

JOHNSTOWN CITY COUNCIL
SPECIAL MEETING MINUTES
Wednesday, October 27, 2021

City Council met in a stated session for the general transaction of business.

Mayor Frank Janakovic called the meeting to order at 6:09 p.m.

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

The following members of Council were present for roll call:

Mr. Arnone, Mr. Britt, Mayor Janakovic, Reverend King, Mrs. Mock (5).

Absent: Mr. Capriotti (out of town, work related); Mr. Vitovich (2)

Dan Penatzer, Interim City Manager; Alex Ashcom, Assistant City Manager; and Robert Ritter, Finance Director, were also present.

Dave Sutor, Tribune Democrat reporter, was in attendance.

PUBLIC COMMENT-AGENDA ITEMS ONLY

Jack Williams, 360 Corrine Avenue, Johnstown, was present regarding the agenda and Council's compliance with the section in the Home Rule Charter pertaining to the submission of the budget and the budget message. Mr. Williams questioned why there was no First Read bills for the budget. He received a response from the Interim City Manager that the budget would be presented at the November and December meetings and that Council may have additional changes to the budget. Mr. Williams stated this did not comply with the Home Rule Charter and if this Council did not introduce First Read, then review by the Act 47 recovery team could not happen. Mr. Williams suggested a motion be made to amend the agenda to add two bills, and the City Manager or Finance Director be given the authority to enter the proper bill numbers and then present the First Readings.

Dan Penatzer, Interim City Manager, responded by noting that Council could amend the agenda at any time in accordance with the most recent change in the Sunshine Law. He stated there was no requirement requiring Council to adopt a budget prior to Act 47 approval. The only requirement with regard to presentation is that the budget be presented to Council prior to November 1. He noted that Council had been presented with the draft Budget Ordinance and Wage and Salary Ordinance, both of which were not being proposed for adoption. The ordinances could be proposed in November and finalized in December, which he noted was done when Mr. Williams was on Council. There was further discussion with regard to the budget.

After further discussion, Council entered into Executive Session from 6:27 p.m. until 6:44 p.m. for further discussion.

EXECUTIVE SESSION

Mayor Janakovic reconvened the meeting. He noted, after discussion with Counsel in Executive Session, the presentation of the budget will continue and a meeting will be held on Monday, November 1, 2021, at 6:00 p.m. to revisit the budget.

REPORT

Mr. Penatzer presented the proposed 2022 budget for further review and discussion. He noted the presentation complies with the City's Home Rule Charter, the Administrative Code, regulations of the Commonwealth, and includes General Fund, Capital Improvement Plan, Rescue Fund dollars, and various funds utilized for community development programs. He stated the Budget Ordinance and any changes Council wished to make would receive First Read on November 1, 2021, and scheduled for final adoption on December 8, 2021. The Wage and Salary Ordinance would be approved at the same time, and a public hearing would be scheduled prior to the December meeting.

Mr. Penatzer indicated a General Budget amount of \$14,584,985, expenditures of \$13.5 million, and the surplus of \$1,071,000 would be transferred into the Capital Improvement Fund.

He referred members to the chart comparing Johnstown's real estate tax to other towns in Cambria County for further discussion. He stated most all real estate taxes were for general purposes, but a slight portion is dedicated to the library.

Mr. Penatzer referred to a list of 2021 grants and a chart regarding debt history for members to review.

He discussed the collection of local Act 511 taxes, including earned income tax and parking revenue, which had declined in recent years. The Interim City Manager noted parking revenue would be increased with the installation of pay station kiosks, including one at the Locust Street parking lot, the implementation of new software to electronically manage the parking meters and the adjustment of parking fees and fines.

Mr. Penatzer noted revenue from Sargent's Stadium and Roxbury Park and the future improvements planned at those facilities.

He referred to a pie chart of General Fund expenditures for further discussion of the two largest expenses, which included the police and fire departments.

Mayor Janakovic scheduled a meeting in November with Representative Rigby and Senator Langerholc regarding the local service tax.

With regard to the section regarding the Police Department, Mr. Penatzer indicated the salaries of the two school resource officers was paid by the school district for nine months. He noted there may be a third officer added and emphasized for Council members that they should not agree to add a third position unless the total cost of that year round position is paid. There was further discussion

He stated the COPS Grant for \$150,000 per year will eventually be lost.

