

AGENDA
REGULAR MEETING OF COUNCIL
January 21, 2020
6:30 PM

1. ROLL CALL
2. READING OF MINUTES
3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES
 - 3.A MINUTES OF THE ETHICS BOARD REGULAR MEETINGS HELD NOVEMBER 7 AND DECEMBER 12, 2019.

[Ethics Board Minutes 11-7-19 & 12-12-19.pdf](#)
 - 3.B CORRESPONDENCE DATED DECEMBER 29, 2019 RECEIVED FROM DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS REGARDING DELINQUENT RENTAL REGISTRATION MAILING.

[Correspondence dated 12-29-2019 received from LIPS.pdf](#)
 - 3.C MEMORANDUM DATED JANUARY 13, 2020 FROM MAYOR PAIGE G. COGNETTI IN REFERENCE TO ACT 511 APPEAL.

[Memo from Mayor re Act 511 Appeal 1-13-2020.pdf](#)
 - 3.D INDEPENDENT AUDITORS' REPORT FOR YEAR ENDING DECEMBER 31, 2018 PREPARED BY KOHANSKI & COMPANY, PC.

[Independent Auditors' Report FYE 12-31-2018 Kohanski & Co.pdf](#)

- 3.E MINUTES OF THE SCRANTON FIREFIGHTERS PENSION COMMISSION MEETING HELD DECEMBER 18, 2019.

[Scranton Firefighters Pension Commission Meeting 12-18-19.pdf](#)

- 3.F MINUTES OF THE NON-UNIFORM MUNICIPAL PENSION BOARD MEETING HELD DECEMBER 18, 2019.

[Non-Uniform Municipal Pension Board Minutes 12-18-19.pdf](#)

- 3.G MINUTES OF THE SCRANTON POLICE PENSION COMMISSION MEETING HELD DECEMBER 18, 2019.

[Scranton Police Pension Commission Meeting 12-18-19.pdf](#)

- 3.H MINUTES OF THE COMPOSITE PENSION BOARD MEETING HELD DECEMBER 18, 2019.

[Composite Pension Board Minutes 12-18-19.pdf](#)

- 3.I AGENDA FOR THE NON-UNIFORM MUNICIPAL PENSION BOARD MEETING HELD JANUARY 15, 2020.

[Agenda for Non-Uniform Municipal Pension Board 01-15-2020.pdf](#)

- 3.J CONTROLLER'S REPORT FOR THE MONTH ENDING DECEMBER 31, 2019.

[Controller's Report 12-31-2019.pdf](#)

- 3.K TAX ASSESSOR'S RESULTS REPORT FOR HEARING DATE HELD JANUARY 15, 2020.

[Tax Assessor's Results Report for 01-15-2020.pdf](#)

- 3.L AGENDA FOR THE CITY PLANNING COMMISSION MEETING TO BE HELD JANUARY 22, 2020.

4. CITIZENS PARTICIPATION

5. INTRODUCTION OF ORDINANCES, RESOLUTIONS, APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS & COMMISSIONS MOTIONS & REPORTS OF COMMITTEES

5.A MOTIONS

- 5.B FOR INTRODUCTION - A RESOLUTION - RATIFYING AND APPROVING THE FEE AGREEMENT FOR LEGAL SERVICES FROM THE LAW FIRM STEVENS & LEE ON BEHALF OF THE CITY OF SCRANTON IN THE MATTER OF ST. FLEUR, ET AL. V. CITY OF SCRANTON, ET AL. (LACKAWANNA COUNTY COURT OF COMMON PLEAS DOCKET NO. 2017-CV-1403).

[Resolution-2020 Legal Services Stevens & Lee.pdf](#)

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A READING BY TITLE - FILE OF THE COUNCIL NO. 1, 2020 - AN ORDINANCE - CLOSING AND VACATING A PORTION OF BLUCHER AVENUE BETWEEN BEECH STREET AND BIRCH STREET.

[Ordinance-2020 Closing and Vacating a Portion of Blucher Avenue.pdf](#)

- 6.B READING BY TITLE - FILE OF THE COUNCIL NO. 2, 2020 - AN ORDINANCE - AMENDING FILE OF THE COUNCIL NO. 43, 2018, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2020 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER" BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 MILLS LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2

AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 33% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

[Ordinance-2020 Setting the Millage for 2020.pdf](#)

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON FINANCE – FOR ADOPTION - RESOLUTION NO. 2, 2020 – APPROVING, IN ACCORDANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, A PLAN OF FINANCING OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY AND DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON FOR THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY TO UNDERTAKE A PROJECT FOR NORTHEASTERN CHILD CARE SERVICES.

[Resolution-2020 SLHWA Project Northeastern Child Care Services.pdf](#)

- 7.B FOR CONSIDERATION BY THE COMMITTEE ON PUBLIC SAFETY – FOR ADOPTION - RESOLUTION NO. 3, 2020 – AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION (“PENNDOT”) APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 5654 LACKAWANNA AVENUE AND FRANKLIN AVENUE.

[Resolution-2020 PennDOT Application Traffic Signal Permit No. 5654.pdf](#)

- 7.C FOR CONSIDERATION BY THE COMMITTEE ON PUBLIC SAFETY – FOR ADOPTION - RESOLUTION NO. 4, 2020 – AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION (“PENNDOT”) APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 40110 AT LACKAWANNA AVENUE AND MIFFLIN AVENUE

(ENTRANCE TO STEAMTOWN MALL).

Resolution-2020 PennDOT Application Traffic Signal Permit No.
40110.pdf

8. ADJOURNMENT



City of Scranton

Ethics Board

340 N. Washington Avenue

Scranton, PA 18503

Board Members: Andrew Heller, Joan Hodowanitz,
Carol Migliorino, Bruce Reddock, Mary Jo Sheridan

RECEIVED

JAN 10 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

Minutes of the Ethics Board Regular Meeting
Governor's Room, City Hall
November 7, 2019, 5 p.m.

I. Roll call:

Present: Andrew Heller
Joan Hodowanitz, Chairperson
Carol Migliorino
Bruce Reddock
Mary Jo Sheridan, Vice Chairperson

II. Public comment on agenda items only: None.

III. Reading and approval of minutes: The minutes of the regular meeting of the Ethics Board held on October 24, 2019, at City Hall were read. Bruce Reddock made a motion to approve the minutes. Andrew Heller seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

IV. Bills and Communications:

a. Joan Hodowanitz provided the members of the Board a copy of the invoice from the Scranton Times-Tribune for the legal notice published on October 21, 2019 announcing the Ethics Board's October 24th meeting. According to the Law Department, the cost for this notice was \$60.05. Mary Jo Sheridan made a motion that the invoice be approved. Bruce Reddock seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- b. Joan Hodowanitz informed the Board that the Law Department gave her a letter in late October that was addressed to the “Scranton Ethics Commission,” post marked on September 19, 2019, and date stamped by the Law Department on September 24, 2018 [sic]. The letter, which contained an anonymous ethics complaint, had been opened by an unknown party. The Board agreed that a letter should be sent to the Mayor, the President of City Council, and the City Controller (the three city bodies that appointed members to the Ethics Board) regarding this incident and requesting that the city immediately write a policy detailing procedures to be taken by city employees to protect the confidentiality of all Ethics Board’s correspondence. In addition, city officials will be asked to expedite the hiring of Ethics Board staff members, to identify an office space for the Board, and to purchase requested office furniture and equipment. Ms. Hodowanitz told the Board she would write the letter the next morning and send it out.
- c. Joan Hodowanitz informed the Board that she provided a copy of the City of Scranton Code of Ethics to Marion Medalis, Lackawanna County’s Director of Elections, on October 29, 2019. Ms. Medalis told the Times-Tribune that she did not advise candidates for city offices about the requirements in the Code of Ethics because the city never notified her about them.

V. Report of the Secretary: Not applicable.

VI. Reports of the Committees: Not applicable.

VII. Financial Statements: Not applicable.

VIII. Old Business:

- a. Adoption of By-Laws. The members of the Board opted to delay approving the draft by-laws until the city hired a Board Solicitor who would then review it. Mary Jo Sheridan suggested, as an example, that public notice requirements for regular and special meetings should comply with notification requirements specified in the Sunshine Act.
- b. Ethics Training for Board Members. The members of the Board agreed to send a letter to the Mayor, the President of City Council, and the City Controller asking for their support for ethics training by the State Ethics Commission. Carol Migliorino made a motion to send such a letter. Andrew Heller seconded the motion.

Roll Call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- c. Status of Training Materials. Bruce Reddock informed the Board that he had tweaked approximately 50 percent of the PowerPoint training materials and would continue to work on them. Councilwoman Mary Walsh-Dempsey, who attended the meeting, informed the Board that she requested that City Council send a letter to the Interim Director of Human Resources (HR) asking about the deadline for city employees to sign a

document acknowledging their receipt, and understanding, of the Code of Ethics. She also wanted HR to explain what disciplinary measures, if any, employees would face if they refused to sign such a document. She pointed out that the letter had not yet crossed her desk. The Board agreed that there should be some sort of accountability, even if it was only documenting the response rate of employees signing the document.

- d. Web Page on City's Website. Joan Hodowanitz read Bruce Reddock's proposed letter to Frank Sweitnicki, Director of Information Technology, requesting assistance in setting up the Board's landing page and assigning email addresses for each Board member. Mary Jo Sheridan made a motion to send the letter. Carol Migliorino seconded the motion.

Roll Call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- e. Rental of P.O. Box. Andrew Heller informed the members of the Board that he had checked on renting a post office box in downtown Scranton and had an application ready to fill out. However, the Board agreed that the box should not be rented until the Secretary and/or Investigative Officer were hired since they are the ones authorized to access the box.
- f. 2020 Budget Allocation. Board members pointed out that no provision had been made to request a printer. Joan Hodowanitz pointed out that, assuming IT did not provide one, the budget request could be amended at a later date. In addition, copies in large numbers could be handled by an off-site printer. The final budget request totaled \$62,364.63. Bruce Reddock made a motion that the budget request be approved. Andrew Heller seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- g. Letter to Mayor Requesting Union Contracts. Joan Hodowanitz informed the Board that no copies of union contracts had yet been received.
- h. Letter to Mayor Requesting City Policies. Joan Hodowanitz informed the Board that the Law Department gave her copies of the Vehicle Use policy and the Fuel Credit Card policy. She then provided copies to the other Board members. Ms. Hodowanitz expressed concern that the Vehicle Use policy applied only to nonunion Administrative personnel and wondered if a policy existed for other employees. Mary Jo Sheridan pointed out that the Board could form committees to meet with appropriate city officials and develop policies as required. She said that union contracts may address many such issues, but that

the Board should ensure there was appropriate oversight. Ms. Hodowanitz read a proposed letter to the Mayor requesting copies of all city policies (both those already on hand and those issued in the future) for review by the Ethics Board. She also read the draft letter on Gas Cards, Other Procurement Cards, and the Use of City Property. The Board decided to delay sending both letters until a future meeting. This would allow them more time to consider the issues involved.

- i. Letter to Mayor Requesting Statements of Financial Interests (SFIs) from Senior Officials/Employees. Joan Hodowanitz read a proposed letter to the Mayor requesting paper copies of all SFIs filed for calendar year 2018 by the city’s leadership not later than November 15. The letter also requested a copy of any policies regarding the filing of annual SFIs by the same date. Mary Jo Sheridan pointed out that the Board should first consider establishing a set of priorities, in consultation with the Mayor, the City Controller, City Council and the City Solicitor, to determine what is reasonable for the Board to accomplish. Bruce Reddock pointed out that the Ethics Board Solicitor is an absolute necessity when reviewing the SFIs. The Board decided that it would be best to delay sending a letter to the above addressees until a later date since it had neither a Solicitor nor office space in which to secure the SFIs. Ms. Hodowanitz agreed to draft a new letter to the above addressees requesting a roster of who submitted an SFI for calendar year 2018, who did not, and how the Administration planned to post this information on the city’s website.

IX. New Business:

- a. Welcome Carol Migliorino. The Board formally welcomed Carol Migliorino as its fifth member.
- b. Draft Letter to the Mayor Requesting Office Space. Joan Hodowanitz read a proposed letter to the Mayor requesting office space for the Ethics Board. Bruce Reddock made a motion that the letter be sent. Mary Jo Sheridan seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- c. Draft Letter to the Business Administrator (BA) Highlighting Relevant Tasks in the Code of Ethics. Joan Hodowanitz read a proposed letter to the BA listing the requirements in his office and the Information Technology Department, an office which falls under his direction. Mary Jo Sheridan made a motion to send the letter. Carol Migliorino seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- d. Draft Letter to the City Clerk Highlighting Relevant Tasks in the Code of Ethics. Joan Hodowanitz read a proposed letter to the City Clerk listing requirements in the Code of Ethics that fall in her area of responsibility. Mary Jo Sheridan made a motion to send the letter. Carol Migliorino seconded the motion.

Roll call:	Andrew Heller:	Yes
	Joan Hodowanitz:	Yes
	Carol Migliorino	Yes
	Bruce Reddock:	Yes
	Mary Jo Sheridan:	Yes

The motion passed.

- e. Draft Plain-English Version of Sections 12 and 7 of the Code of Ethics. Joan Hodowanitz provided members of the Board with copies of her draft of sections 12 and 7 of the Code. The Board asked for time to study the draft and suggested that the Solicitor review it before posting it on the city's website.
 - f. Establishment of a City-Wide Committee to Facilitate Meeting Ethics Requirements. Mary Jo Sheridan recommended to the Board that it invite the newly-elected city officials to meet with the Board. This will give them an opportunity to share their concerns and highest priorities for the Ethics Board to address. She also recommended that the Board hear from those who wrote the Code of Ethics and from those elected officials who appointed the current Board members. This information could be used by the Board to establish its own priorities going forward. The Board agreed to invite these public officials to a public caucus during its February 6, 2020 meeting. Joan Hodowanitz agreed to draft letters of invitation.
 - g. Draft Letter to Information Technology Department to Address IT Needs. See paragraph VIII d above.
 - h. Letter Requesting Status of Board's October 10th Request to a Solicitor. Carol Migliorino made a motion for Joan Hodowanitz to write and send a letter to the Law Department requesting the status of our October 10th letter asking for assistance in hiring a Solicitor for the Ethics Board. Bruce Reddock seconded the motion. The motion passed unanimously.
- X. Public Comment: Jim Lockwood, reporter for the Times-Tribune, asked if the Board had a liaison with the City Council. It does not. He asked for the exact figure of the Board's budget request (\$63,364.63). He asked when the post office processed the anonymous letter (September 19, 2019). He took a picture of the envelope of that letter. He noted that the Ethics Code requires complaints to be signed and notarized, but suggested that the Board was "handcuffing employees by making that a requirement." Joan Hodowanitz suggested that a fraud, waste and abuse hotline may be one way to alleviate that problem. He asked if it was a crime to open someone else's mail. Someone said it is. He also asked if the Board was going to try to find out who opened the letter. Ms. Hodowanitz told him the Board had no realistic way of finding that out.

XI. Adjournment: Bruce Reddock made a motion to adjourn. The motion was seconded by Andrew Heller.

Roll call vote:

Andrew Heller	Yes
Joan Hodowanitz	Yes
Carol Migliorino	Yes
Bruce Reddock	Yes
Mary Jo Sheridan	Yes

The motion passed. The meeting was adjourned at 7:08 p.m.

The next meeting of the Ethics Board is scheduled for 5 p.m. on Thursday, December 12, 2019, in the Governor's Room of City Hall.

Mary Jo Sheridan
Vice Chairwoman, Ethics Board
Date approved: December 12, 2019



**City of Scranton
Ethics Board**

340 N. Washington Avenue
Scranton, PA 18503

SOLICITOR: NA

Board Members: Mary Jo Sheridan, Bruce Reddock,
Andrew Heller, Carol Migliorino

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JAN 10 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

Minutes of the Ethics Board Regular Meeting
Governor's Room
Tuesday, December 12, 2019 @ 5:00pm

- I. Roll Call: The meeting was called to order at 5 p.m. Roll was taken.
 - Andrew Heller - Present
 - Carol Migliorino - Present
 - Bruce reddock - Absent
 - Mary Jo Sheridan, Acting Chairperson - Present

II. Public comment on agenda items only: None

III. Reading and Approval of Minutes: The minutes of the regular meeting of the Ethics Board held on November 7, 2019, at City Hall were read. Carol Migliorino made a motion to approve the minutes. Andrew Heller seconded the motion.

Roll Call: Andrew Heller	Yes
Carol Migliorino	Yes
Mary Jo Sheridan	Yes

The motion passed.

A motion was made at this time by Andrew Heller and seconded by Carol Migliorino to name Mary Jo Sheridan acting Chairperson until the board is re-organized in 2020.

Roll Call: Andrew Heller	Yes
Carol Migliorino	Yes
Mary Jo Sheridan	Yes

The motion passed.

IV. Communications and Invoices:

a. Mail – Mary Jo Sheridan reported no mail for the Ethics Board came to City Hall and that she spoke with Treasurer Wayne Beck, who confirmed all mail addressed to the

Ethics Board would be placed in a designated mail slot and would not be opened by anyone in the Treasurer's office, the office responsible for handling incoming mail.

As previously resolved by the Board, all members agreed again that a separate post office box be secured in the near future for any future mail or correspondence. Andrew Heller will take care of this.

V. Report of the Secretary: None

VI. Report of Committees:

a. Gifts Committee: None

VII. New Business: None

VIII. Other Business:

a. RFQ for Solicitor: Mary Jo Sheridan with assistance from Atty. Joseph Price from the City of Scranton Law Department drew up a new RFQ for Solicitor to be published in the Scranton Times. A motion was made to approve the RFQ by Carol Migliorino and seconded by Andrew Heller.

Roll Call: Andrew Heller	Yes
Carol Migliorino	Yes
Mary Jo Sheridan	Yes

The motion passed.

b. Web Page: No update.

c. Future Meetings: It was agreed that dates and time of future meetings will be discussed at the January meeting.

IX. Public Comment:

a. Jim Lockwood, reporter for the Scranton Times Tribune, asked if the board had any liaison's with either the Mayor's Office or City Council. The Ethics Board members said they are waiting until the new Mayor and City Council are sworn in and take their respective office to request a liaison with both offices.

X. Adjournment:

Andrew Heller made a motion to adjourn. Carol Migliorino seconded the motion.

Roll Call: Andrew Heller	Yes
Carol Migliorino	Yes
Mary Jo Sheridan	Yes

The Motion passed. The meeting was adjourned at 6:02 p.m.

The next meeting of the Ethics Board is scheduled for 5:30 pm on Thursday, January 9th, 2020 in the Governor's Room of Scranton City Hall.

