

JOHNSTOWN CITY COUNCIL
WORKSHOP MINUTES
Wednesday, April 1, 2020

City Council met in a stated session for the general transaction of business.
Mayor Frank Janakovic called the workshop to order at 6:40 p.m.

The following members of Council were present for roll call via telephone conference:

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

John Trant, Interim City Manager; Robert Ritter, Finance Director; Jared Campagna, Public Works Director; Bruce Graham, Gibson Thomas Engineering; Deborah Grass, Act 47 Coordinator; Attorney Kathy Pape and Attorney Benjamin Haverstick of McNees, Wallace and Nurick; Stephen Goldfield, Financial Advisor; and Brandon Palmer, EADS Group were also present via telephone conference.

Interim City Manager Trant indicated the purpose of the workshop was to discuss the several ordinances that the sewer team had been working on over the last several months. He complimented those team members for working hard on a potential agreement for a sale and the ordinances that go along with that potential sale. He stated the workshop would provide an overview of the ordinances that would be on the April 15, 2020 agenda for first read. Council members would also be presented information regarding lateral replacement costs for review.

Team members were asked to identify themselves and provide a brief description of their role with regard to this matter.

Stephen Goldfield noted his role on the team of consultants to negotiate the purchase price and contractual agreement. He noted the primary focus of the workshop would be the ordinances regarding the matter. He introduced Attorney Kathy Pape of McNees, Wallace and Nurick, who focuses her practice on wastewater and storm water utilities. She would discuss a mandatory connection ordinance and a road-opening ordinance.

Bruce Graham, Gibson Thomas Engineers, noted his assistance to Council in the process of closing out the completing projects. He would be providing an overview of the project going forward. He would also be discussing some of the proposed changes to the current IPC-2015 code.

Brandon Palmer, EADS Group, will assist in gathering costs for ineligible paving costs for upcoming sewer projects left to complete.

Attorney Benjamin Haverstick of McNees, Wallace and Nurick, will be working on the purchase agreement with Kathy.

Members of the team were asked to review some questions from Council members after which questions regarding the road-opening ordinance would be discussed.

Mr. Goldfield addressed a question regarding language that would protect property owners in the event that the contractor would exceed the 12 months deadline. He discussed the importance that residents find a way to get these laterals completed. Mr. Haverstick discussed language in the transfer agreement that covered this issue. He noted that it was proposed that a customer of the system must provide evidence of entering into a contract with a plumber within that 12-month period. There was further discussion.

He addressed the loan program waiting list. He noted that Executive Director Melissa Komar would be hiring additional staff to assist in the matter.

Mr. Goldfield discussed the possibility of people being price gouged once in a position to get the work done within the year. He noted additional initiatives would be discussed related to the possibility. He also suggested that people receive two or three bids. He further noted an enforcement to get everybody connected into the new system.

Mr. Graham had not seen price gouging, but commented on people receiving multiple bids.

Mr. Palmer agreed that homeowners should receive several quotes but had not heard about price gouging yet.

Mr. Goldfield addressed compliance of vacant properties. He stated many properties would be demolished. A collaborative discussion is scheduled with JRA and GJWA regarding this matter. He will report to Council the results of that meeting.

Mayor Janakovic questioned issues with the completion date based on COVID. Mr. Goldfield stated another Act 47 city was already hearing that its exit plan was going to need amended. He agreed that completion dates would be extended.

Deborah Grass commented that a conference call was scheduled with all Act 47 coordinators in terms of this issue.

Ms. Pape referred Council to information in their packets for further discussion of the road opening and mandatory connection ordinances. She explained the primary purpose of the ordinance is to ensure that, before any excavation is done on City streets, a permit is issued. She noted the requirements to obtain a permit would include the contractor obtaining both Workers' Compensation and liability insurance, which names the City as an additional insured, financial security by way of a bond, cash or letter of credit, a paid permit fee, and a traffic plan provided. Hours of roadwork must occur between 7:00 a.m. and 5:00 p.m., Monday through Friday. Roadwork must follow the repaving and restoration specifications. The repaving must be done curb to curb for existing PennDOT projects, some of which will be paid by PennVEST, some funded from proceeds from collection system, and some by the general sewer fund with regard to the central business district.

Ms. Pape explained, after the projects are completed, there would be curb to midpoint repaving for future projects and notification of when the City is going to conduct road restoration on an ongoing basis. If the City resurfaces a street, an additional surcharge must be paid for the digging in the street within five years of resurfacing.

Ms. Pape noted a section that addresses special requirements in the central business district.

