

JOHNSTOWN CITY COUNCIL
WORKSHOP MINUTES
Wednesday, April 27, 2020

City Council met in a stated session for the general transaction of business. Mayor Frank Janakovic called the Workshop to order at 5:05 p.m.

Reverend King offered the invocation.

The following members of Council were present for roll call via telephone conference:

Mr. Britt, Mrs. Mock (2).

The following members of Council were present for roll call in chambers:

Mr. Arnone, Mr. Capriotti, Mayor Janakovic, Reverend King, Mr. Vitovich (5).

John Trant, Interim City Manager and John Dubnansky, Director of Economic Development, were present in chambers. Robert Ritter, Finance Director; Elizabeth Benjamin, Esquire, City Solicitor; and Deborah Grass, Act 47 Coordinator, were present via video conference.

Ms. Grass indicated she and Mr. Ritter were discussing financial planning with respect to the impact of the COVID-19 pandemic on the City's finances. She referred to her spreadsheet for further discussion of the reduction of each of the City's revenue categories, including real estate and business taxes. She noted an impact on revenue from codes violations, except for a few exceptions the City would probably not enforce during this time.

Ms. Grass noted premiums for insurances may or may not be reduced during this time, which may affect pensions. She referred to the revenue numbers that may be lost from recreation, including the golf course and the cancellation of events due to the 90-day shutdown. She noted some items, such as the liquid fuels fund, may not be impacted until next year.

Ms. Grass stated the City's \$16.5 million budget with a 25 percent reduction in business activity for 90 days would be \$15.3 million, which was a \$1.2 million reduction but could be as much as \$2 million for the current year.

Mr. Trant noted, for those on the telephone, the year end cash projection with a 25 percent reduction was \$425,000, and the year end cash projection with a 75 percent reduction was \$310,000 to the negative. Ms. Grass answered questions from Council members and discussed the state's budget deficit.

Ms. Grass suggested contacting the PA state representatives with regard to extending the Act 47 status, which would allow the LST tax to be continued for another year.

She suggested permitting a municipality to get a bridge loan from a local bank to cover money shortages that currently was now allowed under the Local Government Unit Debt Act. Ms. Grass noted this would also require action by the General Assembly.

Mr. Ritter commented that banks may be willing to extend terms of the loan as long as the interest was paid.

Ms. Benjamin discussed the impact of the KOZ as proposed. She referred to an ordinance on the agenda for first reading at the last meeting that was prepared in a generalized fashion with the hope that the ordinance could be in place, then applications for the KOZ area could be submitted and not require an ordinance amendment over time. She recommended an ordinance similar to the LERTA be amended to reflect the geographic area. If an application would be entered, such as the one from the hospital Mr. Dubnansky would provide further details on, the City would anticipate the need to make amendments to that ordinance before adopting for final read. She asked Council to listen to Mr. Dubnansky's comments on this matter, the Act 47 plan, and the pros and cons of the KOZ to make sure Council understood the impact.

Mr. Trant asked Ms. Grass to clarify the timetable from the state's standpoint as to how the process would unfold going forward and the proper actions of Council moving forward.

Ms. Grass commented generally there would be a two-step process. The first step would be to designate a specific geographic area as KOZ and apply to the DCED for approval of the KOZ. The second part, with regard to this matter, would be for the hospital to file an application with DCED. She suggested the ordinance not be targeted at a specific property but a specific geographic area designated as KOZ.

She reviewed the attachments to be filed with the application, including a description of the property with parcel numbers, a spreadsheet listing all parcels and properties, photographs of the property, a detailed geographic map of the property, copies of the three taxing bodies on the ordinances and resolutions. Ms. Grass suggested Mr. Dubnansky obtain this information from the hospital, along with what the impact would be from a tax perspective, in order for the City to make an informed decision on the matter. There was

further discussion regarding the matter and how the current pandemic was affecting businesses, including the hospital business.

Mr. Trant commented that the City had the right to demand specific information from the hospital and anyone affiliated with the project, and Council needed to have that information in front of it before making any decisions. Mr. Trant added, so we're not "spit balling" every time the project was discussed. There was further discussion.

Ms. Benjamin explained the ordinance on the agenda was not ready to be passed anyway, that it needed a geographic area of some kind. In absence of additional information, Council did not have the necessary information to move forward. She suggested the matter be tabled pending additional information.

Ms. Grass agreed additional information should be obtained before the matter could go forward. She added, according to DCED guidelines, the hospital would have to apply every year by December 31st to continue the KOZ designation.

A work session would be scheduled with hospital representatives after additional detailed information was received.

ADJOURNMENT

There being no further business, the Workshop was concluded at 6:04 p.m.