Andrew Heller
Ethics Board Member



DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4193 • FAX: 570-348-4171

RECEIVED
JAN 3 2020

December 29, 2019

RE: Delinquent Rental Registration Mailing

**OFFICE OF CITY
COUNCIL/CITY CLERK**

Dear Ms. Reed,

This letter is in response to the letter I received from you dated December 18, 2019 regarding the delinquent rental registration mailing. Please see my responses to the requested information below:

1. In September 2019, I received a request from City Council and Mayor Evans inquiring about the rental registration escrow program. Specifically, I was asked to draft policy and procedures for the rental escrow program. A draft of the policy and procedure was provided to Mayor Evans and City Council, which was subsequently approved. Mayor Evans then inquired about the past-due rentals for 2017 and 2018. I approached the law department and I drafted a letter regarding the delinquent rental registrations for 2017 and 2018. The law department subsequently approved the contents of my letter. The delinquent rental letters that were mailed out regarding the enforcement of the rental escrow program and delinquent rental registration are word for word as stated in Section 10 FOC 58 of 2016.
2. The delinquent rental registration letters were mailed to 3,970 residents of Scranton, PA. The list of residents can be forwarded to you via email.
3. The list of residents whom received the delinquent rental registration letter was developed from the following sources:
 - a) The Lackawanna County Assessor's Office database,
 - b) Don King, City Planner, who broke-down the information obtained from the Lackawanna County Assessors database;
 - c) James Moran, DBA as rental ordinance.com, who also broke-down the information obtained from the Lackawanna County Assessors database on October 16th, 2017 into multi-dwelling and single-dwelling properties; and
 - d) The Licensing, Inspection and Permits Department of the City of Scranton through the process of reviewing permit applications. (For example, when a permit application is received, the Licensing, Inspections and Permits Department would check the property address and owner address to see if they were the same. If the addresses were different the property address was added to the database as a rental property. Please see the attached assessor pages as examples.)

The County Assessor's Office database was relied on to obtain the above information as stated in FOC 58 of 2016 Section 3 under Landlord. The information that was obtained from the Assessor's database was believed to be accurate. This database is the only database available from which to obtain property information regarding property classification. However, Lackawanna County does not inform nor update the City of Scranton when a property is sold in order for the City to update their records.

Thus, resulting in some residents receiving letters in error (e.g., their property was sold, and our records were not updated to reflect the same).

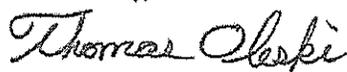
4. The cost of postage to send out the delinquent rental registration letters via certified mail and regular US mail was \$29,745.50. Under ordinance for Rental Registration FOC 58 of 2016, Section 10-Rental Escrow Program letter A, "...By registered or certified mail, addressed to the record address of such property on the tax records of the County of Lackawanna"

5. The plan of action for people who wrongfully received the delinquent registration letters is a follows:

- a) Apologize and take responsibility for the error when fielding phone calls of complaints from frustrated residents; and
- b) Send out letters taking accountability for mailing the initial delinquency letter in error.

I would also like to note that, to date, \$75,300 in past-due rental registrations has been collected since the delinquency letters were mailed out. It has also given us a more accurate up to date rental registration data base to add to our current list of over 7,000. Additionally, the City's Rental Registration Form that was previously provided/sent out to the property owners and on City of Scranton's website lists the exemptions that apply to property owners. If an exemption applies then a property owner was required to describe the exemption, sign the application and mail or drop off the application to the City and no enforcement action would be taken. This allows the City to keep an accurate and current database of all rental properties. Going forward into the New Year, I would like to setup a meeting with the Lackawanna County Commissioners to get obtain copies of all the properties that have been sold in the City of Scranton to keep our Rental Registration date base current and accurate. If any additional information is needed, please do not hesitate to contact me.

Sincerely,



Thomas Oleski
Director/BCO
Licensing, Inspections and Permits



DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4193 • FAX: 570-348-4171

December 13, 2019

(Property Owner)

RE: (Address of Property) - Rental Registration

To Whom It May Concern:

Due to a clerical error, a letter requesting payment for rental registration fees for the above referenced property for years 2017 and/or 2018 was sent to your attention. After review of the above mentioned property, we have confirmed that your property has been registered as a rental unit and there are no outstanding fees owed at this time. Our records have been updated accordingly.

We apologize for any inconvenience this has had on you.

Sincerely,

Name
Rental Registration
Licensing, Inspection & Permits



DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4193 • FAX: 570-348-4171

December 29, 2019

(Property owner)

RE: (address of property)- Rental Registration

To whom it may concern:

We are working on better communication between Lackawanna County Assessment office and our office. When we sent out the letters for delinquent rental registration, we were not provided with an updated list of properties that were sold in the city. A letter requesting payment for rental registration fees for the above referenced property for years 2017 & 2018 was sent to your attention. After review of the above mentioned property, we have confirmed that you no longer own the property and there are no outstanding fees due. Our records have been updated accordingly.

We apologize for any inconvenience this has had on you.

Sincerely,

Name

Lackawanna County Assessor's Office Property Details

PIN Number: 13505050033

Property Information

Address: 122 BELMONT TER
Municipality: SCRANTON

Owner Information

Name: EBERSOLE MERLE

Address: 208 MIDWAY AVE

CLARKS SUMMIT PA 18411

Dwelling Type: RESIDENTIAL SINGLE DWELLING
Dimensions: 25X135

Instrument No.: 2019013794
Book Page/Ref No.: 0 0
Date Acquired (mm/dd/yy): 8/21/2019

Assessment

Land Value: \$1700
Improvement Value: \$8300
Total Value: \$10000

Purchase Price: \$23800

Printed: Tuesday, Dec 31 2019 - 09:33:05 am

Lackawanna County Assessor's Office Property Details

PIN Number: 14515010025

Property Information

Address: 507 ST FR CABRINI AVE
Municipality: SCRANTON

Owner Information

Name: SESSO THOMAS A

Address: 506 PLEASANT AVE

SCRANTON, PA 18504

Dwelling Type: RESIDENTIAL SINGLE DWELLING
Dimensions: 48X65

Instrument No.: 2011017067

Book Page/Ref No.: 0 0

Date Acquired (mm/dd/yy): 9/7/2011

Assessment

Land Value: \$1700

Improvement Value: \$5800

Total Value: \$7500

Purchase Price: \$1

Printed: Tuesday, Dec 31 2019 - 09:32:19 am

Lackawanna County Assessor's Office Property Details

PIN Number: 15705010029

Property Information

Address: 501 CLAY AVE
Municipality: SCRANTON

Owner Information

Name: 601 CLAY LLC

Address: 300 CLAY AVE

SCRANTON PA 18510

Dwelling Type: RESIDENTIAL MULTI DWELLING
Dimensions: 50X85

Instrument No.: 2019014024
Book Page/Ref No.: 00
Date Acquired (mm/dd/yy): 8/14/2019

Assessment

Land Value: \$9853
Improvement Value: \$4147
Total Value: \$14000

Purchase Price: \$33165

Printed: Tuesday, Dec 31 2019 - 09:31:44 am



DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS
CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-548-4193 • FAX: 570-548-4171

(For 2019)

CITY OF SCRANTON
APPLICATION FOR RENTAL REGISTRATION
PURSUANT TO FILE OF THE COUNCIL NO. 58 OF 2016 &
FILE OF THE COUNCIL NO. 2 OF 2018

Please be advised that the Application will not be processed unless all requested information is provided on prescribed form.

ADDRESS OF RENTAL UNIT: _____

Tax Map Number: _____

Number of Units: _____

Is the Property Condemned? _____

The following are exempt from these registration requirements:

1. Residential rental units occupied by immediate members of the owner's family provided that not more than two (2) unrelated individuals, in addition to the immediate members of the owner's family, occupy the dwelling at any given time;
2. A residential treatment hospital or facility;
3. A drug, alcohol, or other dependency treatment facility, halfway house;
4. A nursing, physical therapy, or assisted living facility;
5. Hotels, motels, and bed-and-breakfast facilities;
6. A community/group home facility licensed by the Pennsylvania Department of Public Welfare;
7. A facility owned and operated by the Scranton Housing Authority; and
8. An apartment or single family home where the occupant is a child or parent of the residence.
9. A rental unit in a double or duplex home or two (2) single units on one deed which is occupied by the owner of the double or duplex home or two (2) single units on one deed.

If one of the above exemptions applies to your rental property, please briefly describe below and sign your name at the end of the application.

Name of Owner: _____

Work/Cell Phone: _____

Home Phone: _____

Address: _____

City, State, Zip: _____

If Business, Person of Contact: _____

City Ordinance requires a local agent be hired by the property owner if owner does not live within a (20) mile radius of the City. Does the owner reside within a twenty (20) mile radius of the City of Savannah? (Check one)

Yes, Owner's address is _____
 No, please provide
Name of Agent: _____
Work/Cell Phone: _____
Home Phone: _____
Address: _____
City, State, Zip Code: _____
Agent's Contact Person: _____

You must be in compliance with the following prior to issuance of a Rental Registration Certificate. Please check all that apply:

Rental Estate Taxes are paid in full and up to date: Yes No
Waste Disposal fees are paid up to date: Yes No
A minimum of \$50,000 of Liability and Casualty Insurance on Rental Unit(s): Yes No
Please provide:
Insurance Company Name: _____
Policy Number: _____
Expiration Date of Policy: _____

The City of Savannah is committed to providing reasonable accommodations to its rules, policies, practices, or services when such accommodations may be necessary to afford people with disabilities the equal opportunity to use and enjoy their dwellings at certain times. For a copy of the complete copy of the City's Reasonable Accommodation Policy, please contact the Department of Licensing, Inspections, and Permits.

I swear or affirm that my statements and answers are true and complete to the best of my knowledge and belief. I also realize that I will be subject to criminal penalties provided by 18PA C.S. 4903 and 4904 if I have provided false answers and statements.

Date: _____

Signature of Owner or Agent

Printed Name of Owner or Agent

To be completed by City Employees Only

A Check or Money Order made payable to the City of Savannah has been received in the amount of \$ _____ dated _____

TO: City Council
FROM: Mayor Paige G. Cagnetti
CC: Jessica Eskra, Esq.
RE: Act 511 Appeal
DATE: January 13, 2020

MEMORANDUM

RECEIVED
JAN 14 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

President Gaughan and City Council:

Background

I write concerning the appeal of *St. Fleur v. City of Scranton, et al.*, and retention of appellate counsel. As you are aware, on December 16, 2019, Judge Gibbons issued an opinion determining that the City exceeded the statutory cap of taxes in Act 511 and ordered it to set aside 50 million dollars for alleged over-taxation since 2015. The statutory deadline to appeal the decision is January 14, 2020.

Emergency Declaration

Given the significant 50 million dollar exposure the City faces, it is necessary to hire experienced and competent counsel to handle the appeal and maximize the City's chance of success to overturn the decision. Immediately upon taking office on Monday, January 6, 2020, my team began reviewing the necessary steps to appeal the Act 511 decision and coordinated to identify potential appellate counsel. Because there were only 30 days to appeal from the date of the decision, a Request for Qualifications for appellate counsel could not be procured. The only way to appeal was to issue an emergency declaration authorizing the hiring of outside counsel, which I did—with Controller Murray's approval—on January 8, 2020. City Council was notified of same within 24 hours.

Retention of Appellate Counsel

Despite the minimal time allotted to obtain counsel, I wanted to nonetheless exercise due diligence and on Friday January 10, 2020, our legal and business team interviewed three law firms. We interviewed: (1) Myers, Brier, and Kelly; (2) Oliver, Price, and Rhodes; and (3) Stevens & Lee. Ultimately, our legal and business team unanimously decided Stevens & Lee

was best suited to handle the appeal based on numerous factors, including depth of resources and substantive knowledge.

Leading the appeal will be a team of dedicated and knowledgeable attorneys, both partners and associates. The Honorable Thomas I. Vanaskie, recently retired from the Third Circuit Court of Appeals, enthusiastically expressed interest to be involved and intends to argue the appeal on behalf of the City. Additionally, Stevens & Lee has a team of experienced attorneys with expertise in tax, appellate practice, and municipal law that will contribute. To reduce costs, Stevens & Lee significantly reduced hourly rates of its lawyers, some by over \$300 an hour and offered a fixed rate for all partners and a lower fixed rate for all associates. Experienced associates will handle the work whenever practical to further curtail fees.

Although we had an incredibly short time period to identify and retain legal counsel, our team thoroughly vetted multiple firms and was able to obtain top-notch representation at significantly reduced rates. As partly evidenced by its significantly reduced rates, Stevens & Lee is eager to lead this appeal for the City and will put forth the best case possible to achieve success. The legal team and I are confident in its ability to handle the Act 511 appeal and are confident that the City's best interests will be served.

CITY OF SCRANTON, PENNSYLVANIA

FINANCIAL STATEMENTS
DECEMBER 31, 2018

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JAN 14 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

KOHANSKI

Company · PC

CITY OF SCRANTON, PENNSYLVANIA

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CITY OF SCRANTON, PENNSYLVANIA

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council of
City of Scranton, Pennsylvania:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scranton, Pennsylvania (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Scranton Redevelopment Authority "(SRA)", which represents 47% of the assets and fund balance, and 8% of the revenues of the non-major governmental funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the SRA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse audit opinions.

Summary of Opinions:

<u>Reporting Entity</u>	<u>Type of Opinion</u>
Entity-Wide:	
Governmental Activities	Unmodified
Business-Type Activity	Unmodified
Aggregate Discretely Presented Component Unit	Adverse
Fund:	
General Fund	Unmodified
OECD	Unmodified
Special Cities	Unmodified
Non-major Funds	Unmodified
Enterprise Fund - Sewer Authority	Unmodified
Internal Service Fund	Unmodified
Pension Trust Fund	Unmodified

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements referred to above include only the primary government of the City, which consists of all funds and organizations that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, the Scranton Parking Authority, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government.

Adverse Opinion on the Reporting Entity

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit as of December 31, 2018, the changes in its financial position or, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activity, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activity, each major fund and the aggregate remaining fund information of the City, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 22 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* in 2018, to conform to accounting principles generally accepted in the United States of America. The City restated its beginning net position at December 31, 2017 for this adoption.

As discussed in Note 19, Distressed Municipality Status, the City was declared a distressed municipality under the Financially Distressed Municipalities Act ("Act 47") in 1992. On July 27, 2017, the City adopted its Act 47 Exit Recovery Plan. This plan identifies mandates that the City must implement to eliminate the City's operating budget deficits as projected by the Act 47 Coordinator. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedules of changes in the City's net pension liability and related ratios, schedules of the City's contributions - pension plans, schedules of changes in the City's OPEB liability and related ratios, and supplemental schedule of revenue and expenditures - budget and actual - general fund on pages 58 - 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining balance sheet - non-major governmental funds, and the combining statement of revenues, expenditures and changes in fund balances - non-major governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Kohanski & Co., PC

Moosic, PA
December 26, 2019

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2018)	Total
CURRENT ASSETS:			
Cash and cash equivalents	\$ 9,087,956	\$ 886,815	\$ 9,974,771
Investments	21,474,483	-	21,474,483
Receivables:			
Taxes receivable, net	15,382,013	-	15,382,013
Garbage fees receivable, net	4,508,025	-	4,508,025
Accounts receivable, net	3,999,658	116,191	4,115,849
Loans receivable	47,368	-	47,368
Property held for resale	98,365	-	98,365
Prepaid expenses	-	22,196	22,196
Escrow deposits	-	16,811,213	16,811,213
Restricted cash and cash equivalents	<u>30,593,818</u>	<u>-</u>	<u>30,593,818</u>
Total Current Assets	85,191,686	17,836,415	103,028,101
CAPITAL ASSETS, net	83,934,732	5,885	83,940,617
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	<u>6,389,885</u>	<u>-</u>	<u>6,389,885</u>
	<u>\$175,516,303</u>	<u>\$ 17,842,300</u>	<u>\$ 193,358,603</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2018)	Total
CURRENT LIABILITIES:			
Accounts payable	\$ 6,130,221	\$ 699,906	\$ 6,830,127
Other liabilities	938,837	3,029	941,866
Funds in escrow	3,291,311	-	3,291,311
Current portion of long term debt:			
Long-term debt obligations	5,743,647	-	5,743,647
Capital leases	587,894	-	587,894
Accrued interest	939,201	-	939,201
	-	-	-
Total Current Liabilities	<u>17,631,111</u>	<u>702,935</u>	<u>18,334,046</u>
LONG-TERM OBLIGATIONS, net of current portion:			
Long-term debt obligations	112,843,705	-	112,843,705
Capital leases	1,722,818	-	1,722,818
Worker's compensation claims	17,081,978	-	17,081,978
Net other post-employment benefit obligation	210,017,780	-	210,017,780
Net pension liability	75,047,250	-	75,047,250
Compensated absences	3,707,005	-	3,707,005
Unearned revenue	4,055,872	-	4,055,872
	-	-	-
Total Long-term Obligations, net of current portion:	<u>424,476,408</u>	<u>-</u>	<u>424,476,408</u>
Total Liabilities	<u>442,107,519</u>	<u>702,935</u>	<u>442,810,454</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	33,608,546	-	33,608,546

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2018)	Total
NET POSITION:			
Net investment in capital assets	-	5,885	5,885
Restricted for:			
Debt service	486,080	-	486,080
Restricted for Escrow Agreements	-	16,811,213	16,811,213
Restricted for externally imposed restrictions	24,081,778	-	24,081,778
Unrestricted (deficit)	<u>(324,767,620)</u>	<u>322,267</u>	<u>(324,445,353)</u>
 Total Net Position	 <u>(300,199,762)</u>	 <u>17,139,365</u>	 <u>(283,060,397)</u>
	 <u>\$ 175,516,303</u>	 <u>\$ 17,842,300</u>	 <u>\$193,358,603</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

FUNCTIONS/PROGRAMS: Governmental Activities:	Program Revenues			Primary Government			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities (Year Ended March 31, 2018)	
General government - administrative	\$ 17,331,017	\$ 2,905,813	\$ 1,067,731	\$ -	\$ (13,357,473)	\$ -	\$ (13,357,473)
Public safety	40,438,859	418,943	3,693,574	-	(36,326,342)	-	(36,326,342)
Public works	17,873,240	10,645,241	125,000	816,958	(6,286,041)	-	(6,286,041)
Community development	3,726,781	853,810	3,096,733	180,678	404,440	-	404,440
Culture and recreation	1,151,514	-	-	-	(1,151,514)	-	(1,151,514)
Interest and fees on long-term debt	5,057,437	-	-	-	(5,057,437)	-	(5,057,437)
Total Governmental Activities	85,578,848	14,823,807	7,983,038	997,636	(61,774,367)	-	(61,774,367)
Business-type Activity (year ended March 31, 2018)	723,462	207,856	-	-	-	(515,606)	(515,606)
	\$ 86,302,310	\$ 15,031,663	\$ 7,983,038	\$ 997,636	(61,774,367)	(515,606)	(62,289,973)
General Revenues:							
Taxes:							
Property taxes					38,952,296	-	38,952,296
Act 511 taxes					37,952,509	-	37,952,509
Cable television franchise revenue					1,022,958	-	1,022,958
Payments in lieu of taxes					71,456	-	71,456
Investment earnings					37,279	75,220	112,499
Miscellaneous					6,302,272	80,851	6,383,123
Rents and concessions					(8,203)	-	(8,203)
Total General Revenues					84,330,567	156,071	84,486,638
CHANGE IN NET POSITION					22,556,200	(359,535)	22,196,665
NET POSITION - Previously Reported:					(169,265,508)	-	(169,265,508)
Restatement (Note 22)					(153,490,454)	-	(153,490,454)
As restated					(322,755,962)	17,498,900	(305,257,062)
NET POSITION - ENDING					\$ (300,199,762)	\$ 17,139,365	\$ (283,060,397)

