

JOHNSTOWN CITY COUNCIL  
WORKSHOP MINUTES  
Wednesday, July 10, 2024

City Council met in a stated session for the general transaction of business. Deputy Mayor Michael Capriotti called the Workshop to order at 5:37 p.m.

The following members of Council were present for roll call:

Mr. Arnone, Mr. Britt, Deputy Mayor Capriotti, Ms. Huchel, Reverend King,  
Mrs. Mock (6)  
Mayor Janakovic (1) was not present.

AUDIT PRESENTATION

Joel Valentine, Brennen Myers, Michael Lamb were present from Wessel and Company.

Mr. Myers noted a meeting was held with Mrs. Komar and Ms. Millard regarding the financial statement. He referred to member packets for further discussion of the agenda and some graphs regarding the City's assets and liabilities including the City's largest liability Other Post Employment Balance (OPEB), Net Income and Losses, long-term Government-Wide Statements and Fund Financial Statement.

He referred to Graph One as a historical perspective of ten years of General Funds and Operating Revenue. Graph Two as a detailed breakout of services consistent with prior years. Graph Three as a breakout of the General Fund balance for the least ten years. Graph Four as the total fund balance of the General Fund for the last ten years. Graph Five as a visual representation of the increase in the General Fund balance over the last ten years.

Graph Six as a categorial breakout of revenues within the General Fund; Graph Seven as a historical analysis of real estate taxes; Graph Eight as the tax collection rate. Graph Nine as Earned Income Tax for the last five years. Graph Ten as the Local Service Tax. which will continue to decline due to the City leaving distress status. Graph Eleven Mercantile and Business Privilege Taxes, which had increased over prior years due to the concentrated effort to collect these taxes. Graph Twelve as regarding the City's pension minimum municipal obligation, which had declined due to it being funded appropriately. Graph Thirteen as a breakout of health insurance and hospitalization costs over the past five years.

Mr. Valentine stated, in summary, the City had done well with controlling costs thus far, but with inflation, there would probably be some large increases coming.

Wednesday July 10 2024,  
Stated Workshop, continued

2 of 2

Those in attendance were then asked to review a letter communication with attached audit entries included in their packets that is required for those charged with governance.

A single audit report on compliance with federal dollars was also included. It was noted there was \$5.4 million in federal expenditures in 2023 compared to \$14.2 million in 2022. It was noted the decrease was due to the ARPA program and COVID funding, and the City still had a large amount of ARPA funding to spend. ARPA funding and the CDBG program are the largest programs the City has and represents nearly 95 percent its federal dollars.

There was discussion regarding a summary of the five compliance findings, four which are recurring. At a meeting with Mrs. Komar and Ms. Millard these findings were reviewed in detail to come up with a corrective action. It was noted that required documentation related to loan files was not included, but some personnel procedures had been tightened up to make sure this matter was corrected.

Mr. Myers referred to Operational Recommendations, which were also discussed with Mrs. Komar and Ms. Millard. Pending items included the submission of an online DCED report and uploading the audit to the Federal Audit Clearinghouse, which will be released for approval after the Council meeting.

There being no further business, the Workshop adjourned at 5:51 p.m.