



Finance Committee
Tuesday, November 19, 2024 - 5:00 PM
MINUTES

1. Call to Order/Roll Call

Committee Chair Donald Barnard called the Finance Committee meeting for November 19, 2024 to order at 5:03 pm

Members Present - Don Barnard, Bob Orsini, Jeff Barr
Absent - None

Staff present - Sean Staneart, Dave Delande, Jack Liggett, Rusty Smart, Dave Selan, Teresa Monroe.

Public present - Nick Hubbell, Nicole Shook

2. Legislation Update & Review

- a. **RESOLUTION 2024-46** A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND ENTER INTO A WATER POLLUTION CONTROL LOAN FUND (WPCLF) AGREEMENT ON BEHALF OF THE CITY OF JOHNSTOWN FOR PLANNING, DESIGN AND/OR CONSTRUCTION OF WASTEWATER FACILITIES; AND DESIGNATING A DEDICATED REPAYMENT SOURCE FOR THE LOAN

Sean Staneart said this is a loan for the engineering and design of the wastewater treatment plant. Jeff Barr asked what the loan amount and term were. Sean said the rough number is \$4,000,000 and this particular loan is amortized a little differently, he believes over ten years, could be five, however once you start to build the plant, the state allows you to take this initial loan and wrap it into the entire construction loan, the construction loan can then be thirty-year amortization. He said he would have to get back to them on interest rates, but they were pretty favorable, they are usually through a revolving state account for water and sewer projects. Jack Liggett said 3 1/2 % is what they have been running, Sean said he thinks now it could be 4 or 5, he could check with Jacobs Engineering. Sean Staneart said this is a submittal piece, to actually apply for the loan he has to sign this document stating they are going to apply for the loan. Bob Orsini asked if it were possible the EPA could challenge and prevent this from happening. Sean said as long as the numbers are in order and are realistic, generally they don't have any issues, he said they have already vetted their numbers with the engineers. Sean said the next piece they may scrutinize in more detail is the next phase, the \$40-50 million, that is a bigger lift. Bob Orsini asked if there were to be a challenge with the actual construction, is the \$4,000,000 value ever lost. Sean said this engineering plan can be shelved; this is an item that doesn't lose value. Jeff Barr asked if this \$4,000,000 would have any long-term effect on water and sewer rates. Sean said he would say no, how they have scheduled and structured it, he does not believe there will be a large impact, they are bringing new customers on board and as new customers are brought in, you increase receipts on debt service. Discussion on the five percent yearly increase that if all things remain static, should be sufficient.

ACTION: Donald Barnard moved to recommend to council; Jeff Barr seconded and the vote was as follows:

AYES: Donald Barnard, Bob Orsini, Jeff Barr

NOES: None

ABSTAIN: None

Passed 3 - 0

3. Budget 2025 Ordinance

Committee review of current budget draft. Don Barnard reviewed budget highlights; he said that one of the keys was that they take \$600,000 of carryover funds which are in the General Fund, and put it in the Budget Stabilization Fund. Putting those funds in there replenishes our "rainy day fund". Sean Stanearth provided background on the creation of the Budget Stabilization Fund, the first funds came from Estate Tax, which is no longer an annual revenue source. Don Barnard said that at one point the fund dwindled down to \$300,000 and that this is basically our savings account that is going to help reestablish our credit and bond rating so the city gets better interest rates. The budget also calls for hiring four new employees, one Police Officer, one Street employee, a City Planner, and an Economic Development Director. Additionally, projects to redo Douglas Street and multiple mill and fill street paving projects as well as an up to four percent increase in wages for city employees. Mr. Barnard said with all of our expenditures and revenues, we are positive \$120,771 and will end the year with all fund balances at \$15,169,000 according to the budget.

Bob Orsini asked for a review of the income from the sale of the Port Authority property and how it was allocated. Finance Director Dave Delande said the city received a little over \$900,000; \$200,000 of it went into CIP and then was transferred out and into the Budget Stabilization Fund, the difference was split between the Water and Sewer Improvement Funds, approximately \$370,000 to each. Bob said the debt needs to be paid out of those funds, those funds are the ones that initially generated that debt so the funding went back into them, it is not money that has disappeared.

Mr. Barnard asked if there were any questions from the public on the budget. Nichole Shook asked if there was money appropriated to Parks and Rec, was it no more than the \$18,000 from the prior year? Mr. Barnard said there is \$38,000 total so it went from \$18,000 to \$38,000. There were no further questions.

4. Other Business

No further business

5. Adjourn

ACTION: Bob Orsini moved to adjourn; Donald Barnard seconded and all were in favor.

AYES: Donald Barnard, Bob Orsini, Jeff Barr

NOES: None

ABSTAIN: None

Passed 3 - 0

The meeting adjourned at 5:28 pm.