

**CITY OF JOHNSTOWN
ORDINANCE No. 5202**

BILL No. 24 of 2016

**INTRODUCED IN COUNCIL
JULY 28, 2016**

**AN ORDINANCE OF THE CITY OF JOHNSTOWN, CAMBRIA COUNTY,
AMENDING THE CITY OF JOHNSTOWN'S SIXTH AMENDED RECOVERY
PLAN ADOPTED ON OCTOBER 28, 2013, BY UPDATING THE ACT 133
COMPENSATION AND BENEFIT LIMITATIONS THROUGH 2018**

WHEREAS, the City is required to exit from the Act 47 Municipalities Financial Distress program no later than October 28, 2018 pursuant to Act 199 of 2014; and

WHEREAS, it is necessary to continue cost containment remedies in order to avoid or minimize deficits caused by future escalating employee costs; and

WHEREAS, personnel costs represent the largest single category of expenditures in the City's budget; and

WHEREAS, Act 133 of 2012 provided a method for establishing maximum expenditure levels for each collective bargaining unit based on levels that will not adversely impact the City; and

WHEREAS, Ordinance 5137 of the City of Johnstown adopting the City's Sixth Amended Recovery Plan was adopted on October 28, 2013 and included Act 133 limits for the respective collective bargaining units through fiscal year 2016;

NOW, THEREFORE, it is hereby enacted and ordained that the Sixth Amended Recovery Plan finally adopted by Ordinance No. 5137 on October 28, 2013 is hereby amended at Chapter VI, Nos. 36, 37, 38, and 40, as shown below:

Chapter VI, No. 36:

(36) Pursuant to criteria discussed in Chapter V (Workforce), the City shall allocate the following maximum amounts for employee compensation and healthcare for active members of the Fraternal Order of Police, Flood City Lodge 86. This allocation includes the City's maximum contribution to employee health coverage set forth in initiative 35 above.

2014: \$2,501,487

2015: \$2,555,051

2016: \$2,627,893

The City's 2013 budget allocates \$1,925,140 for active FOP members'

compensation. Using the 2013 budget as a starting point, this Sixth Amended Plan applies the following wage pattern to generate the annual allocations for 2014 through 2016.

In 2014, compensations shall be frozen at the 2013 level.

In 2015, employees shall receive a 1.0 percent base wage increase.

In 2016, employees shall receive a 2.0 percent base wage increase.

The allocation in this initiative assumes the City will not increase other forms of cash compensation through 2016 other than those directly tied to base salary. The allocation also assumes the City will not enact new forms of cash compensation. While the allocations in this initiative are based on these assumptions, the City and FOP may negotiate a different pattern of wage increases or changes in compensation so long as the total cost of employees compensation does not exceed the maximum annual allocations shown above. Any arbitration award issued subsequent to the adoption of this Recovery Plan also shall not result in annual compensation in excess of the maximum annual allocations **shown above as set forth within this section, No. 36 and 36(a) below.** Any negotiated contract or arbitration award shall also comply with the specific limitations and requirements otherwise set forth in this Amended Recovery Plan **and any duly adopted amendments thereto.**

(36) (a). The City shall be permitted to expend for Flood City Fraternal Order of Police, Lodge #86, police officers' compensation and benefits no more than \$2,629,253 for fiscal year 2017 and \$2,701,206 for fiscal year 2018, as tabulated below.

Police Employees	2017	2018
Compensation	\$2,145,049	\$2,187,950
Benefits	\$484,204	\$513,256
TOTAL	\$2,629,253	\$2,701,206

The above referenced compensation and benefit limits set forth in 36(a) are based on assumptions that were used to generate the annual allocations. These assumptions are:

- A. Compensation will not exceed an average of 2% per year increase over the contract period unless savings are generated through some other form of cost containment in the compensation and benefit categories.**
- B. The City will pay no more than a 6% increase per year for premiums for healthcare benefits for City employees. This includes hospitalization, vision, dental, disability, and life insurance. Any increase over the 6% limit will be paid by the employee through payroll deduction.**

C. The City will not increase other forms of cash compensation through 2018.

D. The compensation and benefit allocations set forth above are premised on the assumption that there will be no new benefits or increases in benefits applicable to labor agreements covering calendar years 2017-2018.

(37) Pursuant to criteria discussed in Chapter V (Workforce), the City shall allocate maximum amounts for employee compensation and healthcare for active members of the International Association of Firefighters, Local No. 463 for the years 2015, 2016, ~~and 2017,~~ **and 2018.** This allocation will include the maximum contribution to employee health coverage set forth in Chapter V (Workforce).

The current firefighter contract expires December 31, 2014. Using the City's 2014 budget for active IAFF members' compensation as a starting point, this Sixth Amended Plan applies the following wage pattern to generate the annual allocations for 2015 through 2017.

