

JOHNSTOWN CITY COUNCIL
WORKSHOP MINUTES
Wednesday, September 29, 2021

City Council met in a stated session for the general transaction of business at 6:07 p.m.

The following members of Council were present:

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

Also present were Dan Penatzer, Interim City Manager; Alex Ashcom, Assistant City Manager; Robert Ritter, Finance Director; Elizabeth Benjamin, Esquire, City Solicitor; Kathy Clark, Esquire; Deborah Grass, Act 47 Coordinator; Jared Campagna, Public Works Director; John Dubnansky, Economic Development Director; Bruce Graham, Gibson-Thomas Engineering; Robert Statler, Fire Chief.

EXIT PLAN

Mr. Penatzer referred Council members to a chart for further discussion of the Exit Plan. He reminded all in attendance that the deadline for Act 47 is April of 2023 and it would be recommended that the City remain in Act 47 status through 2022. Without continuation of the LST there would be no problem paying day-to-day expenses but the capital improvement plan could not be funded.

Deborah Grass, Act 47 Coordinator, provided a financial update through August of 2021. She noted real estate taxes came in "pretty strong" comparing 2021 to 2020. Ms. Grass was concerned that the earned income tax, the mercantile tax, the business privilege tax and the local service tax which are down and would be monitored.

Ms. Grass commented that one of the things that is driving the earned income tax and the local service tax is the unemployment rate, which is still higher than the state and national numbers and would have an impact on those taxes and other things indirectly.

She indicated that a state rep or state senator has to propose language with regard to the LST tax. She explained that Scranton was able to retain the tax as they are a class 2A, not third class and not Home Rule Charter. It was noted that annually the City would lose approximately \$900,000 if it lost the LST. That if a company is in the City, LST is most likely withheld if an employee works from home. Ms. Grass suggested contacting lobbyists at Vision 2025 to help with the LST matter.

There was discussion with regard to building collaborative for management teams if the City were to pursue the Exit Plan. Mr. Penatzer noted some goals outlined in the Exit Plan included the hiring of an Assistant City Manager, which had been done. He indicated that before a City Manager could be hired, the residency issue has to be resolved to fill the position in late January, mid February. The sale of the golf course is not being actively pursued and now is being properly managed and under agreement which provides some funding back to the City. Ms. Benjamin provided further explanation. There was further discussion.

Mr. Penatzer noted the Act 47 team had discussed a management company to operate the parking and guarantee some revenue back to the City. Another option would be a Passport parking app, which is a software system that allows drivers to manage existing parking meters from a phone. There was further discussion.

John Dubnansky commented on the business management plan for Sargent's Stadium. He noted that Tony Penna has been an asset to the recreation department and that the Millrats help to make the stadium more useable and that there are more activities and events going on. Mr. Campagna commented that the artificial turf for the stadium is currently being manufactured.

Mr. Dubnansky also commented that an LED lighting project was planned, the scoreboard had been updated, picnic tables with umbrellas had been placed, and a new press box had been installed. There was discussion regarding the installation of the ADT and deck tiles at the hockey rink in Roxbury Park. The playground there would be updated as soon as supplies arrive. Mrs. Mock suggested the public be made aware of the upcoming improvements to the playground.

It was noted that renewal of the Pasquerilla Convention Center Agreement with Crown, which expires at the end of 2023, had been placed on hold pending discussion of the sale of the hotel.

With regard to the Charter Amendments, marketing ideas were discussed with the Chamber to develop as concise a message as possible on what it is that the referendum is attempting to achieve, including fliers handed out at different meetings, direct mail, billboard, social media. Mr. Penatzer noted the Solicitor has prepared the required public notices, which would appear in the newspaper starting next week and over the next four weeks. Public meetings to explain in detail the reason for the changes followed by a question and answer period would be scheduled.

Mr. Penatzer noted that "without a doubt" updates and changes needed to be done to the Administrative Code after the referendum matter is taken care of. He commented these changes could be accomplished by ordinance amendment.

Kathy Clark, Esquire, commented that some of the ordinances need "cleaned up" and updated to be current with the times.

Mr. Penatzer noted there needed to be discussion of ways to replace revenue lost by the eventual loss of the LST tax. He noted the Rescue Funds would "soften the immediate blow" but there needs to be focus on increased revenue. Options include storm water fees for commercial and residential properties, which would take a full year to implement. He explained the process. Ms. Grass suggested that a study be done to at least find out where the problems are. There was further discussion.

