

JOHNSTOWN CITY COUNCIL
NONVOTING BUDGET WORKSHOP
Thursday, August 30, 2018

City Council met in a stated session for the general transaction of business.
Marie Mock, Deputy Mayor, called the meeting to order at 5:28 p.m.

The following members of Council were present for roll call:

Mr. Britt, Reverend King, Mrs. Mock, Mrs. Stanton, Mr. Vitovich, Mr. Williams (6).

George Hayfield, City Manager; Robert Ritter, Finance Director; and Elizabeth Benjamin, Esquire, City Solicitor, were also present.

Mayor Janakovic was not present at the commencement of the workshop.

Mr. Williams referred to the budget for further discussion. He noted that members of Council, with the exception of Mr. Britt and Reverend King, agreed to a stipulation to follow the Home Rule Charter in 2016 and on April 15, 2018, which was not done. As a result, Mr. Williams and Mrs. Stanton filed contempt proceedings for Council's failure to comply.

Mr. Williams referred to a spreadsheet for discussion of yearly deficit spending.

Mayor Janakovic entered the workshop at 5:36 p.m.

Mr. Williams stated the City Manager and Finance Director should have made Council aware of financial problems before a budget was adopted. He alluded to poor management by former City Manager Arch Liston and Recovery Coordinator Deb Grass.

Mrs. Mock questioned when money might be moved without the approval of Council. Mr. Williams explained money could be moved within a department and then reported to Council at its next meeting. The movement of extra money into another department would require a resolution. Mrs. Mock commented that this process should be consistent.

Mr. Ritter stated the office staff thought there was a separate line item for severance pay, which was incorrect. He explained severance pay was included in salaries and wages. Mr. Ritter further commented that there was an interim finance director present, and the staff does not really know the Home Rule Charter. He stated proper protocol would be followed in the future.

There was discussion regarding the process to delete unnecessary accounts. Mr. Williams explained the course of action would involve a budget amendment.

The City Manager has the authority to transfer within the department from line item to line item. A list of changes was noted for Council's review.

Mr. Williams referred to the July financial report for further discussion of accounts in excess of what was budgeted and which could be applied to different line items. The City Manager reported that every deficit had been managed. He referred to a memo that directed that Council be notified of any line item change at its next meeting.

Mr. Ritter commented that almost 80 changes had been made, which would balance and make every line item positive once entered. Mr. Hayfield noted every line item had projected revenue, and there would be funds necessary to balance the budget.

The City Manager noted that expenses this year for the Police Department were overstated by \$340,000.

Mr. Ritter stated processed bills would be compared to the remaining balance on that line item. If line item becomes negative, the matter would be reviewed.

Mr. Williams suggested review of the purchasing ordinance. There was further discussion regarding proper management of department budgets and understaffing. Mayor Janakovic stated there has to be a "balance" and enough people to adequately run the departments.

There was discussion regarding the payroll accounts as well as the definition of premium pay. Ms. Benjamin explained premium pay is a term of art for unionized employees. It was suggested that the premium pay item be removed at the end of the calendar year.

Mr. Hayfield stated all line items would be examined. Transfers would be made where necessary and noted on the agenda for October's meeting.

Mr. Williams requested the opportunity to review the monthly financial report and budget with the adjusted totals. After further discussion, the Mayor stated the August 31, 2018 numbers would be on the agenda for the next meeting scheduled for September 12, 2018. Mrs. Mock suggested an interim report be provided so adjustments could be made before September 30, 2018. Ms. Benjamin suggested that updated monthly reports be provided for use at budget discussions for next year.

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Mr. Ritter will adjust the 80 items. A report will be included in the packet for the next Council meeting. Once resolutions are approved, he would provide a spreadsheet showing the prior budget and remaining balances for each line item.

Mr. Williams requested that the new budget be readable.

ADJOURNMENT

There being no further business, the workshop adjourned at 6:37 p.m.

The next regular meeting is scheduled for Wednesday, September 12, 2018 at 6:00 p.m.