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General Fund	OECD	Special Cities	Non-major Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 6,176,310	\$ 1,707,610	\$ -	\$ 1,204,036	\$ 9,087,956
Taxes receivable, net	15,382,013	-	-	-	15,382,013
Garbage fees receivable, net	4,508,025	-	-	-	4,508,025
Accounts receivable, net	1,313,891	1,505,218	1,106,464	-	3,925,573
Loans receivable, net	-	-	-	47,368	47,368
Restricted cash and cash equivalents	24,081,778	-	6,371,135	140,905	30,593,818
Property held for resale	-	-	-	98,365	98,365
Due from other funds	<u>749,909</u>	<u>528,103</u>	<u>904,133</u>	<u>-</u>	<u>2,182,145</u>
	<u>\$ 52,211,926</u>	<u>\$ 3,740,931</u>	<u>\$ 8,381,732</u>	<u>\$ 1,490,674</u>	<u>\$ 65,825,263</u>
LIABILITIES:					
Accounts payable	\$ 5,544,357	\$ 154,443	\$ 205,095	\$ 874	\$ 5,904,769
Funds in escrow	-	-	3,291,311	-	3,291,311
Other liabilities	920,105	18,732	-	-	938,837
Unearned revenue	-	2,986,218	1,069,654	-	4,055,872
Due to other funds	<u>904,133</u>	<u>35,673</u>	<u>714,236</u>	<u>528,103</u>	<u>2,182,145</u>
Total Liabilities	<u>7,368,595</u>	<u>3,195,066</u>	<u>5,280,296</u>	<u>528,977</u>	<u>16,372,934</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	<u>11,182,269</u>	<u>-</u>	<u>-</u>	<u>47,368</u>	<u>11,229,637</u>
FUND BALANCES:					
Nonspendable	-	-	-	98,365	98,365
Restricted for debt service	486,080	-	-	-	486,080
Restricted for externally imposed restrictions	24,081,778	545,865	-	1,189,422	25,817,065
Assigned	4,769,204	-	3,101,436	140,905	8,011,545
Unassigned	<u>4,324,000</u>	<u>-</u>	<u>-</u>	<u>(514,363)</u>	<u>3,809,637</u>
Total Fund Balances	<u>33,661,062</u>	<u>545,865</u>	<u>3,101,436</u>	<u>914,329</u>	<u>38,222,692</u>
	<u>\$ 52,211,926</u>	<u>\$ 3,740,931</u>	<u>\$ 8,381,732</u>	<u>\$ 1,490,674</u>	<u>\$ 65,825,263</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET -
GOVERNMENTAL FUNDS WITH NET POSITION IN THE
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 38,222,692
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Amounts reported in the statement of net position are difference because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the fund financial statements:

Capital assets	193,106,557
Accumulated depreciation	(109,171,825)

Property taxes receivable will be collected but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the fund.	7,011,585
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Refuse fees receivable will be collected but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the fund.	4,170,684
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Deferred loans are loans made by Scranton Redevelopment Authority to qualified projects that will be repaid in future years but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	47,368
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Internal service fund is used by management to charge the cost of workmen's compensation insurance to various departments. The net revenue/expense of the internal service fund is reported with governmental activities.	4,241,138
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The City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City's pension plans are not reported in the governmental funds but are reported in the statement of net position:

Net pension liability	(75,047,250)
Deferred outflows of resources	6,389,885
Deferred inflows of resources	(33,608,546)

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET -
GOVERNMENTAL FUNDS WITH NET POSITION IN THE
STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2018**

Long-term obligations are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term obligations at year end consist of the following:

General obligation bonds payable	(60,985,000)
General obligation notes payable	(55,595,000)
Governmental notes payable	(2,007,352)
Accrued interest payable	(939,201)
Capitalized lease payable	(2,310,712)
Compensated absences	(3,707,005)
Other post-employment benefits	<u>(210,017,780)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (300,199,762)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	General Fund	OECD	Special Cities	Non-major Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 72,925,885	\$ -	\$ -	\$ -	\$ 72,925,885
Intergovernmental revenue	4,761,305	3,096,734	933,576	2,515,300	11,306,915
Departmental earnings	554,483	-	749,852	-	1,304,335
Refuse disposal fee	6,970,633	-	-	-	6,970,633
Licenses and permits	2,396,375	-	-	-	2,396,375
Cable television franchise revenue	1,022,958	-	-	-	1,022,958
Payments in lieu of taxes	71,456	-	-	-	71,456
Investment income	-	1,853	23,568	11,858	37,279
Other revenues	881,339	6,329	639,076	25,532	1,552,276
Rents and concessions	5,500	-	-	7,350	12,850
Program income	432,088	853,810	-	-	1,285,898
Total Revenues	90,022,022	3,958,726	2,346,072	2,560,040	98,886,860
EXPENDITURES:					
Current:					
General government	17,687,403	-	676,734	2,080	18,366,217
Public safety	67,310,714	-	49,862	-	67,360,576
Public works	13,074,685	-	293,497	-	13,368,182
Community development	-	3,513,199	-	199,910	3,713,109
Culture and recreation	725,924	-	-	-	725,924
Debt Service:					
Debt service principal	5,806,958	-	-	310,000	6,116,958
Debt service interest/fees	4,881,083	-	-	142,974	5,024,057
Capital Outlay	3,912,713	-	1,275,294	-	5,188,007
Total Expenditures	113,399,480	3,513,199	2,295,387	654,964	119,863,030
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,377,458)	445,527	50,685	1,905,076	(20,976,170)
OTHER FINANCING SOURCES (USES):					
Operating transfers-in	1,791,789	-	1,622,398	510,000	3,924,187
Operating transfers-out	(2,132,397)	-	-	(1,791,790)	(3,924,187)
Proceeds from leases	1,944,539	-	-	-	1,944,539
Proceeds from issuance of bonds	22,990,000	-	-	-	22,990,000
Proceeds from tax anticipation note	12,750,000	-	-	-	12,750,000
Payments on tax anticipation note	(13,101,263)	-	-	-	(13,101,263)
Court award payment	(483,951)	-	-	-	(483,951)
Total Other Financing Sources (Uses)	23,758,717	-	1,622,398	(1,281,790)	24,099,325
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	381,259	445,527	1,673,083	623,286	3,123,155
FUND BALANCE - Beginning:					
As previously reported	33,279,803	100,338	373,788	838,913	34,592,842
Prior-period adjustment	-	-	1,054,565	(547,870)	506,695
As restated	33,279,803	100,338	1,428,353	291,043	35,099,537
FUND BALANCE - Ending	\$ 33,661,062	\$ 545,865	\$ 3,101,436	\$ 914,329	\$ 38,222,692

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS
WITH CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2018**

CHANGE IN FUND BALANCE \$ 3,123,155

The change in net position reported in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeds depreciation.

Capital outlays	5,188,007
Depreciation	(5,778,705)

Internal service fund is used by management to charge the cost of workmen's compensation insurance to various departments. The net revenue of the internal service fund is reported with governmental activities.

4,761,536

Issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds reports the effect of issuance cost and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(37,684,539)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:

Repayment of general obligation bonds	4,915,000
Repayment of notes payable	13,300,442
Repayment of capitalized leases principal	651,514
Accrued interest	(33,380)

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS
WITH CHANGE IN NET POSITION (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

In the statement of revenues, expenditures, and changes in fund balance, non-exchange revenue is only recognized when measurable and available. Therefore, any non-exchange balances collected past sixty-days of the balance sheet date are not recognized as revenue until the period collected. This amount is the net change in revenue accrued between the prior and the current year.

2,082,223

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of:

Change in compensated absences	(396,260)
Change in net post-employment benefit obligation	(1,854,834)
Change in net pension liability and related deferrals	<u>34,282,041</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 22,556,200</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2018

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund</u>	
	<u>Sewer Authority (March 31, 2018)</u>	<u>Internal Service Fund</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 886,815	\$ -
Investments	-	21,474,483
Accounts receivable, net	116,191	74,085
Prepaid insurance	22,196	-
Escrow deposits	<u>16,811,213</u>	<u>-</u>
Total Current Assets	17,836,415	21,548,568
CAPITAL ASSETS, net	<u>5,885</u>	<u>-</u>
	<u>\$ 17,842,300</u>	<u>\$ 21,548,568</u>
LIABILITIES:		
Current Liabilities:		
Accrued expenses	\$ 699,906	\$ 225,452
Accrued payroll and payroll taxes	<u>3,029</u>	<u>-</u>
Total Current Liabilities	702,935	225,452
Non-Current Liabilities:		
Workers' compensation claims payable	<u>-</u>	<u>17,081,978</u>
Total Liabilities	<u>702,935</u>	<u>17,307,430</u>
NET POSITION:		
Net investment in capital assets	5,885	-
Restricted for escrow agreements	16,811,213	-
Restricted for workers compensation claims	-	4,241,138
Unrestricted	<u>322,267</u>	<u>-</u>
Total Net Position	<u>17,139,365</u>	<u>4,241,138</u>
	<u>\$ 17,842,300</u>	<u>\$ 21,548,568</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund Sewer Authority (Year ended March 31, 2018)</u>	<u>Internal Service Fund</u>
REVENUES:		
Charges for services	\$ <u>207,856</u>	\$ <u>2,000,000</u>
EXPENSES:		
Workers' compensation claims	-	2,103,868
Administrative and general	723,462	-
Other	<u>-</u>	<u>300,564</u>
Total Expenses	<u>723,462</u>	<u>2,404,432</u>
LOSS FROM OPERATIONS	<u>(515,606)</u>	<u>(404,432)</u>
NON-OPERATING REVENUES:		
Investment income	75,220	415,968
Gain on revaluation	-	4,750,000
Other revenue	<u>80,851</u>	<u>-</u>
Total Non-Operating Revenues	<u>156,071</u>	<u>5,165,968</u>
CHANGE IN NET POSITION	<u>(359,535)</u>	<u>4,761,536</u>
NET POSITION - Beginning:		
As previously reported	17,729,654	(520,398)
Prior-period adjustments	<u>(230,754)</u>	<u>-</u>
As Restated	<u>17,498,900</u>	<u>(520,398)</u>
NET POSITION - Ending	<u>\$ 17,139,365</u>	<u>\$ 4,241,138</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund Sewer Authority (Year ended March 31, 2018)</u>	<u>Internal Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from liens/interfund services provided	\$ 205,105	\$ 3,994,668
Cash received from miscellaneous fees	80,851	-
Cash paid to employees for services	(155,171)	-
Cash paid for legal fees and easements	(218,346)	-
Cash paid for operating expenses	<u>(1,534,658)</u>	<u>(2,152,521)</u>
Net Cash Provided (Used) By Operating Activities	<u>(1,622,219)</u>	<u>1,842,147</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(4,662,547)
Proceeds from investments	-	2,404,432
Interest and dividend received	<u>75,220</u>	<u>415,968</u>
Net Cash Provided (Used) by Investing Activities	<u>75,220</u>	<u>(1,842,147)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,546,999)	-
CASH AND CASH EQUIVALENTS - Beginning	<u>2,433,814</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 886,815</u>	<u>\$ -</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss from operations	\$ (359,535)	\$ (404,432)
Adjustments to reconcile loss from operations to net cash provided (used) by operating activities:		
Depreciation	1,502	-
Change in assets and liabilities:		
Accounts receivable	(2,751)	(5,332)
Due from other funds	-	2,000,000
Prepaid insurance	(22,196)	-
Escrow deposits	111,819	-
Accrued payroll	2,854	-
Accrued expenses	(1,353,912)	(20,503)
Workmen's compensation claim payables	<u>-</u>	<u>272,414</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,622,219)</u>	<u>\$ 1,842,147</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2018

	Pension Trust Fund
ASSETS:	
Cash and investments	\$ 92,763,750
Members' contributions receivable	<u>49,450</u>
	<u>\$ 92,813,200</u>
LIABILITIES:	
Accounts payable	\$ 27,622
NET POSITION:	
Held in trust for pension benefits	<u>92,785,578</u>
	<u>\$ 92,813,200</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2018

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions	\$ 7,029,195
State aid	3,681,620
Contributions by members	1,290,621
Bond proceeds	<u>23,075,171</u>
Total Contributions	<u>35,076,607</u>
Investment Income:	
Net depreciation in fair-value of investments	(9,104,492)
Net realized gain on sale of investments	4,078,394
Interest and dividends, net of fees	<u>1,621,698</u>
Total Investment Loss	<u>(3,404,400)</u>
Total Additions	<u>31,672,207</u>
DEDUCTIONS:	
Retirement benefits paid	(12,860,963)
Administrative expenses	<u>(158,323)</u>
Total Deductions	<u>(13,019,286)</u>
CHANGE IN NET POSITION	18,652,921
NET POSITION - Beginning	<u>74,132,657</u>
NET POSITION - Ending	<u>\$ 92,785,578</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SCRANTON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the City of Scranton, Pennsylvania.

Reporting Entity

The City of Scranton, Pennsylvania (the "City") was incorporated in 1866 under the provisions of the constitution and general statutes of the Commonwealth of Pennsylvania. The City is a class 2A city, as defined by the state statutes. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety, roads, sanitation, health, culture-recreation, and general administrative services.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

The City has evaluated its relationship with the following organizations to determine if these organizations should be included in the annual government-wide and fund financial statements of the City:

- Sewer Authority of the City of Scranton, Pennsylvania
- Parking Authority of the City of Scranton, Pennsylvania
- Scranton Municipal Recreation Authority
- Redevelopment Authority of the City of Scranton
- Scranton Housing Authority
- Scranton School District
- Scranton Lackawanna Health and Welfare Authority
- Municipal Industrial Development Authority of Scranton
- Joint Zoo Authority of the City of Scranton and the County of Lackawanna
- Scranton Public Library
- Single Tax Office

Component Unit

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The basis for determining component units is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the

CITY OF SCRANTON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Component Unit (Cont'd)

ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. This type of entity may then be reported in one or two following manners:

Discrete presentation

Financial data for the component unit is presented in a column separate from that of the City's financial data. There is no such presentation included in the City's government-wide and fund financial statements.

Blended presentation

Financial data for the component unit is presented in the same manner as that of the City's financial data and is reported as part of the City's financial operations.

Joint Venture

A legal entity or other organization resulting from a contractual arrangement that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. There are no such entities included in the City's reporting entity.

Related Organization

An organization for which the City is not financially accountable even though the City appoints a voting majority of the organization's governing board.

As a result of applying these criteria, the following organizations have been categorized and determined to be and are presented as component units for the year ended December 31, 2018:

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Sewer Authority of the City of Scranton, Pennsylvania

On December 29, 2016, the Sewer Authority of the City of Scranton, Pennsylvania (the "Sewer Authority") sold substantially all of the Sewer Authority's assets to the Pennsylvania American Water Company. The proceeds from the sale were used to repay all of the Sewer Authority's outstanding notes with Pennsylvania Infrastructure Investment Authority, which the City had guaranteed. The City appoints all the Sewer Authority members. The Sewer Authority continues to operate on a limited basis, collecting outstanding receivables, which it retained, in satisfaction of liens on properties. The Sewer Authority reports its financial position and its operating activities on a fiscal year of April 1 to March 31. The Sewer Authority is a blended component unit.

The Parking Authority of the City of Scranton, Pennsylvania

The Parking Authority of the City of Scranton, Pennsylvania (the "Parking Authority") oversees the operation of all public parking facilities in the City of Scranton. Parking facilities include both on-street and off-street programs. The mayor of the City of Scranton appoints all Parking Authority members. Effective August 30, 2016, the Parking Authority and the City of Scranton completed an asset monetization through a forty-five (45) year concession lease which monetized the parking assets while continuing to maintain oversight and ownership of the assets. The City of Scranton owns the on-street parking assets (meters) while the Parking Authority owns the off-street assets (garages). The City of Scranton and Parking Authority negotiated the comprehensive economic transaction with the National Development Council ("NDC") through its public private partnership affiliate the Housing and Economic Development Corporation ("HEDC"). NDC has hired ABM Parking to manage the on-street and off-street parking programs. The assets will be returned to the City of Scranton and Parking Authority of the City of Scranton upon the maturity of the concession lease, or when the debt assumed by HEDC is retired. An audit of the Parking Authority was not completed for the year ended December 31, 2018, and no financial statements have been prepared or included in the City's financial statements for the year ended December 31, 2018. The Parking Authority should be a discretely presented component unit.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Redevelopment Authority of the City of Scranton

The Redevelopment Authority of the City of Scranton (the "SRA") operates for the purpose of promoting the elimination of blighted areas by acquisition; sound planning, and redevelopment of such areas for the promotion of health, safety, convenience, and welfare of the general public, through contracts with private redevelopers and public authorities for redevelopment. The City appoints all SRA members and is named guarantor on certain SRA conduit indebtedness. In addition, the City has provided the SRA with a portion of its Community Development Block Grant funding. The SRA is a blended component unit.

To obtain individual financial statements for any of the above-mentioned entities, individuals should contact the administrative office of each specific entity.

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present information about the reporting government as a whole. They include all funds of the reporting government except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from legally separate component units.

All of the City's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among other program revenues are reported as general revenues.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental-Fund Financial Statements

Financial statements of the reporting government are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net assets/fund equity, revenues, and expenditures/expenses. The City reports the difference between its governmental fund assets and liabilities and deferred inflows of resources as fund balance.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental-fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has presented all major funds that met the applicable criteria. Schedules are presented to reconcile and explain the differences in governmental-fund balances as presented in these statements to the net position and change in net position presented in the government-wide financial statements.

Governmental Funds

The following is a description of the governmental funds of the City:

General Fund (Major)

The general fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources, except those legally or administratively required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are utilized to account for proceeds of specific revenue sources (other than expandable trusts or major capital projects) used to finance specific activities as required by law or administrative regulation. The following funds included in the accompanying government-wide and fund financial statements are accounted for as special revenue funds; Special Cities, Liquid Fuels, Office of Economic and Community Development ("OECD"), and the SRA.

The OECD is classified as a major fund. The remaining special revenue funds are classified as non-major funds.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Funds (Cont'd)

Debt Service Fund

Debt service fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt. The fund balance of the debt service fund is reserved to signify the amounts are restricted exclusively for debt service expenditure, and is classified as a non-major fund.

Proprietary Funds

The focus of proprietary funds measurement is the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations.

The City's proprietary funds are classified as internal service and enterprise funds.

Internal Service Fund

Internal service fund is used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The City accounts for its self-insurance of workers' compensation claims in this fund. This proprietary fund is reported within the governmental activities in the government-wide financial statements.