Ms. Pape addressed the mandatory connection ordinance, which she stated is an ordinance that indicates, if a property abuts on, adjoins or is accessible to an existing sanitary public collection or interceptor sewer pipe, it must connect or could result in a fine of \$500 plus costs. Ms. Pape explained the ordinance is in place, if needed, but it should not be necessary at this point. In response to a question by Mr. Goldfield, Ms. Pape voiced her understanding that this was an amendment to the existing ordinance.

Bruce Graham, Gibson Thomas Engineers, discussed some of the proposed changes to the current IPC-2015 plumbing code, in particular, Section 312.3, drainage and vent air test, which would eliminate plastic pipe to allow air testing to take place on the systems. Section 702, materials, would allow for the trenchless method and the use of polyethylene pipe.

Mr. Graham referred to Section 717, a new addition to the 2015-IPC, which calls out replacement of underground sewers by pipe bursting. He noted this would provide the ability to perform trenchless and create a smoother transition and eliminate additional hazards to clients by having common areas torn up by taking the pipes up and replacing them.

Section 717.2, replacement of lines, eliminated the words pipe bursting and added trenchless.

Section 717.3, preinstallation inspection, added that the inspection should determine and confirm if piping were such that trenchless methods are useable application, and if not, the homeowner would be required to use standard trenching capabilities.

Section 717.4, pipe, added the words to meet material specification of tables, and the remainder of the paragraph was stricken.

Section 717.5, pipefittings, added the words pipefittings to be connected to replacement piping should be compatible with pipe installed and existing pipe. The remainder of the paragraph was stricken.

Mr. Graham explained that Sections 717.6, 717.7 and 717.8 are all existing paragraphs to 717, which allows the ability to perform trenchless pipe preplacement in the City. He noted the remainder of the codes were items previously reviewed for which no changes had been made.

Stephen Goldfield noted his work with the team of consultants to negotiate the purchase price and contractual agreement. He noted his primary focus would be to discuss the ordinances regarding the matter.

Mr. Goldfield noted the team spent some time discussing whether to update the pressure-testing ordinance. The consensus was that changing the ordinance would be short lived, and the matter would be transferred when the transaction occurs in the next couple of months. So no amendments would be made.

Mr. Goldfield stated the terms and price were still being negotiated. Mayor Janakovic offered to call an Executive Session soon with Council for further discussion of those details. Mr. Goldfield would be able to update Council at that time from a numbers standpoint. He stated, if Council were to determine to allocate, for instance, the sum of \$1 million to a lateral replacement program, he would discuss how that would work and requested that Council members send John any ideas regarding the matter. He provided as an example allocating \$1,000 to 1,000 residents, who needed help to pay for their laterals with the Community Development Block Grant Program adding another \$1,000 or \$2,000 provided under the program. He discussed additional options to help residents finance the laterals. Mr. Goldfield stated it would be up to the City to determine income thresholds, eligibility requirements, total allocation, and how broad to reach. Council members had

questions and comments regarding the possibility of making the program available to business owners for example.

Mr. Goldfield offered to conduct further research on the number of residents, the number of JRA loans taken out, and how many transfers of property occurred, so firmer numbers could be provided to Council.

Mr. Trant summarized a "menu of options" regarding the various levels of subsidy would be developed for Council's consideration. Mr. Arnone commented, "We want to help everybody," but that the City's responsibility is to get the "biggest percentage of people hooked up to the system" to satisfy the federal and state governments in terms of compliance.

Mr. Trant explained, as part of this potential transaction, all of that responsibility would shift away from the City; but if the sale did not occur, the City would need to be aggressively and actively enforcing "getting folks off the old system and onto the new." Members had comments regarding the matter.

He noted the next step would be to amend the ordinances based on the discussions. He further noted the information would be in the meeting packet for the April 15 meeting.

Mr. Trant noted City Hall and the Public Safety Building were posted with the meeting notice.

There was discussion regarding the pension fund and the recent dip in the stock market, which would change the numbers a little bit. Mayor Janakovic suggested an Executive Session be held for further discussion regarding the matter and stated an email would be sent to Council members.

Mr. Goldfield commented that both sides were close to a purchase price and getting the asset purchase agreement complete. He noted the purchases had a good two months of legal work on their side due to the bond issue of this size and nature.

Ms. Grass was in agreement with Mr. Goldfield's comments and agreed that right now it was a very unstable environment, which it may be until later this year to know what the actuarial evaluation is going to show in terms of the City's annual obligation.

Mr. Goldfield and Ms. Grass would be sharing two or three different strategies with Council, but believed the potential holdup was the bond market, which had to stabilize at a level that works for the deal.

Wednesday, April 1, 2020
Stated Workshop, continued

6 of 6

ADJOURNMENT

There being no further business, the meeting concluded at 8:07 p.m.