

JOHNSTOWN CITY COUNCIL
BUDGET WORKSHOP MINUTES
November 13, 2024

City Council met in a stated session for the general transaction of business. Mayor Frank Janakovic called the Workshop to order at 4:40 p.m.

An Executive Session to discuss personnel issues was held prior to the commencement of the workshop.

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, Deputy Mayor Capriotti, Ms. Huchel, Mayor Janakovic, Reverend King, Mrs. Mock (7).

David Andrews, Esquire, Solicitor; Art Martynuska, City Manager; Fire Chief Robert Statler; Sara Williams, Executive Director; Melissa Millard, Finance Director; and Jennifer Burkhart, Accounting Assistant, were also present.

WORKSHOP ITEMS

1. Discussion of 2025 General and Capital Fund Budget

General Fund

Melissa Millard, Finance Director, provided an overview of revenues and expenditures.

She noted no tax increase for 2025. The budget was balanced with a surplus. She referred to the General Fund Revenues for further discussion, noting the substantial decreases in revenue including the real estate revenue by \$200,000 and earned income tax by \$100,000.

She noted increases in the building permits, vehicle violations, codes ticketing, and if the switch is made to Laurel Municipal, there would be an increase.

False alarms have increased, which is being paid by JRA. Interest rates are dropping, which will have to be considered moving forward.

Revenue is down for the highway, streets, and parking meters due to more road construction this year and meters being bagged.

It was noted ITC garage parking revenue for events may increase due to the contract with the War Memorial, and all revenue from parking garages is down.

Ms. Millard indicated revenue for school resource officers and DCED grant money for City Manager were lost. She mentioned that former Economic Development Director, John Dubnansky, and Kathy Webb, Administrator, had brought in hundreds of thousands of dollars of grant revenue, which the City is currently lacking but would be addressed by the City Manager.

Mr. Martynuska commented grants will be searched and researched. The grants will be written, then application made and administered.

Ms. Millard noted that \$95,000 of the liquidated fund, currently \$1.3 million, can be used towards other expenses, including the repair and maintenance of Public Works vehicles. She indicated \$150,000 can be used towards payrolls.

She stated Chief Statler worked with her and the City Manager and was able to lower the fire department down \$80,000.

Mr. Martynuska noted the state aid is up in 2025. The City would receive 2-unit values for every police officer, 2-unit values for every certified uniform, and 1-unit value for every non-uniform. More state aid will be coming in 2025. The unit value is \$6,900.

Ms. Millard noted no change in the revenue for the liquid fuels fund, but there was a surplus in that fund.

She reported no change in the general government budget. The procurement position in the finance department was eliminated. The City Manager suggested supplies be centralized to save money and provide better control.

Regarding hospitalization, the City Manager noted a 5 percent increase in hospitalization for active employees, and a 13 percent increase for retirees. He will inquire of Mockenhaupt to provide an alternative for retiree healthcare. There was further discussion regarding healthcare. It was noted that healthcare was not being offered to new hires.

Ms. Millard reported a very substantial upgrade to hard drives and all departments have had software training.

It was noted there was an increase of those who opted out in the fire department.

Ms. Millard commented that Mr. Martynuska did an excellent job working with the police contract.

There was discussion regarding the removal of 10 fire hydrants as part of the Main Street Project as well as removal of some hydrants that are no longer needed.

Ms. Millard noted multiple meetings with Mr. Campagna in Public Works and commented he has done very well cutting back on supplies. She also noted Carm has been signing off on all maintenance and repair invoices that go through the shop. As noted previously, liquid fuels funds will be used towards maintenance of public safety vehicles and \$150,000 towards payroll.

She reported no change in Parking salary and wages, and some adjustments were made to Recreation and other parks.

No increase in the contract with Sargent's Stadium at the Point.

The City will start contributing to Community Development salaries. There were not many expenses for the Conference Center, but Ms. Huchel commented that other entities should have started contributing to the operational expenses per the agreement. The City Manager noted the contract was delivered to the management company, and that revenue should be posted. Ms. Millard will review the matter further.

Ms. Millard reported energy costs have gone up across the Board in all departments.

There was discussion regarding the amusement tax which substantially increased. Collections are being aggressively pursued.

Ms. Millard noted a reduction in payroll in the Codes Department as per previous discussion. There was further discussion regarding the bond debt.

Ms. Millard commented that the budget is balanced but noted Council should consider an increase in tax millage. There was discussion regarding the increase in utility costs. In the future, the \$500,000 in revenue received from ARPA interest will be lost. It was noted City tax has not increased in 14 years. There was discussion regarding the value of millage.

Proposed Capital Plan

MMO will decrease substantially for 2025. A surplus of \$504,000 was transferred into the Capital Fund, and once MMOs are met, the fire pension will receive additional funding.

Ms. Millard referred members to the Proposed Capital Plan as of September 30, 2024, for further discussion of interest, grants, and expenses. The new gas pump system for the City Garage brings the City in compliance.

There was discussion regarding sidewalk replacement at the top of the Inclined Plane.

Mr. Martynuska requested Public Works provide a price on a lift on the Market Street side to make City Hall more accessible. the ramp is not conducive to those who may be challenged. Mr. Capriotti reminded Council of the ADA grant money that will become available the beginning of 2025.

Ms. Millard noted parking garage maintenance is a new line item in the amount of \$250,000 for elevator servicing. There was discussion regarding the condition of the maintenance shed and who is responsible to maintain it. Ms. Millard will review the agreement.

There was discussion regarding the Capital Improvement line item in the amount of \$450,000 for miscellaneous repairs.

Mr. Arnone inquired about the old fire station in Conemaugh Borough. Chief Statler noted the building is being used for storage.

The City Manager noted a variance is being drafted for Sargent's Stadium to get it into compliance as the lines run under the field and cannot be slip lined.

Ms. Millard will provide a breakdown of ARPA funds for all businesses and nonprofits. There was discussion regarding ARPA funds for community neighborhood projects, which must be spent by the end of 2026.

Ms. Millard noted an additional \$15,000 in the General Fund for animal control. She will create a new line item for that category.

She noted no additional funds would be allocated for the land bank.

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Stated Workshop, continued

Animal Control, General Fund, relates to fines. Ms. Huchel commented that solicitor and legal fees were up quite a bit. Ms. Millard noted that figure was based on previous years as well as this year.

Ms. Huchel commented that she does not take a salary but does not want it to disappear from the budget but be used to purchase something necessary.

Ms. Millard asked Council members contact her regarding any financial concerns and Ms. Ndichu be contacted regarding the CDBG budget.

Mr. Capriotti commended the staff involved in the budget process and noted appreciation for the work completed in a very short period of time.

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