

JOHNSTOWN CITY COUNCIL MINUTES  
SCHEDULED SPECIAL MEETING  
Monday, August 28, 2017

City Council met in a stated session for the general transaction of business. Mayor Frank Janakovic called the meeting to order at 5:00 p.m. City Manager, Arch Liston, offered the invocation, and the Pledge of Allegiance was recited.

The following members of Council were present for roll call:

Mayor Janakovic, Mr. Johncola, Mrs. Mock, Mr. Vitovich, Mr. Vizza,  
Mr. Williams (6).  
Absent: Mrs. Stanton (1).

Elizabeth Benjamin, Esquire, and Carl Beard, Esquire, City Solicitors; Deborah J. Grass, Michael Foreman and Kathy Clark were also present.

COURTESY OF THE FLOOR

None.

REVIEW OF RECOVERY PLAN WITH THE ACT 47 TEAM

Deborah J. Grass, Act 47 Coordinator, and Michael Foreman, local government policy specialist, addressed Council's questions and comments regarding the updated plan. Ms. Grass referred to the updated plan distributed to Council for further discussion. She explained the added Disclaimer, which indicates that should any provision of the recovery plan conflict with the Home Rule Charter or any city ordinance that the charter and ordinances will prevail. She reiterated that the Bogdahn Group, now known as AndCo, is still the third-party pension manager.

Mr. Williams discussed inaccurate portions of the Recovery Plan. He noted the amended DEP Order was not included and further noted that reference to portions of the Recovery Plan that notes reimbursement of the City's general fund by a bond issue was inaccurate. Mr. Williams stated, in 2004, he casted the lone dissenting vote when Council voted 8/1 in favor of selling the Sewage Treatment Plant to the Johnstown Redevelopment Authority. He further discussed the transfer and payments made to contractors for the Point Stadium and for demolition of the Swank Building. There was discussion regarding \$4.8 million that was deposited in to a 1st Summit Bank account in 2008. Mr. Williams suggested the report be amended to reflect the correct information.

Mr. Williams explained there was no Recreation Fund as referenced in the Plan. He stated it is referred to as the Point Stadium Fund and has nothing to do with recreation.

Ms. Grass suggested that different strategies be used to move the City forward. She asked Council members to review the suggestions in the Recovery Plan and decide its next plan of action.

Mrs. Mock stated many of the proposals are "unrealistic expectations" that cannot be met. Mayor Janakovic questioned the implementation of these ideas with the City's limited amount of departmental and administrative personnel.

Mr. Williams suggested amendments to the Recovery Plan, including Management Initiative 6.

Kathy Clark, a member of the Recovery Team and legal consultant, introduced herself to Council members. Ms. Clark indicated her role was to help Council update the Administrative Code. There was discussion with regard to the disclaimer attached to the Recovery Plan. It was explained that the disclaimer implied and inferred an understanding that if there was any conflict with regard to its application effectiveness, that it then became secondary to the prevailing document.

Mr. Williams suggested the elimination of Code Enforcement Initiative 67 regarding Ordinance 1480.02. There was discussion regarding the increase in the monthly sewage usage from \$55 to \$59 in January 2018. Mayor Janakovic noted the submission of an ordinance at the next meeting regarding the matter. The group discussed a recreational board, which Mr. Williams noted was already created in 1994 as well as Financial Initiative 18 with regard to tax-exempt properties.

Mr. Williams inquired as to Financial Initiative 12, which relates outsourcing property tax collection, and its improving the collections. Ms. Grass explained that some communities outsource current year collections, which achieves better results than in-house.

An example of a false alarm ordinance was attached to the plan for discussion. Fire initiatives concerning shiftwork were considered.

Mr. Williams inquired as to a provision to request an extension beyond a 5-year plan. It was explained that after the 5-year plan expired, the next step would be to review whether the City was in a financial position and managerially stable to exit the Act 47 program, which after a report with recommendations was

generated by the coordinator, a public hearing would be held to take testimony relative to that report. It was further noted that if a municipality were not ready to exit the program, the coordinator would have the option to recommend a 3-year exit plan after which the municipality would no longer participate in the Act 47 program.

In addition, it was noted that during the 3-year exit plan, the municipality would still have access to collective bargaining cost containment provisions and extraordinary revenue raising measures, but would no longer have the ability to levy local services tax but can look at a payroll preparation tax. It would be the nonprofit portion of the operation that would operate in a for-profit status.

There was further discussion regarding the availability of early intervention programs. Initiative 3 with regard to re-evaluation of assessments was also examined.

#### ORDINANCE FOR FINAL READ

BILL NO. 20 OF 2017, AN ORDINANCE ADOPTING THE SEVENTH AMENDED MUNICIPAL RECOVERY PLAN OF THE CITY OF JOHNSTOWN, PENNSYLVANIA, PURSUANT TO THE MUNICIPALITIES FINANCIAL RECOVERY ACT (ACT 47 OF 1987) AS AMENDED. (Tabled 8/9/17)

Mr. Williams made a motion to remove from table. The motion was seconded by Mr. Vitovich and passed by the following vote:

Yeas: Mayor Janakovic, Mr. Johncola, Mrs. Mock, Mr. Vitovich,  
Mr. Vizza (5).

Nays: Mr. Williams (1).

Mrs. Mock made a motion to approve an amendment to the proposed Seventh Amended Recovery Plan to adjust all dates to reflect actual adoption implementation, to reflect the final audited numbers for 2016 were appropriate, to incorporate all final publishing edits for grammar, and to add the following disclaimer: Should any provision of this Seventh Amended Recovery Plan conflict with the Home Rule Charter, the Administrative Code or ordinances of the City of Johnstown, the Home Rule Charter or ordinances of the City of Johnstown shall prevail. Mr. Johncola seconded the motion.

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Mrs. Mock noted the explanation from the auditors to be submitted at the next meeting would also be considered with the motion.

Ms. Grass stated, once the plan was adopted with amendments, a final copy would be issued to all Council members.

Mr. Williams made a motion to table until the final copy with amendments was issued. There was no second to the motion.

A motion to approve the disclaimer in the proposed Seventh Amended Recovery Plan was passed by the following vote:

Yeas: Mr. Johncola, Mrs. Mock, Mr. Vitovich, Mr. Vizza,  
Mayor Janakovic (5).

Nays: Mr. Williams (1).

Mrs. Mock made a motion to approve Bill No. 20 as amended. The motion was seconded by Mr. Johncola and passed by the following vote:

Yeas: Mrs. Mock, Mr. Vitovich, Mr. Vizza, Mayor Janakovic,  
Mr. Johncola (5).

Nays: Mr. Williams (1).

#### PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

There being no further business, the special meeting was adjourned at 6:55 p.m.