Enterprise Fund

Enterprise funds are used for activities which are financed and operated in a manner similar to businesses in the private sector, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The principal operating revenue for the City's proprietary fund is the collection of delinquent sewer fees. Operating expenses for the City's enterprise fund includes salaries and administrative costs. All revenue or expenses not meeting this definition are reported as non-operating revenue and expenses.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fiduciary Funds

The focus of the fiduciary fund is to account for assets held by the City in a trustee capacity or an agent for individuals, private organizations, other governmental units and/or other funds. The pension trust funds consist of the Police Pension Plan, Firemen Pension Plan, and Non-uniformed Pension Plan. These funds are accounted for within a single aggregate fund.

Measurement Focus and Basis of Accounting

The government-wide statement of net position and statement of activities are reported using the "economic resources measurement focus" and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus and Basis of Accounting (Cont'd)

Revenues susceptible to accrual include property taxes, employment and business taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, permit fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports unearned revenues on its governmental-funds balance sheet. For governmental-fund financial statements, unearned revenues arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Budgets and Budgetary Accounting

The City prepares an annual operating budget for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The preparation of the annual operating budget begins by September 15 for the subsequent budget year. By November 15, the Mayor submits to City Council a proposed budget for the general fund for the fiscal year commencing January 1. City Council publishes, in one or more newspapers of general circulation within the City, a summary of the budget and a notice that the budget is available for public inspection. A public hearing takes place by December 1, at which time City Council may adopt the budget with or without amendment. In amending the budget, City Council may delete, increase or decrease programs or amounts, except for expenditures required by law or for debt service. If a change in a program or a budgetary item exceeds 10% of the Mayor's proposed budget, another public hearing must take place within 72 hours to justify the change. In no case can an amendment increase authorized expenditures to an amount greater than total estimated funds available. City Council must adopt an annual budget by December 15. If City Council fails to adopt a budget by December 15, the Mayor's proposed budget becomes the official budget for the City for the ensuing year.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and all other investment instruments with original maturities of three months or less.

Investments

Investments are stated at fair-value based on quoted market prices. Fair value is the amount at which a financial investment could be exchanged in a current transaction between willing parties.

Receivables

Accounts and taxes receivable in the governmental-fund financial statements are shown at the total amount due. Taxes, franchise fees and grants not collected within 60 days are offset by deferred inflows of resources in the fund financial statements.

The City provides an allowance for doubtful accounts receivable equal to the estimated collection losses that will be incurred. The estimate is based on historical collection experience and a review of the current status of outstanding accounts. Fees receivable are reported net of an allowance of \$10,917,142 at December 31, 2018.

Loans Receivable

Loans receivable consist of economic development loans to third parties that are administered by OECD. Most of these loans bear interest, usually at a very low rate. These loans receivable are reported at the gross principal outstanding. The outstanding loans are considered unearned revenue until collection of the principal is received. Interest income is recorded when received.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as due to and due from funds. Short-term interfund loans are reported as interfund receivables and payables. Long-term interfund loans are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Capital Assets

Capital assets are reported in the government-wide statement of net position but are reported in the government-fund financial statements as expenditures. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

All capital assets, except land and construction-in-progress, are depreciated. Land is never depreciated. Construction-in-progress costs are accumulated until the project is complete and placed in service. At that time, the costs are transferred to the appropriate asset class and depreciation begins.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>SRA</u>	<u>Government- Wide</u>
Building and building improvements	N/A	20 - 50 years
Land improvements	N/A	10 - 15 years
Equipment/furniture	15 years	5 - 7 years
Vehicles	N/A	8 - 15 years
Roadways	N/A	30 - 50 years
Traffic systems	N/A	15 years

Depreciation of all exhaustible capital assets is recorded as a direct expense in the accompanying statement of activities, with accumulated depreciation reflected in the statement of net position.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets (Cont'd)

Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Deferred Outflows/Inflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one type of deferred outflows of resources. Accordingly, the item, deferred pension charges is reported in the statement of net position in connection with the City's Pension Plans. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two types of deferred inflows of resources. On the statement of net position, deferred inflows of resources are related to pensions for certain actuarially determined differences between projected and actual investment earnings. In the governmental-funds balance sheet, deferred inflows of resources are related to unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental-fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. Long-term debt consists primarily of bonds and notes payable and accrued compensated absences.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt (Cont'd)

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the governmental-fund statements as it is in the government-wide statements.

Bond discount or premium, the reacquisition price, and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The government-fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Compensated Absences

The City's vacation policy generally provides that unused vacation benefits lapse at year-end. Unused vacation may be carried over only with the approval of the department head. Unused sick pay accumulates to varying maximum amounts for the various classes of City employees. As of December 31, 2018, aggregate liability for unused vacation and sick pay was \$3,707,005.

Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for its pension plans which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Post-Employment Benefit Obligation

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, as of January 1, 2018. The total OPEB liability is reported in compliance with GASB Statement No. 75 because the City does not pre-fund the OPEB plan in a trust that meets the criteria in the GASB standards. The total OPEB liability represents the actuarial present value of projected OPEB payments attributable to employees' past service as of December 31, 2018.

Fund Equity

Fund equity at the governmental-fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Governmental-Fund Balances

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Non-spendable: amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed: fund balance that contains self-imposed constraints of the government from its highest level of decision making authority, the City Council. The City Council commits revenue streams through adopted motions.

Assigned: amounts constrained by the City's intent to use them for a specific purpose. Fund balance is assigned by City Council by passage of a new resolution.

Unassigned: all other spendable amounts.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental-Fund Balances (Cont'd)

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from restricted fund balance and then from less restrictive classifications - committed, assigned, then unassigned.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Real Estate Taxes

Real estate taxes are based upon assessed valuations provided by Lackawanna County. The elected tax collector bills and collects real estate taxes. The assessed value at January 1, 2018, upon which the 2018 levy was based, was approximately \$395 million. Delinquent taxes for the first year are collected by the Single Tax Office and thereafter are collected by an outside collection agency.

The schedule for real estate taxes levied is as follows:

February 1	Original levy date
February 1 - March 1	2 1/2% discount period
March 1 - April 30	2% discount period
May 1 - June 30	Face payment period
July 1 - January 15	10% penalty period
January 16	Lien date

CITY OF SCRANTON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Real Estate Taxes (Cont'd)

In addition, City taxes may be paid in four installments, in which the first two quarterly payments aggregating 50% of the face amount are due by June 30. The third and fourth quarterly payments are due on August 31 and October 31, respectively. Any delinquent installment is subject to a penalty of 10%. The City utilizes the reserve method for writing off uncollectible real estate taxes.

The millage rate at January 1, 2018 was 232.521 mills on the assessed value of land and 50.564 mills on the assessed value of improvements.

Effects of New Pronouncements

The following summarizes recent GASB pronouncements and their impact, if any, on the financial statements:

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement will enhance comparability of financial reporting for governments by establishing uniform criteria for governments to recognize and measure asset retirement obligations, including obligations that may have not been previously reported.

The provisions of Statement No. 83 are effective for fiscal years beginning after June 15, 2018. The City is currently evaluating the effects of this statement on its financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2018. The City is currently evaluating the effects of this statement on its financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The statement increases the usefulness of a government's financial statements by requiring recognition of certain lease assets and liabilities for previously classified operating leases as inflows of resources or outflows of resources based on payment provisions of the contract.

The provisions of Statement No. 87 are effective for fiscal years beginning after December 15, 2019. The City is currently evaluating the effects of this statement on its financial statements.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effects of New Pronouncements (Cont'd)

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the local information that is described in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The provisions of Statement No. 88 are effective for fiscal years beginning after June 15, 2018. The City is currently evaluating the effects of this statement on its financial statement.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are; 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period.

The provisions of Statement No. 89 are effective for fiscal years beginning after December 15, 2019. The City is currently evaluating the effects of this statement on its financial statements.

Subsequent Events

Management has evaluated subsequent events through December 26, 2019, which is the date the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Pennsylvania statutes authorize the City to invest into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Commonwealth of Pennsylvania government obligations and insured or collateralized time deposits and certificates of deposit. These statutes do not prescribe regulations related to demand deposit; however, they do allow the pooling of governmental funds for investment purposes.

The deposit policy of the City adheres to state statutes. Deposits of the City are either maintained in demand deposits or invested in certificates of deposit.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Cash (Cont'd)

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. As of December 31, 2018, \$58,040,737 of the City's bank balance of \$59,931,642 was uninsured, but was fully collateralized by securities placed with the respective bank escrow agents held in the City's name. As of December 31, 2018, the City's deposits were not exposed to custodial credit risk.

Investments

As of December 31, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Fair-Value</u>	<u>Cost Basis</u>
PROPRIETARY FUNDS		
Internal Service Fund:		
Cash and Cash Equivalents	\$ 10,044,253	\$ 10,044,253
Corporate obligations:		
Corporate-Domestic bonds	6,593,922	6,746,027
Governmental Securities:		
U.S. Government agencies	<u>4,836,308</u>	<u>4,925,901</u>
	<u>\$ 21,474,483</u>	<u>\$ 21,716,181</u>
FIDUCIARY FUNDS		
Pension Trust Fund:		
Mutual Funds:		
Cash equivalents	\$ 22,246,297	\$ 22,246,297
Equity Mutual funds	42,080,190	45,717,402
Bond Mutual funds	<u>28,437,263</u>	<u>29,092,068</u>
	<u>\$ 92,763,750</u>	<u>\$ 97,055,767</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in an event of the failure of the counterparty, the City will not recover the value of their investments of collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. The City does not have a formal policy that addresses concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair-value of an investment.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair-value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

NOTE 3: FAIR-VALUE MEASUREMENTS

U.S. GAAP defines fair-value as the price that would be received upon the sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. U.S. GAAP specifies a hierarchy of inputs to valuation techniques, which categorizes inputs to fair-value measurement that reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair-value hierarchy:

Level 1 Inputs - Unadjusted quoted market prices for identical assets and liabilities in an active market that an organization has the ability to access.

Level 2 Inputs - Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs - Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair-value measurements.

U.S. GAAP requires the use of observable market data, when available, in making fair-value measurements. When inputs used to measure fair-value fall within different levels of the hierarchy, the level within which the fair-value measurement is categorized is based on the lowest level input that is significant to the fair-value measurement.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3: FAIR-VALUE MEASUREMENTS (CONT'D)

The carrying values of cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities and other payables, approximate fair-values due to the short maturity of these financial instruments.

The following tables present the fair-value measurements of assets recognized in the accompanying statements of financial position measured at fair-value on a recurring basis and the level within the fair-value hierarchy in which the fair-value measurements fall at December 31, 2018:

<u>Investment Type</u>	<u>Fair-Value Measurement Using</u>			
	<u>Fair-Value</u>	<u>(Level 1) Inputs</u>	<u>(Level 2) Inputs</u>	<u>(Level 3) Inputs</u>
Internal Service Fund:				
Corporate obligations:				
Corporate-Domestic bonds	\$ 6,593,922	\$ 6,593,922	\$ -	\$ -
Governmental Securities:				
U.S. Government agencies	<u>4,836,308</u>	<u>4,836,308</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,430,230</u>	<u>\$ 11,430,230</u>	<u>\$ -</u>	<u>\$ -</u>
Pension Trust Fund:				
Mutual Funds:				
Equity mutual funds	\$ 42,080,190	\$ 42,080,190	\$ -	\$ -
Bond mutual funds	<u>28,437,263</u>	<u>28,437,263</u>	<u>-</u>	<u>-</u>
	<u>\$ 70,517,453</u>	<u>\$ 70,517,453</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SCRANTON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4: TAXES AND FEES RECEIVABLE

Taxes receivable in the general fund consist of the following at December 31, 2018:

Real estate taxes	\$ 14,192,018
Other taxes:	
LST	1,262,800
Earned Income	6,260,040
Business Privilege	18,615
Real Estate Transfer Tax	<u>200,320</u>
	21,933,793
Less: allowance for uncollectible taxes and fees	<u>6,551,780</u>
	<u>\$ 15,382,013</u>

Garbage fees receivable in the general fund are stated net of an allowance of \$4,365,362 at December 31, 2018.

NOTE 5: DUE TO/FROM OTHER FUNDS

The following summarizes receivables and payables between funds as of December 31, 2018:

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
OECD	\$ 35,673	\$ -
Special Cities	714,236	904,133
Special Cities:		
General Fund	904,133	714,236
OECD:		
Redevelopment Authority	528,103	-
General Fund	-	35,673
Redevelopment Authority:		
OECD	-	<u>528,103</u>
	<u>\$ 2,182,145</u>	<u>\$ 2,182,145</u>

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases/ Reclassifications</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets, not being depreciated:				
Land	\$ 3,485,506	\$ -	\$ -	\$ 3,485,506
Construction-in-progress	<u>6,585,917</u>	<u>2,345,418</u>	<u>-</u>	<u>8,931,335</u>
 Total capital assets, not being depreciated	 <u>\$ 10,071,423</u>	 <u>\$ 2,345,418</u>	 <u>\$ -</u>	 <u>\$ 12,416,841</u>
Capital assets, being depreciated:				
Infrastructure	\$ 132,206,565	\$ -	\$ -	\$ 132,206,565
Building	12,103,899	-	-	12,103,899
Land and building improvements	8,699,878	-	-	8,699,878
Vehicles, equipment and furniture	<u>24,836,784</u>	<u>2,842,589</u>	<u>-</u>	<u>27,679,373</u>
 Total capital assets, being depreciated	 <u>177,847,126</u>	 <u>2,842,589</u>	 <u>-</u>	 <u>180,689,715</u>
Less: Accumulated depreciation				
Infrastructure	(73,604,303)	(3,988,903)	-	(77,593,206)
Building	(5,611,766)	(215,454)	-	(5,827,220)
Land and building improvements	(6,203,382)	(380,549)	-	(6,583,931)
Vehicles, equipment and furniture	<u>(17,973,668)</u>	<u>(1,193,799)</u>	<u>-</u>	<u>(19,167,467)</u>
 Total accumulated depreciation	 <u>(103,393,119)</u>	 <u>(5,778,705)</u>	 <u>-</u>	 <u>(109,171,824)</u>
 Total capital assets being depreciated, net	 <u>\$ 74,454,007</u>	 <u>\$ (2,936,116)</u>	 <u>\$ -</u>	 <u>\$ 71,517,891</u>
 Capital assets, net	 <u>\$ 84,525,430</u>	 <u>\$ (590,698)</u>	 <u>\$ -</u>	 <u>\$ 83,934,732</u>

Depreciation expense was charged to functions/programs of governmental activities as follows:

Governmental Activities:	
General government - administrative	\$ 106,677
Parks and recreation	720,740
Public safety and corrections	4,512,025
Community development	13,673
Public works	<u>425,590</u>
 Total depreciation expense - governmental activities	 <u>\$ 5,778,705</u>

NOTE 7: SHORT-TERM DEBT

During the year ended December 31, 2018, the City issued a tax anticipation note for \$12,750,000. The note was repaid, with interest, during the year for \$13,101,263.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8: LONG-TERM OBLIGATIONS

At December 31, 2018, general long-term debt obligations were as follows:

	Balance Outstanding December 31, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding December 31, <u>2018</u>	Amounts Due Within One <u>Year</u>
General Obligation Bonds:					
Emmaus General Authority Series 2002	\$ 4,105,000	\$ -	\$ 310,000	\$ 3,795,000	\$ 325,000
Series A and AA of 2016	37,175,000	-	2,605,000	34,570,000	2,755,000
Series A of 2017	24,620,000	-	2,000,000	22,620,000	2,100,000
Total General Obligation Bonds	65,900,000	-	4,915,000	60,985,000	5,180,000
General Obligation Notes:					
Series of 2016	32,840,000	-	235,000	32,605,000	245,000
Series of 2018	-	22,990,000	-	22,990,000	-
Total General Obligation Notes	32,840,000	22,990,000	235,000	55,595,000	245,000
Notes Payable:					
DCED Act 47 Loan	500,000	-	100,000	400,000	100,000
PIB Loan	1,822,794	-	215,442	1,607,352	218,647
2018 Tax Anticipation Note	-	12,750,000	12,750,000	-	-
Total Notes Payable	2,322,794	12,750,000	13,065,442	2,007,352	318,647
Total Long-Term Debt Obligations	101,062,794	35,740,000	18,215,442	118,587,352	5,743,647
Lease Obligations Payable:					
Capitalized Equipment Leases	1,017,687	1,944,539	651,514	2,310,712	587,894
Total Long-Term Obligations	\$ 102,080,481	\$ 37,684,539	\$ 18,866,956	\$ 120,898,064	\$ 6,331,541
Other Long-Term Liabilities:					
Worker's compensation claims	\$ 21,559,564	\$ -	\$ 4,477,586	\$ 17,081,978	\$ -
Net other post-employment benefit obligations	208,162,946	1,854,834	-	210,017,780	-
Net pension liability	92,234,376	-	17,187,126	75,047,250	-
Compensated absences	3,310,745	396,260	-	3,707,005	-
Total Other Long-Term Liabilities	\$ 325,267,631	\$ 2,251,094	\$ 21,664,712	\$ 305,854,013	\$ -

A summary of long-term debt outstanding at December 31, 2018 is as follows:

General Obligation Bonds

Emmaus General Authority Series

Variable rate demand bonds. Series of 1996 of Emmaus General Authority, due in annual principal installments of \$190,000 to \$440,000, commencing August 2004 through August 2028. Monthly payments of interest based upon a pro rata share of the interest accrued on the variable rate bonds calculated by the administrator using the interest rates determined by the remarketing agent for the current month plus interest at the rate estimated by the administrator. The interest rate at December 31, 2018 was 3.90%.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

General Obligation Bonds, Series A and AA of 2016

In June 2016, the City issued Guaranteed Lease Revenue Bonds, Series A and Series AA of 2016 in the amount of \$29,810,000 and \$7,920,000, at an interest rate of 5.00% and 5.25%, respectively. Principal and interest are due each year in May and November through November 2026 and November 2028, respectively.

General Obligation Bonds, Series of 2017

In August 2017, the City issued General Obligation Bonds in the amount of \$24,620,000, at an interest rate of 5%. Principal and interest are due each year on September 1, through September 2029. The bonds were used to refund the Series B of 2003 debt. The City has covenanted that it will include in its budget in each fiscal year the amount required to pay debt service on the bonds for such year, it will appropriate from its general revenues in each such fiscal year, the amount required to pay debt service on the bonds for such year, and it will duly and punctually pay or cause to be paid when due, from its sinking fund or any other of its revenues or funds, the principal of and interest on the bonds at the dates and place and in the manner stated therein, according to the true intent and meaning thereof.