Mr. Penatzer indicated the Fire Department was down to two stations covering the entire City. He recommended that some reserve vehicles be sold. There was discussion regarding the use of Fire Department staff and vehicles to assist EMS.

He referred to the renegotiation of an agreement with Ms. Sargent and the City regarding Sargent's Stadium.

Revenue from sports fees at Roxbury Park and grants and matching DCNR funds committed to parks and playgrounds were noted. Council would be asked to consider an amendment to the agreement at the next meeting regarding the park at the bottom of the Inclined Plane.

Highway projects for 2022 included the repaving of downtown streets following completion of the sewer project, installation of thermoplastic white strips on downtown streets, and neighborhood street paving.

Mr. Penatzer recommended a sign inventory program for faded or missing signs and those to be taken down.

With regard to Community Development, Mr. Penatzer suggested that Mr. Dubnansky and his department concentrate on funding projects and business development, including those prioritized by Vision 2025.

Mr. Penatzer commented on the importance of the State Theater being used for not only movies but as an events venue. There was discussion regarding doing away with the business and registration ordinances. Ways to replace some of that revenue would be discussed at another meeting.

Mr. Penatzer referred to the destination assessment for further discussion. He commented that it would be easy to make Johnstown "more recognized as a night-light hub for the region." Mr. Armone commented that as a business owner, COVID had an effect on the nightlife in the City.

The City Manager indicated that the Act 47 deadline is April of 2023, but that the City should plan on exiting at the end of 2022 and "move on". He commented that the Capital Improvement Plan list of projects was "not a wish list" but rather a list of "necessary expenses coming down the road. "

The Exit Plan Initiatives summarizes measures taken and those to be taken. There would be further discussion regarding the new manager search at the November meeting.

Council was encouraged to make an arrangement with the 1st Summit Arena management company regarding the Conference Center.

Revenue Generation included discussion of the loss of the business tax ordinance and six possible considerations that would need addressed by 2023, including elimination of the Right to Know position and parking fees.

Mr. Penatzer discussed the Cost Containment, which he noted as one area Council had the most success with that included the sale of the sewer system, the transfer of the debt, and paying down the pension obligation.

The City Manager noted that the City spends "way too much money on professional services," which includes legal, engineering and auditing. There was further discussion on the auditing services.

There was discussion about ways to improve property maintenance. He noted an emphasis that would shift from citations to expedited corrections. Seasonal workers would respond and correct violations. Abandoned vehicles would be removed in accordance with the Motor Vehicle Code, the expedition of condemnations, \$2 in ARPA funds dedicated to residential building improvements, \$500,000 for parks and playgrounds, and \$100,000 in the Capital Budget for the first year of the land bank. He reminded members that public meetings would be scheduled to receive input.

Mr. Penatzer referred members to a list of objectives for 2022 and encouraged staff to move on the objectives and receive results. He noted the new street sweeper on the list had been ordered. He also noted a committee meeting with regard to the Main Street Revitalization would be held and asked Council to

authorize the ordering of conceptual drawings. Council would be asked to approve a design contract for the Locust Street lot.

Mayor Janakovic requested frequent updates with regard to the status of ongoing projects.

Mr. Penatzer read into the record a paragraph from the Capital Improvement Plan as follows: Adequate capital reserves must be budgeted every year in order to assure that the needed funds are on hand in the future. While the City took a giant step forward in recognizing the need for capital improvement fund, it's not being adequately funded. For example, in 2021 only \$1 million was budgeted to be transferred into the fund, yet one project alone, \$800,000 was budgeted for street resurfacing. (The City Manager commented that he could not stress enough this is obviously a recipe for disaster).

Compounding this problem is the certain loss of the LST in 2023 effectively making any transfer to capital improvement fund impossible. (The City Manager commented that it is absolutely necessary for City Council to take steps now to replace that lost revenue or drastically cut services or both, that if it wasn't for the rescue funds, you would already be in recognizable obvious trouble).

There was discussion with regard to other revenue sources. Mr. Penatzer suggested that the business privilege tax and the mercantile tax be replaced with a payroll tax while still in Act 47.

Mr. Penatzer referred to the public image section of the budget for further discussion. He thanked Mr. Ritter and staff for their efforts in putting the budget together.

PUBLIC COMMENT - NON-AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, the meeting concluded at 8:23 p.m.