In 2015, compensation shall be frozen of at the 2014 level.

In 2016, employees shall receive a 1.0 percent base wage increase.

In 2017, employees shall receive a 2.0 percent base wage increase.

The allocation in this initiative assumes the City will not increase other forms of cash compensation through 2016 other than those directly tied to base salary. The allocation also assumes the City will not enact new forms of cash compensation. While the allocations in this initiative are based on these assumptions, the City and IAFF may negotiate a different pattern of wage increases or changes in compensation so long as the total cost of employee compensation does not exceed the maximum annual allocations shown above. Any arbitration award issued subsequent to the adoption of this Recovery Plan also shall not result in annual compensation in excess of the maximum annual allocations ~~shown above~~ **as set forth within this section, No. 37 and 37(a) below.** Any negotiated contract or arbitration award shall also comply with the specific limitations and requirements otherwise set forth in this Amended Recovery Plan, **and any duly adopted amendments thereto.**

(37) (a). The City shall be permitted to expend for IAFF Local 463 City of Johnstown firefighters' compensation and benefits no more than \$2,422,719 for fiscal year 2017 and \$2,483,371 for fiscal year 2018 as tabulated below.

Fire Employees	2017	2018
Compensation	\$1,964,772	\$1,997,948
Benefits	\$457,947	\$485,423

TOTAL	\$2,422,719	\$2,483,371
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The above referenced compensation and benefit limits set forth in 37(a) are based on assumptions that were used to generate the annual allocations. These assumptions are:

- E. Compensation will not exceed an average of 2% per year increase over the contract period unless savings are generated through some other form of cost containment in the compensation and benefit categories.
- F. The City will pay no more than a 6% increase per year for premiums for healthcare benefits for City employees. This includes hospitalization, vision, dental, disability, and life insurance. Any increase over the 6% limit will be paid by the employee through payroll deduction.
- G. The City will not increase other forms of cash compensation through 2018.
- H. The compensation and benefit allocations set forth above are premised on the assumption that there will be no new benefits or increases in benefits applicable to labor agreements covering calendar years 2017-2018.

(38) Pursuant to criteria discussed in Chapter V (Workforce), the City shall allocate the following maximum amounts for employee compensation and healthcare for active members of the American Federation of State, Local and Municipal Employees, AFL-CIO, Local No. 630. This allocation includes the maximum contribution to employee health coverage set forth in initiative 35 above.

2014: \$1,163,503

2015: \$1,194,054

2016: \$1,226,447

The City's 2013 budget allocates \$972,322 for active AFSCME members' compensation. Using the 2013 budget as a starting point, this Sixth Amended Plan applies the following wage pattern to generate the annual allocations for 2014 through 2016.

In 2014, compensation shall be frozen at the 2013 level.

In 2015, employees shall receive a 1.0 percent base wage increase.

In 2016, employees shall receive a 2.0 percent base wage increase.

The allocation in this initiative assumes the City will not increase other forms of cash compensation through 2016 other than those directly tied to base salary.

The allocation also assumes the City will not enact new forms of cash compensation. While the allocations in this initiative are based on these assumptions, the City and AFSCME may negotiate a different pattern of wage increases or changes in compensation so long as the total cost of employee compensation does not exceed the maximum annual allocations ~~shown above~~ **set forth within this section, No. 38 and 38(a) below.** Any negotiated contract award shall also comply with the specific limitations and requirements otherwise set forth in this Amended Recovery Plan, **and any duly adopted amendments thereto.**

(38) (a) The City shall be permitted to expend for the American Federation of State, County, and Municipal Employees, AFL-CIO, Local #630 employees' compensation and benefits no more than \$1,179,344 for fiscal year 2017, and \$1,205,795 for fiscal year 2018 as tabulated below.

AFSCME Employees	2017	2018
Compensation	\$954,730	\$967,704
Benefits	\$224,614	\$238,090
TOTAL	\$1,179,344	\$1,205,795

The above referenced compensation and benefit limits set forth in 38(a) are based on assumptions that were used to generate the annual allocations. These assumptions are:

- I. Compensation will not exceed an average of 2% per year increase over the contract period unless savings are generated through some other form of cost containment in the compensation and benefit categories.**
- J. The City will pay no more than a 6% increase per year for premiums for healthcare benefits for City employees. This includes hospitalization, vision, dental, disability, and life insurance. Any increase over the 6% limit will be paid by the employee through payroll deduction.**
- K. The City will not increase other forms of cash compensation through 2018.**
- L. The compensation and benefit allocations set forth above are premised on the assumption that there will be no new benefits or increases in benefits applicable to labor agreements covering calendar years 2017-2018.**

...

(40) Pursuant to criteria discussed in Chapter V (Workforce), the City shall allocate the following maximum amounts for non-represented, non-management employee compensation and healthcare. This allocation includes the City's maximum contribution to all non-represented employee health coverage set forth in

initiative 35 above.