Future debt service requirements on general obligation bonds as of December 31, 2018 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,180,000	\$ 3,006,550	\$ 8,186,550
2020	5,445,000	2,750,963	8,195,963
2021	5,735,000	2,482,188	8,217,188
2022	6,170,000	2,198,975	8,368,975
2023	6,590,000	1,894,150	8,484,150
2024 - 2028	27,215,000	5,000,800	32,215,800
2029	<u>4,650,000</u>	<u>232,500</u>	<u>4,882,500</u>
	<u>\$ 60,985,000</u>	<u>\$ 17,566,126</u>	<u>\$ 78,551,126</u>

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

General Obligation Notes

General Obligations Notes, Series of 2016

On August 24, 2016, the City of Scranton, in accordance with the Local Governmental Unit Debt Act of the Commonwealth of Pennsylvania, Act 53 Section 8111(a) issued \$32,850,000 of 5.00% general obligation notes. Proceeds of the notes were used towards the costs of a project consisting of a) refunding the City's outstanding lease rental debt represented by the City's respective guaranties of the Parking Authority of the City of Scranton, Pennsylvania's (the "Parking Authority") Guaranteed Parking Revenue Bonds, Series of 2004, the Parking Authority's Guaranteed Parking Revenue Bonds, Series of 2006 and the Parking Authority's Guaranteed Parking Revenue Bond, Series of 2007 (collectively, the "Refunded Bonds"); b) funding various capital improvements in the City, including renovations to certain fire stations located in the City, and c) paying the costs related to the issuance of the Notes. Interest is payable on May 15, and November 15, each year with final maturity November 15, 2032.

The Notes are subject to redemption at the option of the City prior to maturity. The Notes are subject to mandatory redemption from required sinking fund amortization, prior to maturity, in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to date fixed for redemption, on November 15 of each year, drawn by lot by the paying agent.

General Obligations Notes, Series of 2018

On December 17, 2018, the City of Scranton, in accordance with the Local Governmental Debt Act of the Commonwealth of Pennsylvania, Act 53 Section 8111(a) issued \$22,990,000 of General Obligation Notes with a variable interest rate at one month LIBOR plus 220 basis points (currently 4.72%). The notes are secured by a bank account at Webster Bank with the account maintaining at least 75% of the outstanding loan. Proceeds of the note were used to partially fund the City's pension plans. Interest is payable on June 1st and December 1st, each year with final maturity on December 1, 2023.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

General Obligation Notes (Cont'd)

Future debt service requirements on general obligation notes as of December 31, 2018 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 245,000	\$ 2,838,502	\$ 3,083,502
2020	5,555,000	2,882,450	8,437,450
2021	5,855,000	2,578,226	8,433,226
2022	6,180,000	2,257,550	8,437,550
2023	6,510,000	1,919,076	8,429,076
2024 - 2028	13,565,000	6,853,250	20,418,250
2029 - 2032	<u>17,685,000</u>	<u>2,004,000</u>	<u>19,689,000</u>
	<u>\$ 55,595,000</u>	<u>\$ 21,333,054</u>	<u>\$ 76,928,054</u>

Notes Payable

DCED Act 47 Loan

On September 12, 2012, the City borrowed \$2,000,000, non-interest bearing loan under the Municipalities Financial Recovery Program from the Commonwealth of Pennsylvania acting through the Department of Community and Economic Development. The loan required a payment of \$1,000,000, within 30 days of the receipt of the 2012 unfunded debt settlement and thereafter \$50,000 semiannual payments on May 31 and November 30 of each year, with a maturity of November 2022.

PIB Loan

In 2015, the City borrowed \$2,242,820 at an interest rate of 1.625%. Principal and interest payments are due annually through 2025.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

Notes Payable (Cont'd)

Future debt service requirements on notes payable as of December 31, 2018 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 318,647	\$ 26,322	\$ 344,969
2020	322,227	22,742	344,969
2021	325,865	19,104	344,969
2022	329,562	15,406	344,968
2023	233,257	11,554	244,811
2024 - 2025	<u>477,794</u>	<u>12,187</u>	<u>489,981</u>
Total	<u>\$ 2,007,352</u>	<u>\$ 107,315</u>	<u>\$ 2,114,667</u>

Capitalized Leases

The City has entered into various leases for equipment with a net value of \$2,484,029 at December 31, 2018 payable in annual installments including interest from 3.25% to 5.00%, with final payments through August 2026.

The debt service for capitalized leases is as follows for governmental activities:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 587,894	\$ 82,230	\$ 670,124
2020	389,035	60,895	449,930
2021	352,406	47,276	399,682
2022	339,159	35,071	374,230
2023	357,320	23,076	380,396
2024 - 2026	<u>284,898</u>	<u>21,571</u>	<u>306,469</u>
Total	<u>\$ 2,310,712</u>	<u>\$ 270,119</u>	<u>\$ 2,580,831</u>

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9: OPERATING LEASES

The City has entered into a lease with 233 Genesse Street Corporation for certain improvements to the City's street lights. The \$4,000,000 lease agreement requires annual principal and interest payments at 3.5% through May 1, 2027. The City may cancel the lease with written notice of termination at least 60 days prior to the end of the current fiscal period if sufficient funds have not been appropriated for the payment of all rental payments required to be paid during the next fiscal year.

Annual principal and interest payments under the lease are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 300,702	\$ 120,774	\$ 421,476
2020	319,688	110,079	429,767
2021	339,509	98,709	438,218
2022	359,746	86,633	446,379
2023	381,312	73,838	455,150
2024 - 2027	<u>1,694,724</u>	<u>151,554</u>	<u>1,846,278</u>
	<u>\$ 3,395,681</u>	<u>\$ 641,587</u>	<u>\$ 4,037,268</u>

NOTE 10: INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2018, were as follows:

<u>Operating Transfers</u>	<u>In</u>	<u>Out</u>
General Fund		
Debt Service Fund	\$ -	\$ 510,000
Liquid Fuels Fund	1,791,790	-
Special Cities	-	1,622,398
Special Cities		
General Fund	1,622,398	-
Debt Service		
General Fund	510,000	-
Liquid Fuels		
General Fund	<u>-</u>	<u>1,791,790</u>
	<u>\$ 3,924,188</u>	<u>\$ 3,924,188</u>

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11: RISK MANAGEMENT

Health Insurance

The City self-insures for health insurance to a maximum claim amount of \$325,000, after which claims are assumed by private insurance companies. Highmark Blue Cross/Blue Shield ("BCBS"), manages the claims and the City remits weekly payments to BCBS to cover the claims and administrative fees. Employees contribute to the cost of the insurance in amounts determined by their labor contract.

Worker's Compensation

The City's risk management activities for workman's compensation are reported within governmental activities and recorded in the workman's compensation internal service fund. The purpose of this fund is to administer a self-insured retention program (SIR). Claims in excess of SIR limits of \$350,000, are covered through third-party insurance policies. Payments of actual claim costs are made by a third party administrator and are billed to the City and reimbursed by the general fund. The claim costs are reflected as revenues in the internal service fund.

The accrued workers' compensation claim loss reserve of \$17,081,978 as of December 31, 2018, was determined by an actuary and represents the discounted present value of expected losses using a 3.00% interest factor. The actuarial value was determined as of September 28, 2018. The amount of workers' compensation claims operating expense (income) for the Internal Service fund for the year ended December 31, 2018 is as follows:

Claims and cost paid	\$ 2,103,868
Decrease in actuarial discounted loss reserves	<u>(4,477,586)</u>
 Workers' compensation claims, net	 <u>\$ (2,373,718)</u>

The reconciliation of changes in the aggregate liabilities for the current year and the prior year are as follows:

<u>Year Ended</u>	<u>Balance Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance End of Year</u>
12/31/2017	\$ 18,409,101	\$ 5,260,201	\$ 2,109,738	\$ 21,559,564
12/31/2018	\$ 21,559,564	\$ (2,373,718)	\$ 2,103,868	\$ 17,081,978

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11: RISK MANAGEMENT (CONT'D)

Other

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City retains the risk up to various levels depending on the type of risk. Excess loss coverage is purchased for coverage on claims exceeding the retention level.

At December 31, 2018, the City's self-insured retention limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance Retention (SIR) (All claims up to)</u>	<u>Excess Coverage Policy From SIR up to)</u>
General Liability	\$ 50,000	\$ 950,000
Law Enforcement Liability	\$ 150,000	\$ 850,000
Public Officials Liability	\$ 50,000	\$ 950,000
Property	\$ 25,000	\$ 53,518,642
Automobile Liability	\$ 50,000	\$ 950,000
Excess Workers' Compensation	\$ 1,000,000	Unlimited
Boiler and Machinery	\$ 25,000	\$ 53,518,642

NOTE 12: PENSION PLANS - DEFINED BENEFIT

Plan Description

The City sponsors and administers three single employer defined benefit pension plans covering substantially all full-time employees. These plans are the police, firemen, and non-uniformed pension plans (the "Plans"). The Pennsylvania Act 205 and the City's Home Rule Charter assign the Authority to establish and amend benefit provisions to the Pension Fund Board as authorized by City Council. The Plans have been designated as severely distressed under Pennsylvania Act 205.

The Police Pension Plan provides for normal retirement with 25 years of credited service and an attained age of 55 years for members hired on or after July 1, 1987. For members hired prior to July 1, 1987, the Plan provides for normal retirement with 25 years of credit service. The Firemen's Pension Plan provides for normal retirement at age 55 with 25 years of credited service for members hired on or after July 1, 1987. For members hired prior to July 1, 1987, the Plan provides for normal retirement with 25 years of credited service. The non-uniformed Pension Plan provides for normal retirement at age 55 with completion of 15 years of service and have contributed to the pension fund for 20 years. Members are 100% vested when eligible.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Description (Cont'd)

Information regarding the plans can be obtained from the City. The plans do not issue separate financial statements but are included in the City's fund financial statements as a fiduciary fund type - Pension Trust Funds.

Plan Membership

The following table provides information concerning the types of covered employees and benefit provision for each of the Plans.

	<u>Police Pension Plan</u>	<u>Firemen Pension Plan</u>	<u>Non-Uniformed Pension Plan</u>
Inactive plan members currently receiving benefits	176	216	119
Inactive plan members entitled to but not yet receiving benefits	-	1	5
Active plan members	<u>145</u>	<u>136</u>	<u>135</u>
Total	<u>321</u>	<u>353</u>	<u>259</u>

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan Contributions

Police and firemen are required to contribute 6% of covered payroll for fiscal year 2018. Non-uniformed nonunion employees are required to contribute 3% of covered payroll but not more than \$24 per month if hired before July 1, 1987. Non-uniformed nonunion employees shall contribute \$22 per month if hired after July 1, 1987 or amounts as determined by ordinance.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Contributions (Cont'd)

Pennsylvania Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act of the Commonwealth of Pennsylvania (as amended) ("Act 205") requires that annual contributions be based upon the Minimum Municipal Obligation ("MMO"), which is based on the Plans' biennial actuarial valuation. According to Act 205, actuarial valuations may be made biennially and the most recent valuation for all of the City's plans was completed as of January 1, 2017. The MMO is now defined as the total financial requirement to the pension fund, less funding adjustment and estimated member contribution. The Commonwealth of Pennsylvania provides an allocation of funds which must be used for pension funding. Any financial requirements established by the MMO which exceeds Commonwealth and member contributions must be funded by the City. In accordance with Act 205, the City was required to contribute to the three plans for the year ended December 31, 2018.

Contributions, based on the MMO, in 2018 consisted of the following:

	Police Pension <u>Plan</u>	Firemen Pension <u>Plan</u>	Non-Uniformed Pension <u>Plan</u>	<u>Total</u>
City	\$ 2,519,962	\$ 4,509,233	\$ -	\$ 7,029,195
Commonwealth	<u>1,522,058</u>	<u>1,400,263</u>	<u>759,299</u>	<u>3,681,620</u>
Total	<u>\$ 4,042,020</u>	<u>\$ 5,909,496</u>	<u>\$ 759,299</u>	<u>\$ 10,710,815</u>

Plan Investments

The long-term expected rate of return on pension plan investments was determined using log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2018 is as follows:

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Investments (Cont'd)

<u>Asset Class</u>	<u>Target</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	36.00%	5.00%
International Equity	13.50%	4.90%
Emerging Equity	5.50%	5.00%
Core Fixed Income	20.00%	2.60%
Intermediate Inv. Grade Corp.	10.00%	3.60%
High Yield	5.00%	4.10%
Emerging Debt	5.00%	4.20%
Cash	<u>0.00%</u>	<u>1.00%</u>
Total Net Blended Return		<u>4.08%</u>

* Excludes 2.50% inflation assumption.

Long-term Expected Rate of Return (Including Inflation) 6.58%

For the year ended December 31, 2018, the annual money weighted rate of return on pension plan investments, net of investment expense was -4.58%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Method Used to Value Investments

Investments are reported at fair-value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

	1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
<u>Net Pension Liability</u>			
Police Pension Plan	\$ <u>34,903,153</u>	\$ <u>26,768,481</u>	\$ <u>19,835,056</u>
Firemen Pension Plan	\$ <u>52,246,521</u>	\$ <u>44,489,568</u>	\$ <u>37,818,109</u>
Non-Uniformed Pension Plan	\$ <u>4,684,224</u>	\$ <u>3,789,201</u>	\$ <u>3,005,163</u>

City's Recognition of the Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

As allowed by GASB Statement No. 68, the City is reporting on its government-wide financial statements, its net pension liability, and related deferred outflows of resources and inflows of resources using information from the City's pension plans measured as of December 31, 2018. The City's pension plans' total pension liability as of December 31, 2018 was \$167,859,244, less the City pension plans' fiduciary net position of \$92,811,994 resulting in a net pension liability of \$75,047,250 at December 31, 2018. Accordingly, as of December 31, 2018, the City reported a net pension liability in the government-wide statement of net-position. For the year ended December 31, 2018, the City recognized net pension expense of approximately \$(496,000). At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the City pension plans from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience:		
Police pension plan	\$ -	\$ (4,938,386)
Firemen pension plan	-	(1,874,164)
Non-uniformed pension plan	-	(1,544,295)
Changes in assumptions:		
Police pension plan	-	(13,100,683)
Firemen pension plan	-	(12,151,018)
Non-uniformed pension plan	431,135	-

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

City's Recognition of the Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources (Cont'd)

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments		
Police pension plan	3,418,266	-
Firemen pension plan	2,139,334	-
Non-uniformed pension plan	<u>401,150</u>	<u>-</u>
	<u>\$ 6,389,885</u>	<u>\$ (33,608,546)</u>

Amounts reported as deferred outflows (inflows) of resources will be recognized in the pension expense as follows:

<u>Year Ended December 31,</u>	<u>Police Pension Plan</u>	<u>Firemen Pension Plan</u>	<u>Non-Uniform Pension Plan</u>
2019	\$ (3,368,698)	\$ (4,796,555)	\$ (244,473)
2020	(4,161,920)	(5,493,704)	(292,640)
2021	(4,130,448)	(2,279,510)	(289,316)
2022	<u>(2,959,737)</u>	<u>683,921</u>	<u>114,419</u>
	<u>\$ (14,620,803)</u>	<u>\$ (11,885,848)</u>	<u>\$ (712,010)</u>

NOTE 13: PENSION PLAN - DEFINED CONTRIBUTION

The City contributes to a union sponsored, multi-employer plan for certain employees. The Plan is not administered by the City and contributions are determined in accordance with labor contracts. For the year ended December 31, 2018, the City contributed \$487,901 to this plan.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City sponsors three Health and Welfare Plans (the "H & W Plans"). The H & W Plans are single-employer defined benefit healthcare plans administered by the City (other post-employment benefit plan ("OPEB")). The H & W Plans provide medical coverage to eligible retirees and their dependents who meet specific criteria.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Plan Description (Cont'd)

Under the police, firemen, and clerical labor contracts, the City is responsible for providing health insurance to retirees and spouses for the remainder of their lives if the employee was hired or retired prior to December 31, 1993. Employees hired after December 31, 1993, are not eligible for these benefits. The City's contribution for retiree health insurance is equal to the cost in effect in 1993 plus 75% of an increase above that cost. The retiree pays the other 25%.

Under the public works labor contract, the City will provide health insurance to retirees and spouses only from age 62 to 65. The City's contribution is equal to the cost in effect in 1994 plus 75% of any increase above those costs. The retiree pays the other 25%.

Plan Membership

The following employees were covered by the benefit terms at December 31, 2018:

	Police H & W <u>Plan</u>	Firemen H & W <u>Plan</u>	Non-Uniformed H & W <u>Plan</u>
Inactive employees or beneficiaries currently receiving benefit	167	189	99
Inactive employees entitled to but not yet receiving benefit	136	112	171
Active employees	<u>11</u>	<u>25</u>	<u>15</u>
Total	<u>314</u>	<u>326</u>	<u>285</u>

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. As of December 31, 2018, no trust has been established for the funding of the H & W Plan's post-employment benefit obligation.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.75%) or 1-percentage point higher (4.75%) than the current discount rate:

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Sensitivity of the total OPEB liability to changes in the discount rate (Cont'd)

	1% Decrease <u>2.75%</u>	Discount Rate <u>3.75%</u>	1% Increase <u>4.75%</u>
<u>OPEB Liability</u>			
Police OPEB Plan	<u>\$102,283,549</u>	<u>\$ 91,191,388</u>	<u>\$ 81,813,528</u>
Firemen OPEB Plan	<u>\$ 94,485,849</u>	<u>\$ 85,178,443</u>	<u>\$ 77,276,049</u>
Non-Uniformed OPEB Plan	<u>\$ 36,577,528</u>	<u>\$ 33,647,949</u>	<u>\$ 31,097,686</u>

NOTE 15: FUND BALANCE

The following is a summary of the governmental fund balances of the City at December 31, 2018:

General Fund:

Restricted:	
Debt payments	\$ 486,080
Externally imposed restrictions	24,081,778
Assigned	4,769,204
Unassigned	<u>4,324,000</u>
 Total General Fund balance	 <u>33,661,062</u>

OECD Fund:

Restricted:	
Externally imposed restrictions	<u>545,865</u>

Special Cities Fund:

Assigned:	
Special projects	<u>3,101,436</u>

CITY OF SCRANTON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 15: FUND BALANCE (CONT'D)

Non-major Funds

Non-spendable:	
Property held for resale	98,365
Restricted:	
Roads and streets	657,107
Externally imposed restrictions	532,315
Assigned:	
Debt payments	140,905
Unassigned	<u>(514,363)</u>
Total Non-major Funds:	<u>914,329</u>
Total Governmental Fund Balance	<u>\$ 38,222,692</u>

NOTE 16: CREDIT AND MARKET RISK

The City uses its authority to levy certain general purpose taxes. Major taxing revenue sources include real estate, earned income, mercantile, and business privilege taxes. These taxes account for approximately 75% of the total taxes collected by the City in 2018. Although the City has a diversified taxing base, its citizens' ability to honor their taxing obligations is substantially dependent upon the general economic condition of the region. The market value of the City's investments is subject to fluctuations in the prevailing market prices of those investments.

NOTE 17: RELATED PARTY TRANSACTIONS

The City paid approximately \$746,219 to the Single Tax Office to subsidize certain operating costs of this entity. The Single Tax Office collected approximately \$40.18 million of tax revenues on behalf of the City in 2018.

