

JOHNSTOWN CITY COUNCIL
NON-VOTING WORKSHOP MINUTES
Wednesday, November 28, 2018

City Council met in a stated session for the general transaction of business.

Mayor Frank Janakovic called the meeting to order at 5:05 p.m.

Reverend Sylvia King offered the invocation. The Pledge of Allegiance was recited.

The following members of Council were present for roll call:

Mayor Janakovic, Reverend King, Mrs. Mock, Mr. Vitovich (4).

Absent: Ricky Britt, Charlene Stanton, Jack Williams (3).

George Hayfield, City Manager, and Robert Ritter, Finance Director, were also present.

George Hayfield, City Manager, read into the record the following budget message:

We ended 2017 with a surplus of approximately \$700,000. Projecting out 2018, we should have a balanced budget with a potential budget surplus of \$449,000. This brings the General Fund reserve to approximately \$1.15 million. In 2018, we controlled costs every possible way but primarily by reduced personnel cost by attrition and not filling open positions. The City has operated 2018 with on average 101 employees. Ten positions remain unfilled. 115 was allowed by the 2018 salary ordinance.

The City in 2019 shall operate with 115 employees as of 2018 with Public Safety accounting for approximately 66 percent of the total number. Parking has four employees, is self-sustaining, and shall remain the same as 2018. Public Works in the 2019 Budget will be at 24 people and the total administrative staff including the Finance Department, manager's office, seven personnel. Redevelopment reduced from nine to seven full-time equivalents funded through the Community Development Block Grant funding. Retirement healthcare alone is over \$1.2 million annually. And retirement contributions to the four pension systems comes to \$3,846,000.

The proposed 2019 Budget is status quo, with minimal Capital improvements or equipment, other than 40 police cars. \$75,000 is budgeted for potential repairs to the Public Safety Building, and \$32,000 in grant matching funds for the Roxbury Park Grant. Salary increases are two percent by contract for Fire, Police and Public Works Departments. There is a two percent increase proposed for non-uniformed employees with greater than one year of service. The 2019 budget is \$14,454,024, an increase of \$319,330 over the 2018 budget, which was \$14,134,694. The increase is largely due to a \$649,000 increase in pension contribution costs, minimum municipal obligation. The

City has a current debt of \$12,386,274, government activities, with a bond debt of \$6 million for the Point Stadium; \$64,148,740 in business activities, sewer project.

Robert Ritter, Finance Director, referred to the budget summary for further discussion of the annual debt service for \$900,000. He indicated that proposed 2019 amounts include \$375,000 to fund the deficit. Revenue would be kept almost the same as 2018. He indicated that Conemaugh as per the sale agreement would be paying an extra \$253,000. Mr. Ritter noted that Real Estate taxes will now go into the General Fund, but he will get that confirmed with Wessel. He stated the millage is 52.4821, and that one mill is equal to \$125,000. The balance would be \$1.15 million minus \$375,000.

Mr. Ritter noted projections of a one percent increase in hospitalization costs and a two percent increase in the payroll. The biggest difference in the expenditures is the transfer to the pension fund which is \$823,000 higher than 2018. He noted the Police Department is decreasing in expenditures because hospitalization was budgeted excessively high in 2018, even with the addition of four more officers.

Mr. Hayfield noted that Bill Gamble was making changes to the Civil Service Code after which an ordinance would need to be passed regarding Civil Service Rules and Regulations.

There were questions and comments regarding the Public Works budget. It was noted that the road salt would be moved to the Penelec Building with a rental charge of \$450 per month for six months, but the term could be longer. Mr. Ritter noted that all old equipment had been sold off, and there may be more sold in 2019.

There was discussion regarding matters to be addressed at the Point Stadium as well as the drainage at Roxbury Park. The group discussed obtaining DCNR grants for some of the City playgrounds. Reverend King commented that grants that former City Manager Davis applied for with regard to the Kernville, Prospect and Woodvale playgrounds were not awarded. Mr. Hayfield stated the grants could be resubmitted. Mayor Janakovic suggested that Recreation meet with Mr. Dubnansky, the county grant writer. There was discussion regarding the availability of additional grants.

There was discussion with regard to the status of the timber project. Mrs. Mock suggested the forester, Michael Barton, be contacted to provide an update.

Reverend King inquired as to the improvements to be made to the Public Safety Building and whether the City was getting the best use out of the building. Mr. Hayfield commented that mold in the basement and the heating and air conditioning would need to be professionally addressed. Other areas would just need to be cleaned. The City Manager noted the building has 41 separate heat systems throughout the building. Mr. Vitovich commented the building is a historical building and approval from the Historical Society would be needed before any renovations could be made. Mrs. Mock commented that JRA would be moving from the building in the spring. There was further discussion with regard to updating the Public Safety Building or possibly looking at another location.

Mr. Ritter discussed the debt principal, interest payments and lease payments noted in the budget. Mr. Hayfield stated the liquid fuels amount was calculated per the number of miles of roads and streets inside the city. Mr. Ritter will confirm that the \$15,000 received from Sargent's is placed into the proper fund as deferred revenue. He noted that \$5,200 willed to the Roxbury Bandshell was placed into a CD account with 1st Summit Bank. Mr. Hayfield commented that every fund created boosts the cost of the auditing process. There was further discussion regarding these types of accounts.

Mr. Ritter referred Councilmembers to the pension fund for further discussion.

It was noted that Mr. Williams would present additional amendments to the 2019 budget at the December 12, 2018 meeting. There was further discussion regarding the timeline for budget amendments.

NEXT SCHEDULED MEETINGS:

Tuesday, December 11, 2018, at 5:00 p.m. (Non-Voting Workshop).
Wednesday, December 12, 2018 at 6:00 p.m. (Regular Meeting).

ADJOURNMENT

There being no further business, the meeting adjourned at 6:21 p.m.