2014: \$659,301

2015: \$679,169

2016: \$705,348

The City's 2013 budget allocations \$462,455 for non-management, non-represented employee compensation. Using the 2013 budget as a starting point, this Sixth Amended Plan applies the following wage pattern to generate the annual allocations for 2014 through 2016.

In 2014, compensation shall be frozen at the 2013 level. The City shall establish a pool for allocating a 1% wage increase across all non-management, non-represented employees in 2014 and a 2% wage increase in 2015. At management's discretion, the City may award the same percentage wage increase to all positions or adjust the percentages so that certain positions receive a higher percentage increase than others. The total amount of these increases may not exceed the previous year's base wage payment multiplied by 1.0 percent in 2015 and 2.0 percent in 2016.

(40) (a). The City shall be permitted to expend for non-represented employees' compensation and benefits no more than \$669,931 for fiscal year 2017 and \$687,985 for fiscal year 2018 as tabulated below.

<u>Non-Represented Employees</u>	<u>2017</u>	<u>2018</u>
<u>Compensation</u>	<u>\$549,943</u>	<u>\$560,798</u>
<u>Benefits</u>	<u>\$119,988</u>	<u>\$127,187</u>
<u>TOTAL</u>	<u>\$669,931</u>	<u>\$687,985</u>

The above referenced compensation and benefit limits set forth in 40(a) are based on assumptions that were used to generate the annual allocations. These assumptions are:

M. Compensation will not exceed an average of 2% per year increase over the contract period unless savings are generated through some other form of cost containment in the compensation and benefit categories.

N. The City will pay no more than a 6% increase per year for premiums for healthcare benefits for City employees. This includes hospitalization, vision, dental, disability, and life insurance. Any increase over the 6% limit will be paid by the employee through payroll deduction.

O. The City will not increase other forms of cash compensation through 2018.

P. The compensation and benefit allocations set forth above are premised on the assumption that there will be no new benefits or increases in benefits applicable to labor agreements covering calendar years 2017-2018.

ORDAINED and ENACTED by the City Council of the City of Johnstown, County of Cambria, the Commonwealth of Pennsylvania on this 11th day of July, 2016.

PASSED FINALLY IN COUNCIL:

August 11, 2016

By the following vote:

Yeas: Mayor Janakovic, Mr. Johncola, Mrs. Mock, Mrs. Stanton, Mr. Vitovich, Mr. Vizza, Mr. Williams. (7)

Nays: None (0)



Frank J. Janakovic, Mayor
Peter Vizza, Deputy Mayor

ATTEST:

I do hereby certify that the foregoing is a true and correct copy of Ordinance No. **5202** as the same adopted by the City Council of the City of Johnstown, Pennsylvania.



Melissa Komar
Interim City Manager

City of Johnstown, Pennsylvania
Ordinance No. 5203

Bill No. 27 of 2016

Introduce in Council

July 13, 2016

AN ORDINANCE OF CITY COUNCIL OF THE CITY OF JOHNSTOWN, PENNSYLVANIA, AMENDING
ORDINANCE 5201 OF 2016 CITY OF JOHNSTOWN BUDGET TO INCLUDE THE REVENUE AND EXPENSES
FOR FIRE GRANTS RECEIVED IN THE GENERAL FUND.

BUDGET AMENDMENTS

Account Number	Account Description	Adopted	Amended	Net Change
01-351-25-111-00	Fed-Emer Disaster Rlief – FEMA	\$0.00	\$77,490.00	\$77,490.00
01-354-33-354-00	State Fire Consolidate Grt Rev	\$0.00	\$13,789.79	\$13,789.79
	Total Operating Revenue:	\$0.00	\$91,279.79	\$91,279.79
01-412-28-075-00	Fire Exps- FEMA Grant	\$0.00	\$77,490.00	\$77,490.00
01-412-29-475-00	State Fire Consolidate Grt Exp	\$0.00	\$13,789.79	\$13,789.79
	Total Operating Expenses:	\$0.00	\$91,279.79	\$91,279.79

PASSED FINALLY IN COUNCIL:

August 11, 2016

By the following vote:

Yeas: Mr. Johncola, Mrs. Mock, Mrs. Stanton, Mr. Vitovich, Mr. Vizza, Mr. Williams,

Mayor Janakovic. (7)

Nays: None (0)

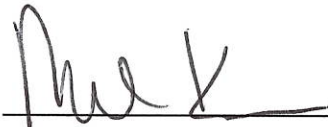


Frank J. Janakovic, Mayor

Peter Vizza, Deputy Mayor

ATTEST:

I do hereby certify that the foregoing is a true and correct copy of Ordinance No. **5203** as the same adopted by the City Council of the City of Johnstown, Pennsylvania.



Melissa Komar,

Interim City Manager