NOTE 18: COMMITMENTS AND CONTINGENCIES

Litigation

The City is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations. Although the ultimate outcome of these legal proceedings and investigations is unknown, the City is vigorously defending its position in each case. All amounts in connection with lawsuits in which a loss is probable have been included within the financial statements as of December 31, 2018.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 18: COMMITMENTS AND CONTINGENCIES (CONT'D)

Collective Bargaining Agreements

Substantially all of the City's non-management employees are covered by collective bargaining agreements between the City and various unions.

NOTE 19: DISTRESSED MUNICIPALITY STATUS

In 1992, the Pennsylvania Department of Community and Economic Development ("DCED") declared the City a distressed municipality under the Financially Distressed Municipalities Act (the "Act"). DCED then appointed the Pennsylvania Economy League ("PEL") as a coordinator to administer a recovery plan for the City pursuant to this Act.

Pursuant to an act of the Pennsylvania General Assembly, Act 199 of 2014 (the "Act 199") which amended Act 47, a financially distressed municipality may adopt a three-year exit plan. On July 27, 2017, the Scranton City Council adopted by ordinance the Act 47 Exit Plan for the City of Scranton (the "2017 Exit Plan") prepared by PEL. The Mayor signed the Council adopted ordinance on July 28, 2017. Act 199 requires that before the end of the City's three-year Exit Plan, PEL will make a written recommendation to the Secretary of DCED (the "Secretary") recommending the Secretary make a determination to terminate the City's financially distressed status or a determination that a fiscal emergency exists.

The City's adopted 2017 Exit Plan provides the fiscal framework for the City's governing bodies to follow through 2020. The 2017 Exit Plan and its provisions outlined below are designed to restore long-term fiscal stability, budgetary predictability, and the repair of the City's credit worthiness.

The following are provisions contained in the 2017 Exit Plan:

- The City is required to continue to annually petition the Lackawanna County Court of Common Pleas to increase the Local Services Tax ("LST") from \$52 to \$156 per year during the term of the 2017 Exit Plan. The City is permitted to maintain this LST authority upon termination of its financially distressed status without Court of Common Pleas approval as long as the City's pension system is moderately or severely distress as defined in §503 of Act 205 of 1984, as amended, and known as the Municipal Pension Plan Funding Standard and Recovery Act.
- The City is required to comply with the individual collective bargaining expenditure limitations contained in the 2017 Exit Plan as required by Act 133 of 2012.
- The City is required to use its best efforts to implement the labor cost containment provisions contained in the 2017 Exit Plan.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19: DISTRESSED MUNICIPALITY STATUS (CONT'D)

- Requires the City to pursue opportunities to further reduce its annual debt service load through defeasing and/or restructuring outstanding bonds previously issued by the City.
- Advises the City to use the remaining proceeds of the 2016 sale of the Scranton Sewer Authority assets to reduce long-term liabilities of the City including other outstanding debt and pension obligations and also to provide a portion of the SSA sale proceeds to fund economic development initiatives, provide funding for capital programs and to support City storm water management programs.
- Advises the City to develop and implement a debt management policy.
- Advises the City to develop a fund balance policy.
- Advises the City to develop an investment policy and program.
- Recommends that the City continue its positive working relationship with the PA Department of Labor and Industry in reducing the City's workers' compensation liability.
- Along with the aforementioned use of SSA sale proceeds to reduce the City's long-term pension liability, the 2017 Exit Plan recommends that the City further reduce its pension investment rate of return assumption and to continue to seek increases in the employee funding percentage.
- Supports the City's efforts to hire a third-party administrator oversee management of the City's disability pensions.
- Along with the aforementioned use of SSA sale proceeds to fund economic development initiatives, the 2017 Exit Plan also recommends that the City adopt the Strategic Downtown Economic Development Plan developed by the National Resource Network.
- The 2017 Exit Plan recommends that the City review the neutral transition to a payroll preparation tax from the current business privilege and mercantile tax levies. The City is only permitted to make this transition while it is a designated financially distressed municipality.
- The 2017 Exit Plan recommends that the City review its fee schedule for all services and permits to ensure that the costs incurred by the City for these services is fully recovered.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19: DISTRESSED MUNICIPALITY STATUS (CONT'D)

- Recommends that the City engage a qualified consultant to perform an employee position, compensation and classification study.
- Recommends that the City will continue its review of healthcare and related programs to reduce the rate of increase in employee healthcare costs.
- Recommends that the City undertake an analysis of the status of properties presently exempt from taxation.
- Recommends that the City will continue to use its real estate taxing authority to eliminate operating deficits projected to occur through 2020 if the implementation of the 2017 Exit Plan's comprehensive mandates are not authorized.

NOTE 20: SEWER AUTHORITY

During the year ended December 31, 2016, the Sewer Authority was sold to a third party. The City received \$66,519,986 as part of the sale in addition to escrow deposits and wind down funds held back of \$17,840,000, which are held by a third-party. The third-party paid \$195,000,000 for the Sewer Authority, of which \$67,065,588 was used to pay off the defeased Sewer Authority debt. Additionally, the Borough of Dunmore, Pennsylvania ("Dunmore") received \$16,626,366 for their share of the sale and received \$4,460,000 of escrow deposits.

As part of the agreement, the City agreed to assume certain liabilities which were estimated to be less than the escrow deposit amount. However, if certain liabilities exceed the escrow deposits, the City would be liable for its proportionate share. Management believes that the escrow will be sufficient to extinguish all liabilities. Additionally, the City agreed to share in the up keep of certain storm water assets with the seller and Dunmore. Management believes such upkeep will be de minimis to the City.

NOTE 21: OPERATIONS

As of December 31, 2018, the City's governmental activities net position was a deficit of \$302,080,454. Total liabilities were \$445,502,377 as of December 31, 2018 of which \$427,728,946 related to long-term debt obligations, \$75,047,250 related to net pension liability and \$210,017,780 related to other post-employment benefits. The City made governmental activities debt service payments of \$6,399,478 during 2018, compared to total governmental revenue of \$108,755,929 for 2018. Total property and ACT 511 taxes were \$76,904,805 compared to a net deficit of \$302,080,454 for 2018 in the governmental activities. The City's total general fund revenues were \$990,022,023 of which \$30,913,166 were related to real estate taxes. The City is considered a distressed municipality under Act 47. The City has included its recovery plan in footnote 19.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 22: ACCOUNTING CHANGE AND RESTATEMENT

Governmental Activities - Implementation of New Accounting Standard

The City implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, which establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In accordance with implementation of this statement, a prior-period adjustment is required in the governmental activities to restate OPEB liabilities as of December 31, 2017.

Governmental Activities - Correction of Errors

During the year ended December 31, 2017, the City repaid the 2006 capitalized building lease with proceeds from the 2016 Scranton Sewer Authority sale. The prior year financial statements incorrectly reported an ending balance of the capitalized building lease of \$7,705,000.

The December 31, 2017 balance sheet of the special cities fund overstated the amount of unearned revenue.

The year ended December 31, 2017 financial statements of the debt service fund did not report the activity of the fund.

The cumulative effect of this accounting change and these corrections is as follows:

Net Position - As previously reported	\$ (169,265,508)
Change in accounting principle	(161,702,149)
Overstatement of 2006 capitalized building lease	7,705,000
Errors in special cities fund	1,054,565
Errors in debt service	<u>(547,870)</u>
Net Position - As restated	<u>\$ (322,755,962)</u>

Business-Type Activities - Enterprise Fund

The December 31, 2017 financial statements of the Scranton Sewer Authority contained an understatement of accrued expenses related to improvements of the capital assets sold to PAWC, equipment rentals, employee benefits, and easements.

CITY OF SCRANTON, PENNSYLVANIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 22: ACCOUNTING CHANGE AND RESTATEMENT (CONT'D)

Business-Type Activities - Enterprise Fund (Cont'd)

The cumulative effect of these corrections is as follows:

Net Position - As previously reported	\$ 17,729,654
Understatement of accrued expenses	<u>(230,754)</u>
Net Position - As restated	<u>\$ 17,498,900</u>

Special Cities Fund

The restatement for the error in reporting deferred revenue is as follows:

Fund Balance - As previously reported	\$ 373,788
Overstatement of deferred revenue	<u>1,054,565</u>
Fund Balance - As restated	<u>\$ 1,428,353</u>

Debt Service Fund

Fund Balance - As previously reported	\$ 631,658
Reporting error	<u>(547,870)</u>
Fund Balance - As restated	<u>\$ 83,788</u>

NOTE 23: SUBSEQUENT EVENTS

In July 2019, the City leased two rear loader trucks. The lease requires annual lease payments of \$89,938 through September 2023.

In December 2019, a Lackawanna County judge ruled against the City in a lawsuit which alleges that the City's Act 511 taxes violate the statutory cap provided for in Act 511. The City is vigorously defending its position and is appealing this matter in Commonwealth Court. If the plaintiffs in the suit prevail, the City's ability to levy and collect Act 511 taxes could be significantly diminished and may result in the requirement that the City set aside approximately \$40,000,000 in taxes collected in excess of the statutory cap.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
UNAUDITED
DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:					
Service cost	\$ 1,109,820	\$ 1,062,029	\$ 1,300,741	\$ 1,238,801	\$ 1,093,805
Interest	5,569,195	5,475,400	7,797,729	7,519,247	7,050,809
Differences between expected and actual experience	-	(7,477,628)	-	(218,430)	-
Changes of assumptions	-	(20,511,936)	-	3,149,169	-
Benefit payments, including refunds of member contributions	<u>(5,330,472)</u>	<u>(5,338,761)</u>	<u>(5,334,183)</u>	<u>(5,343,755)</u>	<u>(5,385,590)</u>
Net Change in Total Pension Liability	1,348,543	(26,790,896)	3,764,287	6,345,032	2,758,670
Total Pension Liability - Beginning	<u>75,811,350</u>	<u>102,602,246</u>	<u>98,837,959</u>	<u>92,492,927</u>	<u>89,734,257</u>
Total Pension Liability - Ending	<u>\$ 77,159,893</u>	<u>\$ 75,811,350</u>	<u>\$102,602,246</u>	<u>\$ 98,837,959</u>	<u>\$ 92,492,927</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 12,903,789	\$ 6,647,833	\$ 5,006,025	\$ 4,041,361	\$ 3,975,175
Contributions - State Aid	1,522,058	1,348,946	1,268,647	1,129,200	1,107,586
Contributions - Member	643,578	645,078	754,378	420,859	350,984
Net investment income	(1,841,689)	4,364,702	2,556,892	115,460	1,754,307
Benefit payments, including refunds of member contributions	<u>(5,330,472)</u>	<u>(5,338,761)</u>	<u>(5,334,183)</u>	<u>(5,343,755)</u>	<u>(5,385,989)</u>
Administrative expense	<u>(148,449)</u>	<u>(64,224)</u>	<u>(56,185)</u>	<u>(42,686)</u>	<u>(44,009)</u>
Net Change in Plan Fiduciary Net Position	7,748,815	7,603,574	4,195,574	320,439	1,758,054
Total Plan Fiduciary Net Position - Beginning	<u>42,542,597</u>	<u>34,939,023</u>	<u>30,743,449</u>	<u>30,423,010</u>	<u>28,664,956</u>
Total Plan Fiduciary Net Position - Ending	<u>\$ 50,291,412</u>	<u>\$ 42,542,597</u>	<u>\$ 34,939,023</u>	<u>\$ 30,743,449</u>	<u>\$ 30,423,010</u>
Plan's Net Pension Liability	<u>\$ 26,768,481</u>	<u>\$ 33,268,753</u>	<u>\$ 67,663,223</u>	<u>\$ 68,094,510</u>	<u>\$ 62,069,917</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>65.3%</u>	<u>56.1%</u>	<u>34.1%</u>	<u>31.1%</u>	<u>32.9%</u>
Covered employee payroll	<u>\$ 10,800,000</u>	<u>\$ 11,000,000</u>	<u>\$ 10,100,000</u>	<u>\$ 9,700,000</u>	<u>\$ 8,700,000</u>
Plan's net pension liability as a percentage of the covered employee payroll	<u>247.9%</u>	<u>302.4%</u>	<u>669.9%</u>	<u>702.0%</u>	<u>713.4%</u>

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
POLICE PENSION PLAN
UNAUDITED
DECEMBER 31, 2018

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the investment return rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%, cost of living adjustment assumption was removed.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FIREMEN PENSION PLAN
UNAUDITED
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:					
Service Cost	\$ 985,136	\$ 942,714	\$ 998,710	\$ 951,152	\$ 877,594
Interest	5,842,733	5,826,106	8,107,968	7,914,310	7,523,591
Changes of benefit terms	-	(3,178,426)	-	(784,286)	-
Differences between expected and actual experience	-	(23,063,685)	-	3,694,635	-
Changes of assumptions	-	(6,487,711)	(6,465,804)	(6,518,785)	(6,483,409)
Benefit payments, including refunds of member contributions	<u>(6,691,395)</u>	<u>(6,487,711)</u>	<u>(6,465,804)</u>	<u>(6,518,785)</u>	<u>(6,483,409)</u>
Net Change in Total Pension Liability	136,474	(25,961,002)	2,640,874	5,257,026	1,917,776
Total Pension Liability - Beginning	<u>80,263,667</u>	<u>106,224,669</u>	<u>103,583,795</u>	<u>98,326,769</u>	<u>96,408,993</u>
Total Pension Liability - Ending	<u>\$ 80,400,141</u>	<u>\$ 80,263,667</u>	<u>\$ 106,224,669</u>	<u>\$ 103,583,795</u>	<u>\$ 98,326,769</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 14,893,060	\$ 8,262,627	\$ 6,087,485	\$ 5,011,978	\$ 4,928,939
Contributions - State Aid	1,400,263	1,238,828	1,023,667	1,011,575	1,006,897
Contributions - Member	603,523	612,845	751,112	378,642	325,302
Net investment income	(1,314,210)	2,792,721	1,522,810	67,227	1,031,379
Benefit payments, including refunds of member contributions	(6,691,385)	(6,487,711)	(6,465,804)	(6,518,785)	(6,483,409)
Administrative expense	<u>(46,409)</u>	<u>(57,437)</u>	<u>(48,494)</u>	<u>(42,078)</u>	<u>(50,368)</u>
Net Change in Plan Fiduciary Net Position	8,844,842	6,361,873	2,870,776	(91,441)	758,740
Total Plan Fiduciary Net Position - Beginning	<u>27,065,741</u>	<u>20,703,868</u>	<u>17,833,092</u>	<u>17,924,533</u>	<u>17,165,793</u>
Total Plan Fiduciary Net Position - Ending	<u>\$ 35,910,583</u>	<u>\$ 27,065,741</u>	<u>\$ 20,703,868</u>	<u>\$ 17,833,092</u>	<u>\$ 17,924,533</u>
Plan's Net Pension Liability	<u>\$ 44,489,568</u>	<u>\$ 53,197,926</u>	<u>\$ 85,520,801</u>	<u>\$ 85,750,703</u>	<u>\$ 80,402,236</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>44.7%</u>	<u>33.7%</u>	<u>19.5%</u>	<u>17.2%</u>	<u>18.2%</u>
Covered employee payroll	<u>\$ 10,500,000</u>	<u>\$ 10,500,000</u>	<u>\$ 9,100,000</u>	<u>\$ 9,000,000</u>	<u>\$ 7,800,000</u>
Plan's net pension liability as a percentage of the covered employee payroll	<u>423.7%</u>	<u>506.6%</u>	<u>939.8%</u>	<u>952.8%</u>	<u>1,030.8%</u>

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
FIREMEN PENSION PLAN
UNAUDITED
DECEMBER 31, 2018

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the investment return rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%, cost of living adjustment assumption was removed.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
NON-UNIFORMED PENSION PLAN
UNAUDITED
DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:					
Service Cost	\$ 78,810	\$ 75,416	\$ 82,437	\$ 78,511	\$ 81,737
Interest	747,109	747,856	954,145	954,216	937,975
Changes of benefit terms	-	(2,557,705)	-	13,368	-
Differences between expected and actual experience	-	498,678	-	267,267	-
Changes of assumptions	-	(854,513)	(997,346)	(1,077,747)	(1,110,468)
Benefit payments, including refunds of member contributions	<u>(818,735)</u>	<u>(854,513)</u>	<u>(997,346)</u>	<u>(1,077,747)</u>	<u>(1,110,468)</u>
Net Change in Total Pension Liability	7,184	(2,090,268)	39,236	235,615	(90,756)
Total Pension Liability - Beginning	<u>10,292,016</u>	<u>12,382,284</u>	<u>12,343,048</u>	<u>12,107,433</u>	<u>12,198,189</u>
Total Pension Liability - Ending	<u>\$ 10,299,200</u>	<u>\$ 10,292,016</u>	<u>\$ 12,382,284</u>	<u>\$ 12,343,048</u>	<u>\$ 12,107,433</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 2,307,517	\$ 276,383	\$ 43,056	\$ 245,284	\$ 271,319
Contributions - State Aid	759,299	1,036,945	979,014	862,584	836,499
Contributions - Member	42,478	35,253	36,606	37,141	37,752
Net investment income	(238,160)	470,219	270,237	12,956	200,183
Benefit payments, including refunds of member contributions	<u>(818,735)</u>	<u>(854,513)</u>	<u>(997,346)</u>	<u>(1,077,747)</u>	<u>(1,110,468)</u>
Administrative expense	<u>(66,719)</u>	<u>(111,870)</u>	<u>(109,478)</u>	<u>(92,284)</u>	<u>(48,723)</u>
Net Change in Plan Fiduciary Net Position	1,985,680	852,417	222,089	(12,066)	186,562
Total Plan Fiduciary Net Position - Beginning	<u>4,524,319</u>	<u>3,671,902</u>	<u>3,449,813</u>	<u>3,461,879</u>	<u>3,275,317</u>
Total Plan Fiduciary Net Position - Ending	<u>\$ 6,509,999</u>	<u>\$ 4,524,319</u>	<u>\$ 3,671,902</u>	<u>\$ 3,449,813</u>	<u>\$ 3,461,879</u>
Plan's Net Pension Liability	<u>\$ 3,789,201</u>	<u>\$ 5,767,697</u>	<u>\$ 8,710,382</u>	<u>\$ 8,893,235</u>	<u>\$ 8,645,500</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>63.2%</u>	<u>44.0%</u>	<u>29.7%</u>	<u>27.9%</u>	<u>28.6%</u>
Covered employee payroll	<u>\$ 5,800,000</u>	<u>\$ 5,800,000</u>	<u>\$ 5,400,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>
Plan's net pension liability as a percentage of the covered employee payroll	<u>65.3%</u>	<u>99.4%</u>	<u>161.3%</u>	<u>167.8%</u>	<u>163.1%</u>

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
NON-UNIFORMED PENSION PLAN
UNAUDITED
DECEMBER 31, 2018

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the investment return rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%, cost of living adjustment assumption was removed.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CITY CONTRIBUTIONS
PENSION PLANS