Mr. Penatzer stated a change to the property transfer tax needed to be reconsidered. He noted this was discussed in the past but concerns raised by realtors caused Council to vote no to the increase. There was further discussion.

The City Manager indicated that the collective bargaining agreements are now completed and signed.

He noted the energy audit should be addressed.

There is an administrative software upgrade coming with monitoring capability.

Ordinances had been adopted with regard to the occupancy inspection program, rental inspection program and fire inspections but need to be proactively enforced. There was discussion regarding third-party inspectors who manage these programs at no cost.

Mr. Arnone noted the ones he was familiar with do not have the City's best interest in mind but only the monetary interest. Clarification was made between code enforcement and code complaints. Mr. Capriotti commented that using the Fire Department to handle code enforcement was discussed previously. Chief Statler noted that was all part of the original plan of having one codes enforcement officer and fire department personnel conducting the inspections.

Ms. Grass explained that these third-party inspectors work out of the City building and they schedule and do inspections the way the City requires. Afterwards information is entered into the City's database. There was further

discussion regarding the matter. Mr. Penatzer noted the rental, occupancy and fire inspection ordinances are in place and would be addressed in the future.

Ms. Grass noted the vacant property ordinance that Council had passed was not being implemented. She would put together an informational chart showing who should be in charge of each of ordinances.

The City Manager stated the County-wide reassessment request is not likely to happen due to the City's participation in Act 47.

AMERICAN RESCUE PLAN

Alex Ashcom, Assistant City Manager, referred to a plan for expenditures of the American Rescue Plan Act Fund that he and his staff have developed for further discussion. He noted the plan distributed today totals more than \$30 million and accounts for each federal dollar given to the City of Johnstown.

Mr. Ashcom referred to three phases of the plan identified as Survive, Revive and Thrive.

Survive, Phase One, would halt the damages from COVID-19, including financial security of residents, businesses, non-profits and city administration. This phase includes individual aid to residents, small businesses and non profits, City government and the EMS service staff.

Revive, Phase Two, revitalizes the community and prevents further degradation by COVID-19. Improvements to water, internet, cyber security systems, weatherization of homes, investment in facilities and supporting community partnerships.

Thrive, Phase Three, emphasizes creating sustainability to prevent the effects of financial turmoil in the future. Investing in the beauty and use of public parks, reimagining Main Street as an attractive place to work and socialize, a home ownership program augmentation that would create hundreds of new homeowners in Johnstown and expanding the City's entertainment abilities to make Johnstown attractive as a visitor destination.

The total funding is \$30,718,987.50.

Mr. Ashcom referred to his chart for further discussion of groups impacted by COVID-19 including financial support to charities that provide direct aid to individuals, support for childcare, support for businesses and nonprofits,

reimbursing the City for lost revenue with money that must be spent on fire, police and public works services.

He talked about the creation of public access internet access locations for those without internet services at home and allocation of funds to address cyber security capabilities.

Mr. Ashcom proposed the establishment of a home improvement program to aid residents in updating their homes to maintain property value and improve community stability with a 10 percent homeowner match.

Upgrades to existing facilities at the Conference Center were proposed to include a new HVAC system, flooring, telecommunications equipment and marketing activities.

The establishment of nonprofit initiative funds to strengthen the work performed by many nonprofits in the City.

Allocation of \$500,000 to renovate parks and provide recreation facilities within the City matched by state grants.

An overhaul of Main Street from Sargent's Stadium to the bottom of Frankstown Road, including upgrades to sidewalks, paving, parking meters and spaces for socially distanced dinings.

Augmenting the City's first-time homebuyer programs to allow for more low income earners to become homeowners.

Reimbursement to the City for the cost of the new turf, artificial mound, lighting and video board at Sargent's Stadium. Further spending to produce a new concert stage, crowd fencing, office space and turf covers at the stadium.

Council members had questions, comments and further discussion of the phases and amounts under the American Rescue Plan.

Mrs. Mock inquired about carpeting, ceiling and HVAC issues at the Convention Center.

Mr. Capriotti commented no revenue had been received from the Convention Center and suggested selling that building. He would like to make sure that businesses that had not received funds previously from the City would get help first. He also suggested more improvements to the Public Safety

Building. Mr. Penatzer noted money allocated to the Public Safety Building includes improvements to two fire stations. Mr. Capriotti also suggested that funds be allocated for revitalization of the neighborhoods as well.

