscal Code to give perpetuity with regard to being able to levy the tax.

Mr. Ritter included a Payroll Preparation Analysis in Council's packets for further discussion of the business privilege for each employer in the City. Ms. Grass suggested that a workshop be held with regard to revenue generation.

Disposition of Assets

Ms. Grass noted that the sale of the sewer system, golf course agreement, parking system upgrade, Convention Center agreement and Point Stadium management agreement had all been discussed previously but commented that each is being addressed moving forward towards a complete comprehensive capital improvement plan. She provided handouts with regard to codes and a comprehensive plan status.

Community Development

John Dubnansky, City of Johnstown Community Development Director, addressed Council with regard to the miscommunication and misunderstanding of policy with regard to the duties of the code enforcement office. He provided an overview of the new updated policy, which had been implemented on December 20, 2019. Mr. Dubnansky noted that an updated monthly report would be provided to Council for review. The addition of a third-party contractor was being considered for inspections.

Mr. Dubnansky stated, in 2019, 731 field inspections were completed and 417 tickets were issued for \$21,000, of which only \$2,175 had been collected. He noted the fee structure would be reviewed.

With regard to the Comprehensive Plan Status, he noted the current plan is 21 years old and needed to be updated. Mr. Foreman commented that the contract for the Act 47 grant for the housing study would expire the end of June 2020.

Melissa Komar, Executive Director, Johnstown Development Authority, commented that a very large grant would be submitted tomorrow to local foundations and she would include the City's demolition plan in that application.

Mr. Dubnansky noted that 138 demolition permits were issued in 2018-2019. Ms. Grass commented that the Blight Strategy was funded by DCED and suggested that a final meeting with public participation be scheduled with regard to the matter. There was discussion with regard to land bank implementation strategies.

Mr. Dubnansky noted that the EPA Brownfield Grants expires in September of 2020. The work completed includes a phase one environmental assessment for the Moxham Bus Barn project; a phase two assessment for the 34-acre former Freight Car America site; an assessment on what to do with oil drums found in the train station building; and a completion of a cleanup plan for 10.4 acres of the former Cambria Iron Works site. He indicated that throughout the process, 37 brownfield sites had been identified throughout the City, 4 of which Phase One assessments were completed.

He noted that consultant work was being completed with regard to finalization of the Fairfield Avenue and Strayer Street corridor plan, and complete reuse planning and budgets for the Center for Metal Arts. An internet-based composite map website will be created to highlight many of the projects throughout the City. An internal web map-planning tool will also be created for staff at the Community Economic Development office.

Mrs. Komar reported that a team from Johnstown visited DCED in Harrisburg for discussion of the master plan for the Center for Metal Arts campus, which is now partnering with Bridgeway Capital and Pittsburgh Gateways.

Mrs. Komar commented that over the last two years, the Center for Metal Arts was 100 percent successful with all grant applications from local foundations to college applications in Carbondale. The focus was on blacksmithing. People arrived from all over the country for workshops, and the rectory on Broad Street was purchased for student housing. She noted that visitors were here from the Artists Blacksmith Association of North America (ABANA), who are interested in the progress of the Center and in moving their home office to Johnstown.

Mr. Dubnansky discussed the City's five-year plan for the HUD Program. He noted commercial development funding would be available within the next seven months to assist folks who are interested in operating a business within the City of Johnstown. Property reuse would include utilization of the State

Theater, the Lee Campus Hospital and the train station. He indicated that a business is interested in the old Donut Connection business under the Main Street East Garage. Other plans included working with the planning commission and other entities to identify areas from a redevelopment standpoint, such as the old Garfield Junior High School in the West End.

Mrs. Komar stated, as part of the Main Street East Project, the VooDoo Brewery announced its Johnstown location last week and hoped to acquire five properties between Franklin and Clinton Streets.

Mrs. Komar noted, with regard to the Rosedale Industrial Park, \$2.7 million had been received in PennDOT Multimodal Funds for which TranSystem was chosen as the design engineer and Stahl Sheaffer for inspection. She further noted that \$1.4 million was recently received from ARC funding to leverage federal dollars vs. state dollars with application for a state infrastructure loan to bridge the gap. It was noted that three entities are interested in the location. An update would be provided to Council as the project move forward.

An informational meeting will be held with regard to the matter on Tuesday, February 18, 2020, at 1:00 p.m. in the Community Foundation Room of the AmeriServ building.

Mr. Foreman commented that he needs to be invoiced for professional services rendered through June 30 of 2020, which would include the Cambria City neighborhood strategic plan, the Comprehensive Plan, \$25,000.

Mr. Dubnansky noted the rental inspection ordinance would be updated and presented for Council's approval at the March 4 and March 11, 2020 meetings. He indicated that code enforcement would be working with the Fire Department to complete rental inspections. Moving the building code officer in-house showed a 50 percent increase in revenues.

Mr. Dubnansky stated application would be made to the Pennsylvania Historical and Museum Commission (PHMC) for necessary improvements to City Hall. Grant applications would also be made for the hiring of police officers, fire department equipment, and to DCNR for improvements at Sargent's Stadium at the Point and Roxbury Park.

ADJOURNMENT

There being no further business, the meeting concluded at 5:58 p.m.