LAST 5 FISCAL YEARS

UNAUDITED

DECEMBER 31, 2018

	<u>2018**</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Police Pension Plan</u>					
Actuarially determined contribution	\$ 4,042,020	\$ 7,996,779	\$ 6,274,672	\$ 5,170,561	\$ 5,082,761
Contributions in relation to the actuarially determined contribution	<u>4,042,020</u>	<u>7,996,779</u>	<u>6,274,672</u>	<u>5,170,561</u>	<u>5,082,761</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	<u>\$ 10,800,000</u>	<u>\$ 11,000,000</u>	<u>\$ 10,100,000</u>	<u>\$ 9,700,000</u>	<u>\$ 8,700,000</u>
Contributions as a percentage of covered-employee payroll	<u>37.43%</u>	<u>72.7%</u>	<u>62.1%</u>	<u>53.3%</u>	<u>58.4%</u>

**Excludes bond proceeds of \$10,383,827 deposited on December 17, 2018 and December 20, 2018.

Firemen Pension Plan

Actuarially determined contribution	\$ 5,909,496	\$ 9,501,455	\$ 7,111,152	\$ 6,023,553	\$ 5,935,833
Contributions in relation to the actuarially determined contribution	<u>5,909,496</u>	<u>9,501,455</u>	<u>7,111,152</u>	<u>6,023,553</u>	<u>5,935,833</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	<u>\$ 10,500,000</u>	<u>\$ 10,500,000</u>	<u>\$ 9,100,000</u>	<u>\$ 9,000,000</u>	<u>\$ 7,800,000</u>
Contributions as a percentage of covered-employee payroll	<u>56.28%</u>	<u>90.49%</u>	<u>78.14%</u>	<u>66.93%</u>	<u>76.10%</u>

**Excludes bond proceeds of \$10,383,827 deposited on December 17, 2018 and December 20, 2018.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CITY CONTRIBUTIONS (CONT'D)

PENSION PLANS
LAST 5 FISCAL YEARS
UNAUDITED
DECEMBER 31, 2018

	<u>2018**</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Non-Uniformed Pension Plan</u>					
Actuarially determined contribution	\$ 754,924	\$ 1,313,328	\$ 1,014,228	\$ 1,107,868	\$ 1,107,818
Contributions in relation to the actuarially determined contribution	<u>754,924</u>	<u>1,313,328</u>	<u>1,014,228</u>	<u>1,107,868</u>	<u>1,107,818</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	<u>\$ 5,800,000</u>	<u>\$ 5,800,000</u>	<u>\$ 5,400,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>
Contributions as a percentage of covered-employee payroll	<u>13.02%</u>	<u>22.64%</u>	<u>18.78%</u>	<u>20.90%</u>	<u>20.90%</u>

**Excludes bond proceeds of \$2,307,517 deposited on December 17, 2018 and December 20, 2018.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE, FIREMEN, AND NON-UNIFORMED PENSION PLANS
DECEMBER 31, 2018**

Valuation date	January 1, 2017
Actuarially cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period:	
Police Pension Plan	14 Years
Firemen Pension Plan	60 Years
Non-Uniform Pension Plan	9 Years
Asset valuation method	5 year smoothing method described in internal revenue procedure 2000-40 approval 16
Inflation	2.25%
Salary increases	4.50%
Investment rate of return	7.50% (Net of pension plan investment expense including inflation)
Retirement age:	
Police Pension Plan	Normal Retirement: Pre 7/1/1987 employee - 25 years of service; Post 6/30/1987 - Age 55 and 25 years of service
	Vesting: 25 years of service
Firemen Pension Plan	Normal Retirement: Pre 7/1/1987 employee - 25 years of service; Post 6/30/1987 - Age 55 and 25 years of service
	Vesting: 25 years of service
Non-Uniformed Pension Plan	Normal Retirement: Age 55, 15 years of service and 20 years of contributions
	Early Retirement: Age 55, 10 years of service and 20 years of contributions
	Vesting: 10 years of service
Mortality:	
Police Pension Plan	Blue Collar RP-2000 Mortality Table
Firemen Pension Plan	Blue Collar RP-2000 Mortality Table
Non-Uniformed Pension Plan	Blue Collar RP-2000 Mortality Table

CITY OF SCRANTON, PENNSYLVANIA

**SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
POLICE OPEB PLAN
UNAUDITED
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 1,944,712	\$ 1,860,968
Interest	3,355,732	3,282,304
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(3,301,054)</u>	<u>(3,236,828)</u>
Net Change in Total OPEB Liability	1,999,390	1,906,444
Total OPEB Liability - Beginning	<u>89,191,998</u>	<u>87,285,554</u>
Total OPEB Liability - Ending	<u>\$ 91,191,388</u>	<u>\$ 89,191,998</u>
Covered Employee Payroll	<u>\$ 10,779,911</u>	<u>\$ 10,315,704</u>
Total OPEB liability as a percentage of covered payroll	<u>845.94%</u>	<u>864.62%</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
FIREMEN OPEB PLAN
UNAUDITED
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 1,667,677	\$ 1,595,863
Interest	3,157,210	3,134,550
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(4,342,091)</u>	<u>(4,053,806)</u>
 Net Change in Total OPEB Liability	 482,796	 676,607
 Total OPEB Liability - Beginning	 <u>84,695,647</u>	 <u>84,019,040</u>
 Total OPEB Liability - Ending	 <u>\$ 85,178,443</u>	 <u>\$ 84,695,647</u>
 Covered Employee Payroll	 <u>\$ 17,041,604</u>	 <u>\$ 16,307,755</u>
 Total OPEB liability as a percentage of covered payroll	 <u>499.83%</u>	 <u>519.36%</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
NON-UNIFORMED OPEB PLAN
UNAUDITED
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 176,021	\$ 168,441
Interest	1,253,361	1,275,585
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(2,056,734)</u>	<u>(2,031,766)</u>
 Net Change in Total OPEB Liability	 (627,352)	 (587,740)
 Total OPEB Liability - Beginning	 <u>34,275,301</u>	 <u>34,863,041</u>
 Total OPEB Liability - Ending	 <u>\$ 33,647,949</u>	 <u>\$ 34,275,301</u>
 Covered Employee Payroll	 <u>\$ 8,750,292</u>	 <u>\$ 8,373,485</u>
 Total OPEB liability as a percentage of covered payroll	 <u>384.54%</u>	 <u>409.33%</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE, FIREMEN, AND NON-UNIFORMED OPEB PLANS
DECEMBER 31, 2018**

Valuation date	January 1, 2017
Actuarially cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Asset valuation method	5 year smoothing method described in internal revenue procedure 2000-40 approval 16
Inflation	2.25%
Saiary increases	4.50%
Investment rate of return	There are no invested assets.
Discount rate	3.75%

CITY OF SCRANTON, PENNSYLVANIA

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual	Variance from Final Budget
	Original	Final		
REVENUE:				
Taxes	\$ 73,934,267	\$ 73,934,267	\$ 72,925,885	\$ (1,008,382)
Intergovernmental	3,957,646	3,957,646	4,761,305	803,659
Department earnings	469,625	469,625	554,433	84,808
Refuse disposal fees	7,662,500	7,662,500	6,970,633	(691,867)
Licenses and permits	1,943,704	1,943,704	2,396,375	452,671
Cable television franchise revenue	850,000	850,000	1,022,958	172,958
Payments in lieu of taxes	250,000	250,000	71,456	(178,544)
Other revenues	666,450	666,450	1,313,480	647,030
Rents and concessions	5,000	5,000	5,500	500
Total Revenue	89,739,192	89,739,192	90,022,025	282,833
EXPENDITURES:				
General government	17,807,089	17,807,089	17,687,403	(119,686)
Public safety	50,363,412	50,363,412	67,310,714	16,947,302
Public works	13,206,769	13,206,769	13,074,685	(132,084)
Culture and recreation	1,564,580	1,564,580	725,924	(838,656)
Debt service	10,688,039	10,688,039	10,688,041	2
Capital Outlay	-	-	3,912,713	3,912,713
Total Expenditures	93,629,889	93,629,889	113,399,480	19,769,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,890,697)</u>	<u>(3,890,697)</u>	<u>(23,377,455)</u>	<u>(19,486,758)</u>
Other Financing Sources (Uses):				
Proceeds from tax anticipation notes	12,750,000	12,750,000	12,750,000	-
Proceeds from leases	-	-	1,944,539	1,944,539
Sale of assets	1,000	1,000	-	(1,000)
Repayments from tax anticipation notes	(13,244,850)	(13,244,850)	(13,101,263)	143,587
Court award	(350,000)	(350,000)	(483,951)	(133,951)
Bond issuance	1,100	1,100	22,990,000	22,988,900
Operating transfers in	5,183,505	5,183,505	1,791,789	(3,391,716)
Operating transfers out	(450,058)	(450,058)	(2,132,397)	(1,682,339)
Total Other Financing Sources (Uses)	3,890,697	3,890,697	23,758,717	19,868,020
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	381,262	-
Fund Balance, Beginning	-	-	33,279,803	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,661,065</u>	<u>\$ -</u>

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual	Variance from Final Budget
	Original	Final		
REVENUE:				
Taxes				
Act 511:				
Wage	\$ 27,387,219	\$ 27,387,219	27,361,905	\$ (25,314)
Non-resident wage tax	520,000	520,000	-	(520,000)
Delinquent wage tax	200,000	200,000	113,885	(86,115)
Real estate transfer	3,376,000	3,376,000	2,983,409	(392,591)
Mercantile	1,605,000	1,605,000	1,207,876	(397,124)
Business Privilege	1,280,250	1,280,250	1,053,905	(226,345)
Local service tax	4,810,000	4,810,000	4,967,762	157,762
Delinquent mercantile	100,000	100,000	47,758	(52,242)
Delinquent business privilege	200,000	200,000	216,009	16,009
Total Act 511	39,478,469	39,478,469	37,952,509	(1,525,960)
Current real estate	13,501,829	13,501,829	21,018,505	7,516,676
Current real estate tax land	18,750,977	18,750,977	9,894,661	(8,856,316)
Delinquent real estate	1,575,000	1,575,000	3,419,538	1,844,538
Public utility	75,000	75,000	75,073	73
Parking tax	-	-	500	500
Amusement tax	385,000	385,000	310,492	(74,508)
Penalties and interest	167,992	167,992	254,607	86,615
Total taxes	73,934,267	73,934,267	72,925,885	(1,008,382)
Intergovernmental:				
Supplemental state assisted pension	3,450,000	3,450,000	3,681,620	231,620
Act 47 grants	21,780	21,780	223,104	201,324
OECD reimbursement demolition program	200,000	200,000	568,781	368,781
Fire safety grant	285,866	285,866	287,800	1,934
Total intergovernmental	3,957,646	3,957,646	4,761,305	803,659
Departmental earnings:				
Parking meters	-	-	6,740	6,740
Pave cuts	392,500	392,500	459,643	67,143
Alarm fees	50,000	50,000	64,640	14,640
Zoning	27,125	27,125	23,410	(3,715)
Total departmental earnings	469,625	469,625	554,433	84,808

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual	Variance from Final Budget
	Original	Final		
REVENUE:				
Refuse disposal fees	7,662,500	7,662,500	6,970,633	(691,867)
Licenses and permits	1,943,704	1,943,704	2,396,375	452,671
Cable television franchise revenue	850,000	850,000	1,022,958	172,958
Payments in lieu of taxes	250,000	250,000	71,456	(178,544)
Rents and concessions	5,000	5,000	5,500	500
Other revenues:				
Interest income	30,000	30,000	544,450	514,450
User fees	49,500	49,500	40,393	(9,107)
Fines and forfeits	360,850	360,850	432,088	71,238
Donations	100	100	31,000	30,900
Other	226,000	226,000	265,549	39,549
Total	11,377,654	11,377,654	11,780,402	402,748
Total Revenue	\$ 89,739,192	\$ 89,739,192	\$ 90,022,025	\$ 282,833

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual	Variance from Final Budget
	Original	Final		
EXPENDITURES				
General Government:				
Salaries and wages	\$ 2,934,880	\$ 2,934,880	\$ 2,849,477	\$ (85,403)
Employee benefits	4,757,676	4,757,676	7,359,519	2,601,843
Workers' compensation	3,743,432	3,743,432	2,000,000	(1,743,432)
General insurance	1,481,000	1,481,000	1,020,641	(460,359)
Office supplies and expenses	155,550	155,550	137,008	(18,542)
Professional fees	1,030,802	1,030,802	1,388,843	358,041
Telephone	150,000	150,000	192,944	42,944
Equipment	474,500	474,500	840,862	366,362
Utilities	890,000	890,000	923,470	33,470
Other	2,189,249	2,189,249	974,639	(1,214,610)
Total General Government	17,807,089	17,807,089	17,687,403	(119,686)
Public Safety				
Salaries and wages	23,428,479	23,428,479	24,009,360	580,881
Employee benefits	24,814,557	24,814,557	42,917,322	18,102,765
Supplies	63,500	63,500	64,474	974
Equipment	1,687,750	1,687,750	(63,356)	(1,751,106)
Training	138,000	138,000	145,192	7,192
Professional fees	144,150	144,150	146,600	2,450
Other	86,976	86,976	91,122	4,146
Total Public Safety	50,363,412	50,363,412	67,310,714	16,947,302
Public Works				
Salaries and wages	4,623,826	4,623,826	4,426,615	(197,211)
Employee benefits	3,218,234	3,218,234	2,672,318	(545,916)
Supplies	416,350	416,350	315,127	(101,223)
Professional fees	130,290	130,290	86,876	(43,414)
Equipment	1,479,289	1,479,289	1,533,225	53,936
Landfill fees	1,271,435	1,271,435	1,400,221	128,786
Road resurfacing	875,000	875,000	1,398,839	523,839
Flood Protection	50,000	50,000	46,728	(3,272)
Salt	273,500	273,500	495,658	222,158
Street lighting	865,845	865,845	698,980	(166,865)
Training	2,000	2,000	98	(1,902)
Other	1,000	1,000	-	(1,000)
Total Public Works	13,206,769	13,206,769	13,074,685	(132,084)

CITY OF SCRANTON, PENNSYLVANIA

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual	Variance from Final Budget
	Original	Final		
Culture and Recreation				
Salaries and wages	620,640	620,640	636,549	15,909
Employee benefits	2,940	2,940	2,520	(420)
Supplies	42,000	42,000	23,889	(18,111)
Programs	24,000	24,000	19,561	(4,439)
Equipment	875,000	875,000	43,405	(831,595)
Total Culture and Recreation	<u>1,564,580</u>	<u>1,564,580</u>	<u>725,924</u>	<u>(838,656)</u>
Debt Service payments	10,688,039	10,688,039	10,688,041	2
Capital Outlay	-	-	3,912,713	3,912,713
Total Expenditures	<u>93,629,889</u>	<u>93,629,889</u>	<u>113,399,480</u>	<u>19,769,591</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3,890,697)</u>	<u>(3,890,697)</u>	<u>(23,377,455)</u>	<u>(19,486,758)</u>
Other Financing Sources (Uses)				
Proceeds from tax anticipation notes	12,750,000	12,750,000	12,750,000	-
Proceeds from leases	-	-	1,944,539	1,944,539
Sale of assets	1,000	1,000	-	(1,000)
Repayments of tax anticipation notes	(13,244,850)	(13,244,850)	(13,101,263)	143,587
Court award	(350,000)	(350,000)	(483,951)	(133,951)
Bond issuance	1,100	1,100	22,990,000	22,988,900
Operating transfers out	(450,058)	(450,058)	(2,132,397)	(1,682,339)
Operating transfers in from:				
Liquid fuels fund	5,183,505	5,183,505	1,791,789	(3,391,716)
Other funds	-	-	-	-
Net Other Financing Sources (Uses)	<u>3,890,697</u>	<u>3,890,697</u>	<u>23,758,717</u>	<u>19,868,020</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	381,262	381,262
Fund Balance - Beginning of year	-	-	33,279,803	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,661,065</u>	<u>\$ -</u>

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	<u>Liquid Funds</u>	<u>Capital Projects</u>	<u>Redevelopment Authority</u>	<u>Debt Service</u>	<u>Total Non-major Governmental Funds</u>
ASSETS:					
Cash and cash equivalents	\$ 657,107	\$ -	\$ 546,929	\$ -	\$ 1,204,036
Loans receivable	-	-	47,368	-	47,368
Restricted cash and cash equivalents	-	-	-	140,905	140,905
Property held for resale	-	-	98,365	-	98,365
Total Assets	\$ 657,107	\$ -	\$ 692,662	\$ 140,905	\$ 1,490,674
LIABILITIES:					
Accrued liabilities	\$ -	\$ -	\$ 874	\$ -	\$ 874
Due to other funds	-	-	528,103	-	528,103
Total Liabilities	-	-	528,977	-	528,977
DEFERRED INFLOW OF RESOURCES:					
Unavailable revenues	-	-	47,368	-	47,368
FUND BALANCE:					
Non-spendable	-	-	98,365	-	98,365
Restricted for externally imposed restrictions	657,107	-	532,315	-	1,189,422
Assigned	-	-	-	140,905	140,905
Unassigned	-	-	(514,363)	-	(514,363)
Total Fund Balance	657,107	-	116,317	140,905	914,329
	\$ 657,107	\$ -	\$ 692,662	\$ 140,905	\$ 1,490,674

See independent auditors' report.

CITY OF SCRANTON, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	Liquid Fuels	Capital Projects	Redevelopment Authority	Debt Service	Total Non-major Governmental Funds
Revenues:					
Intergovernmental	\$ 2,334,622	\$ -	\$ 180,678	-	\$ 2,515,300
Interest income	9,411	-	276	2,171	11,858
Other revenues	-	25,527	5	-	25,532
Rents and concessions	-	-	7,350	-	7,350
Total Revenues	<u>2,344,033</u>	<u>25,527</u>	<u>188,309</u>	<u>2,171</u>	<u>2,560,040</u>
Expenditures:					
Current:					
General government	-	-	-	2,080	2,080
Community development	-	-	199,910	-	199,910
Debt service:					
Principal	-	-	-	310,000	310,000
Interest	-	-	-	142,974	142,974
Total Expenditures	<u>-</u>	<u>-</u>	<u>199,910</u>	<u>455,054</u>	<u>654,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,344,033</u>	<u>25,527</u>	<u>(11,601)</u>	<u>(452,883)</u>	<u>1,905,076</u>
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	510,000	510,000
Operating transfers out	<u>(1,791,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,791,790)</u>
Total Other Financing Sources (Uses)	<u>(1,791,790)</u>	<u>-</u>	<u>-</u>	<u>510,000</u>	<u>(1,281,790)</u>

See independent auditors' report.