Mr. Britt was in favor of funds allocated to daycare centers and schools for childcare.

Mr. Arnone would like to see Sandyvale Cemetery receive a portion of the funding.

Mr. Ashcom explained the options for internet access capabilities including locations that people can have access to the internet safely.

Mr. Vitovich stated there is potential for the empty lot across the street. It was noted that lot would be utilized next year.

Reverend King commented that healthcare and homelessness have not been addressed in the three phases, as well as the dental clinic with the Salvation Army and the free medical clinic. Reverend King further commented that the homeless issue "needs to come before Council and stay before Council" as it needs to be solved. It was noted that money has already been set aside but there needs to be a plan. Reverend King suggested a joint meeting with a few different entities.

She reiterated that priority be given to those businesses which have not received any funding at all. Weatherization issues and conditions of the City playgrounds were also discussed.

Mr. Ashcom needed guidance on financing for the specific groups. Once the funds were committed and program ideas were in place, that is when administration would go back and build policies for how it would be carried out.

Council was asked by a Tribune Democrat reporter to opine on how allocated funds of \$10 million dedicated to greenspace and \$2 million for childcare got decided. Mayor Janakovic noted these amounts were proposed to Council but no definite decision had been made.

PROPERTY MAINTENANCE

Mr. Penatzer referred Council to discussion regarding property maintenance, which is a matter, which would be addressed in the budget. He stated there is currently inadequate enforcement of property maintenance regulations, which he commented is one of the most serious issues facing the City. He noted the poor condition of private properties with abandoned vehicles, overgrown weeds and building exteriors in the City. Sidewalks are crumbling in areas. Street signs are missing or faded beyond recognition. Stop signs have faded

to pink. Sign posts are twisted, bent over and rusted. Parks look terrible. The playgrounds are abandoned, home values are declining, blight is spreading through neighborhoods and crime has increased.

He noted there are three codes enforcement officers, and it would not help to add any more, nor is issuing more citations even to absentee landowners the answer.

Mr. Penatzer suggested that codes enforcement should be its own department and a representative should be present at all Council meetings to provide updates. He stated the department's supervisor hired last year should be in charge and not Mr. Dubnansky. That a group of well-paid seasonal laborers should be hired to go out and correct the violations at the expense of the violators. There was further discussion regarding the matter.

Mr. Capriotti inquired if there would be a legal issue sending an employee onto someone's private property to remedy a situation. Ms. Grass commented that in the International Property Maintenance Code there is a provision that states if a property owner is not responsive, that steps can be taken to address a situation. Educating property owners is key. Mr. Penatzer commented that this is not a program that can raise its own revenue to cover costs. Comments and suggestions were made.

EMPLOYEE HEALTHCARE

Mr. Penatzer explained that employees are being offered an incentive to receive \$1,000 to opt out of the healthcare plan, which he noted, is not uncommon. He noted that 40 percent is being proposed. He indicated that 7 employees have opted out of the plan thus far but that as many as 40 additional employees could choose to opt out.

Mr. Penatzer noted this would require a memorandum of understanding to each of the labor agreements. Council just needs to approve it and the matter would be implemented. A motion would need to be made at the next meeting.

PARKING RATES

Mr. Penatzer commented that parking rates are "ridiculously low" at 50 cents per hour. He asked Council to consider doubling the rates to \$1 per hour and increasing fines from \$10 to \$20, which could generate \$150,000 in meter fees and \$80,000 in fines or \$230,000. He suggested opting to a modern kiosk system in conjunction with the Main Street project. A less expensive way

would be upgrading software using current meters. Comments and suggestions were offered.

SOFTWARE

Mr. Penatzer noted the software solution is forthcoming and would be implemented through 2022 at a cost of nearly \$150,000, which is less than the original \$200,000, and would be paid for under Act 47.

A proposal regarding the dump site would be made available at the October meeting.

PARKING

There was discussion of an ordinance that addresses parking in yards, which Council does want and that speaks to things like distance to a house or the next person's property. Gravel was suggested as a parking surface but other surfaces were discussed. Ms. Benjamin stated the entire ordinance is online. There was further discussion.

There was additional discussion regarding the three phases of the plan.

ADJOURNMENT

There being no further business, the Workshop was concluded at 9:19 p.m.