CITY OF SCRANTON, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS (CONT'D)
YEAR ENDED DECEMBER 31, 2018**

	<u>Liquid Fuels</u>	<u>Capital Projects</u>	<u>Redevelopment Authority</u>	<u>Debt Service</u>	<u>Total Non-major Governmental Funds</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>552,243</u>	<u>25,527</u>	<u>(11,601)</u>	<u>57,117</u>	<u>623,286</u>
Fund Balances - Beginning:					
As previously reported	104,864	(25,527)	127,918	631,658	838,913
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(547,870)</u>	<u>(547,870)</u>
As restated	<u>104,864</u>	<u>(25,527)</u>	<u>127,918</u>	<u>83,788</u>	<u>291,043</u>
Fund Balances - Ending	<u>\$ 657,107</u>	<u>\$ -</u>	<u>\$ 116,317</u>	<u>\$ 140,905</u>	<u>\$ 914,329</u>

See independent auditors' report.

CITY OF SCRANTON FIREFIGHTERS PENSION COMMISSION

Minutes

RECEIVED
JAN 15 2020

December 18, 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

The Scranton Firefighters Pension Commission was called to order at 08:30 hrs. The following members were in attendance:

Chairman Gary DeStefano
Secretary Brian Scott
Active Rep. Jim Sable
Retired Rep. Bernard Garvey
Retired Rep. Terry Osborne (Absent)
Attorney Larry Durkin
Controller Mary Lynn Carey

Motion to accept November 2019 minutes by Garvey, second by Sable. Motion carried.

Scott to Anderson- Richard Rooney address change.

Correspondence:

Scott to Anderson in regard to Pat DeSarno pension re-instatement due to resigning from his position as Superintendent of Fire.

Bills:

Motion to pay bill for Durkin and MacDonald LCC \$435.00 by Sable, second by Garvey. Motion carried.

Motion by DeStefano to pay City of Scranton \$400 for reimbursement of half the cost of IME for David Costa, second by Sable. Motion carried.

Old Business:

Date of Hire for Bob Bolus Jr. and if he has to backpay pension contributions. Durkin stated he does not have a clear answer. Sable stated he would like the union to negotiate that cadets get sworn in after HACC graduation. DeStefano stated that would solve the problem. DeStefano stated that cadets are protected under workers comp while at HACC, not Heart and Lung. DeStefano stated that the pension board traditionally did not have cadets pay into the pension fund while at HACC.

New Business:

Garvey made a motion to increase retiree pay with raises due to Act 111 award and the soundness of the pension fund, second by Sable. On the question, Durkin stated that Anderson will not process it due to Judge Mazzone opinion. Motion carried.

Application for Membership: None

Application for Pension:

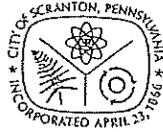
Motion to grant Thomas Morgan a length-of-service pension by Garvey, second by Sable. Motion carried.

Audience: None

Motion to Adjourn:

Motion to adjourn by Scott, second by Sable. Motion Carried.

City of Scranton
Pennsylvania



RECEIVED

JAN 15 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

Municipal Pension Fund

MINUTES

NON-UNIFORM MUNICIPAL PENSION BOARD

DECEMBER 18, 2019

The City of Scranton's Non-Uniform Municipal Pension Board held their monthly meeting on Wednesday, December 18, 2019 at 9:30 A.M. in City Council Chambers.

In attendance were:

John Hazzouri, President

Maggie Perry, Vice-President

Mary Lynn Carey, City Controller

Lori Reed, Proxy for City Council President

Larry Durkin, Esquire, Attorney for Board

Absent:

Proxy for Mayor

President Hazzouri asked for a motion to accept the minutes of last month's meeting held on Wednesday, November 20, 2019.

Mrs. Reed made a motion to accept the minutes from the November 20th meeting.

Mrs. Perry seconded the motion.

President Hazzouri: All in favor? (All were in favor) The ayes have it.

President Hazzouri read the following agenda items:

1. A pension application was received from former OECD solicitor Eugene Hickey, Esquire. **Mrs. Reed** made the motion to approve attorney Hickey's pension application and **Mrs. Perry** seconded the motion. All were in favor.
President Hazzouri offered a few comments about working with attorney Hickey over the years and what an honor it was to work with him. He also wished him the best of luck, good health and happiness.
2. An invoice was presented for payment from Sargent's Court Reporting in the amount of \$216.65. **Mrs. Reed** made the motion to approve the invoice for payment and **Mrs. Perry** seconded the motion. All were in favor.
3. An invoice was presented for payment from Durkin MacDonald, LLC in the amount of \$ 1073.00 for services rendered from November 19, 2019 through December 16, 2019. **Mrs. Reed** made the motion to pay the invoice and **Mrs. Perry** seconded the motion. All were in favor.

Attorney Durkin stated that Michele Phillips appealed the Board's decision to county court, which was the reason for the invoice from the court reporting agency. The next step will be to certify the record of her application and her hearing with county court. Over the next month, attorney Durkin will coordinate with the board secretary to get that information filed with the court. Attorney Durkin recommended that the board authorize the secretary to sign a statement that the record that we present is the certified record once it is compiled. **Mrs. Reed** made the motion to authorize the secretary to sign the statement that the records presented are certified and **Mrs. Perry** seconded the motion. All were in favor.

Attorney Durkin also advised the Board that he has heard nothing from the Supreme Court regarding Joseph Shimus' appeal.

President Hazzouri asked that a motion be put on the floor that the board continues to have their meetings on the third Wednesday of each month for 2020. **Mrs. Reed** made the motion and **Mrs. Perry** seconded the motion. All were in favor.

President Hazzouri made a motion for the board to have an actuarial study done with only one tier.

Attorney Durkin stated that the board would have to identify what it is we are specifically asking for them to consider.

President Hazzouri stated that he has it. He made a motion to have an actuarial study done to raise the non-uniform pension benefits as follows:

For 15 years buy to 20 years	\$ 800.00 per month
For 21 to 30 years	\$900.00 per month
31 years	\$1,000.00 per month

And the retirement age of 55 years would remain the same. This would be the first tier. Our pension has not had a raise in 20 years. Do I have a second?

Mrs. Reed asked for clarification of the motion.

Attorney Durkin stated that to make a modification to a pension benefit, under Act 205, you have to have an actuarial study done to determine the cost that would be associated with doing it and whether the plan would be actuarially sound after the change. Those are the things the board would be asking Randy Sekol (Beyer-Barber) to look at in the study that he does. The inherent problem that the board would have is that the plan is not actuarially sound now. He (Sekol) could give the board an opinion and he could give the board a report and an element of it is actuarial soundness. That matters a great deal under Act 205.

Mrs. Reed stated that it would be helpful to have that information anyway because as the plan improves that would already be taken care of because it is a step in the right direction.

Attorney Durkin stated that we would know the cost at least as of today. He did not know how much it would change over time from Randy's perspective, if you did it now,

is that going to work four years from now or whenever it is. He stated that he could tell the board what the requirement is under Act 205 to make a change to the plan. On the legal side of it, a big hurdle is actuarial soundness. There is no precise definition of actuarial soundness. It is not defined in Act 205. It is not defined in any other statute. There is no court that has specifically said what is actuarially sound. He said that he is quite confident that if our plan is labeled distressed in any way, the board would have a very hard time saying that we are sound. Ultimately, it is going to have to come from Randy; not just for this board, but for the other two boards because that was the argument with the police and fire on the raise litigation. You could certainly get the study but that is going to be one of the hurdles.

Mrs. Reed seconded the motion. All were in favor.

Mrs. Perry asked if in the study they could give an opinion of where we would have to be to be actuarially sound.

Attorney Durkin said no. The studies are done bi-annually, so the most recent study was done January 1, 2019. The next study will be done as of January 1, 2021. The study that is done effective that date, will give the board the snapshot of the next funding levels. For this study, the board benefited from the fact that the sewer money had come in and from the fact that the double pension case was done. As a result, the funding level went up significantly...it is somewhere in the sixties, but it is still distressed. He did not remember the exact tier structure but there were three levels of distressed. At one point, the plan was in the twenties. It was severely distressed at that point. Within the last four years, for those reasons and other reasons, it has gone up quite a bit but it is still distressed. Whatever the current number is, it is going to be in place for this year, next year, it will be reviewed again as of 1-1-21 and that determine the City's required payment in 2022.

Mrs. Perry asked if there was a point when we are no longer distressed.

Attorney Durkin stated there is a number for that because the distressed levels are set under Act 205 and there are three levels of distressed.

Mrs. Perry asked if we were no longer labeled distressed would that make us actuarially sound.

Attorney Durkin said that was a better argument. He also stated that people want a specific answer but there isn't one. In the private sector, plans in the seventies would probably be taken over and put in receivership.

President Hazzouri made a motion to have an actuarial study done to raise the non-uniform pension monthly benefits, post July 1, 1987, this is the second tier:

For 15 years buy to 20 years \$ 850.00 per month

For 21 to 30 years \$900.00 per month

31 years \$950.00 per month

And the retirement age of 55 years would remain the same.

Mrs. Reed asked if that would also include the increase in the pension contribution the employee would make.

President Hazzouri said yes, the study would tell us that.

Mrs. Reed seconded the motion. All were in favor.

Attorney Durkin requested that President Hazzouri send him the specifics of both.

President Hazzouri made a motion to have all the contributions at one level rather than two tiers that we currently have.

Mrs. Reed seconded the motion. All were in favor.

President Hazzouri opened the meeting to the floor.

Eileen Hurchick offered her opinion about the problem with the non-uniform pension always being distressed.

Attorney Durkin The result of the other two pensions changed but the benefit level did not. Ours has always been a set number; theirs is based on a percentage. This is true for state wide public safety unions, they don't pay social security...the benefit level is essentially 50% of final year salary, which has not changed. If you went up to 60%, that would be a modification. The police and fire salaries went up.

Mrs. Perry asked attorney Durkin if the non-uniform pensions can be restructured to be based on our salaries.

Attorney Durkin said that you could but no matter what modification you do, you would have to make sure the plan is sound after the change.

Mrs. Perry stated that the police and fire were not sound.

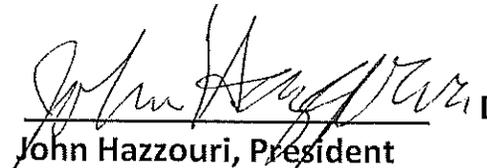
Attorney Durkin stated that they did not change the benefit structure. They are significantly different benefits. The other two plans change as salaries change, but ours, the way it is set up, does not. At one point the arbitrator had changed the percentage for the police and fire to retire, up to 60%, and that portion of the case was struck down because of actuarial soundness. The structure of the benefit is for, police state wide under Act 600, based on a percentage of their salary. Ours is not based on a percentage of salary, it is a flat fee. He could offer many arguments why our pension benefit should be changed but he can't get around the actuarial soundness.

President Hazzouri asked for a motion to adjourn the meeting.

Mrs. Reed made a motion to adjourn the meeting.

Mrs. Perry seconded the motion. All were in favor.

Meeting adjourned at 9:55 A.M.

Minutes approved by:  Date: 1-15-20
John Hazzouri, President

Respectfully submitted:  Date: 1-15-2020
Kathy Carrera, Recording Secretary

**SCRANTON POLICE PENSION
COMMISSION MEETING**

SCRANTON CITY COUNCIL CHAMBERS
DECEMBER 18, 2019

RECEIVED

JAN 15 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

BOARD MEMBERS

1. THOMAS TOLAN- PRESENT
2. JUSTIN BUTLER- PRESENT
3. NANCY KRAKE- PRESENT
4. MARY LYNN CAREY-PRESENT
5. PAUL HELRING- PRESENT
6. MICHAEL CAMMEROTA- PRESENT

MINUTES FROM WEDNESDAY DECEMBER 18, 2019 MEETING OF THE SCRANTON POLICE PENSION COMMISSION MEETING, WERE REVIEWED. MOTION MADE BY CAMMEROTA TO APPROVE THE MINUTES AND SECONDED BY BUTLER. MOTION PASSED

BILLS:

A BILL FROM DURKIN MACDONALD LLC ATTORNEY AT LAW FOR SERVICES RENDERED FOR ONE MONTH. NOVEMBER 19, 2019 THRU DECEMBER 16, 2019 TO THE AMOUNT OF \$449.50

A MOTION MADE BY BUTLER TO PAY DURKIN MACDONALD LLC ATTORNEY AT LAW FOR SERVICES RENDERED FOR 449.50 FROM NOVEMBER 19, 2019 THRU DECEMBER 16, 2019. SECONDED BY CAMMEROTA, ALL IN FAVOR MOTION PASSED.

COMMUNICATION:

NANCY KRAKE BRIEFED THE BOARD ABOUT EDM. EDM IS A COMPANY THAT DOES RECORDS MANAGEMENT. NANCY SAID THAT THEY WOULD COME IN AND SPEAK TO THE BOARD ON POSSIBLE COSTS ASSOCIATED.

THE BOARD ACCEPTED A CHECK FROM JOHN BURGETTE FOR 574.34 TO BUY TIME BACK FROM 3-18-1993 TO 2-4-1994. A MOTION WAS MADE BY CAMMEROTA AND SECONDED BY BUTLER. MOTION PASSED.

A MOTION WAS MADE TO ADJOURN BY BUTLER AND SECONDED BY KRAKE. MEETING ADJOURNED AT 1024HRS.

RECEIVED

JAN 15 2020

COMPOSITE PENSION BOARD MINUTES
December 18, 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

The regular meeting of the Composite Pension Board was held on Wednesday, December 18th at 11:00AM in City Council Chambers.

The following were in attendance:

JOHN HAZZOURI – Vice Pres – Municipal Board Representative
ROBERT SENCHAK – Sect. - Fire Employee Representative
PAUL HELRING – Police Board Representative
MAGGIE PERRY – Municipal Employee Representative
GARY DESTEFANO – Fire Board Representative
LORI REED – (Proxy) City Council
MARY LYNN CAREY - City Controller
LARRY DURKIN – Durkin MacDonald (Legal Counsel)
ALEXANDER GOLDSMITH – PFM Group (Trustee)
JAMES KENNEDY – Thomas Anderson & Assoc. (Administrator)

John Hazzouri... Called the meeting to order.

John asked for a Motion to accept November's meeting. **Motion to accept made by Gary DeStefano, seconded by Paul Helring, all were in favor.**

Bills:

From PFM Asset Management LLC in the amount of \$14,778.19 dated 12/18/19, **Motion to pay made by Maggie Perry, seconded by Mary Lynn Carey, all were in favor.**

For Durkin and MacDonald in the amount of \$435.00 dated 12/17 /19 **Motion to accept made by Paul Helring, seconded by Lori Reed, all were in favor.**

Correspondence:

We have PFM's report they will speak.

Alex Goldsmith... He distributed reports to the board and made his presentation. He covered performance for November. It was a really strong month for stocks in the U.S. particular. There were positives elsewhere around the world but international stocks continue to lag the U.S. and it

was the trend ever since the summer and the bond market have been flattened down slightly. The U.S. market had really surged in November. A lot of that was on the back of strong economic views particularly output data related to services sector here in the U.S.

You might remember back at the end of the summer August and September there was a little volatility, there was a lot of talk of are we headed for a recession. It was their view that we were not. In the near term we had 12 months to 18 months. We actually added some assets back to the stocks in September for this plan and then we did so again in November.

What happened between August and September and the end of November that good economic data came in. A lot of the recession fears fell by the way side and there was also some temperament of the language around the U.S. and China trade negotiations. He thinks throughout November the U.S. didn't get into that we were going to delay the imposing of tariffs they were going to come on in December. That actually happened last week, they were delayed. It was a slight easing of the tensions that can cause a lot of volatility towards the end of summer.

So the end result would be is to see where markets, at the YTD column as of the end of November, U.S. stocks were up 27.5%, International stocks have rebounded nicely it has been a pretty rough year and a half leading up to this year 16.5% Fixed income has sort of hovered right around 8.5% YTD.

As of the end of the day yesterday markets continue to move forward S&P500 is up over 29% this year alone. International stocks have surged a little bit they've gained some ground back, they are now at 20% YTD Fixed income remains right where it has been for the last three to four months up 8.5%, a nice positive return for bonds. With the Fed stepping in lowering rates twice this fall. They kind of took their foot off of the gas in terms of lowering rates. They may keep them low for some time. That's allowed the bond market to normalize somewhat. There's no volatility, the yield curve, it's a little more normal then it has been.

The things that we're looking at next year will remain the things that we looked at this year. The ongoing trade dispute, meanwhile economics the U.S. and China chug along quite nicely. It did take a dip last month but it remains at highs, where it's been 19 year highs. They will continue to see what the Fed is going to do, they argue that it will continue to keep rates low, that will be a good period for stocks but we do have to keep an eye on inflation. He thinks the Fed will tolerate higher inflation in 2020. That should also be good for stocks. Not really much to say about the impeachment of the elections.

He reviewed the performance of the plan. The market value remains over \$100 million at the end of November \$100,560,600 the return for the month up 1.8% we out did the benchmark slightly maintaining that spread quarterly. The plan has lagged it's benchmark during this year slightly we have been in a more defensive position throughout much of the uncertainty we'll call

it April through August. We're fine with that. Frankly the year markets are almost 30% and if you look at it YTD this plan was up 15.85% almost 16%. It did lag a benchmark but we'd rather be a little more defensively positioned, give up something in a year as strong as this, a very positive absolute return.

The story behind performance I would generally say active management as a whole contributed to the performance for the quarter, asset allocation, positive in some areas, there were some changes to the portfolio that were made here in December. With an active management you have a quality growth fund, second line down in Domestic Equity, it remains very close to its' benchmark for the month, for the quarter, it's behind slightly year to date. That is an example of a more defensive position fund. We are pretty pleased with how well it has kept pace this year. It's certainly not the style the market went you would expect that to do well or as well as it has we should say.

The next two are passive ETF's i Share Mid Cap and i Share Small Cap, we have talked about this before, this represents our theme that we believe that smaller companies are more isolated from what is going on in the world and should do better. We had that position going back to 2018 we felt that small caps would benefit quite nicely for tax plan and did last year. However, this year our thesis is about their isolation from the international hasn't really played out.

Small caps are up 19% YTD but they do lag large caps and as we continue throughout the year thus far throughout the Third Quarter small cap earnings have not been as strong as their large cap counterparts, so now the data no longer supports us having this distinct overweight position so we've lowered the mid cap and we eliminated the small cap and put that into the total stock index, which does have small cap. It was an expectation that we had and it didn't quite come out to play.

On the international side there's good contribution from several active managers. Vanguard Total International Stock that's your passive fund, the next one Vanguard International Value is the active fund. Since it's been in the portfolio over the last two years plus it's been a benchmark life performance. Outperforming in some quarters, missing by somewhat and over the longer period it really hasn't added what we expected to this portfolio. It's been a bit of a cycle where we sit and the performance and kind of consistently looked this way. We made the decision to terminate that allocation and moved it over to the index funds. That will lower fees slightly for the portfolio, not tremendously but somewhat.

The next two JO Hambro and Invesco Oppenheimer both very good returns for the month and for the quarter, JO Hambro had kind of a rough year lagging a little bit, volatility in the middle of the year. Unlike Vanguard they've exhibited underperformance as well as very

significant outperformance over the lifespan that we've had them in the portfolio, not looking like the benchmark and that's what we want from an active manager. So we kept JO Hambro, so far it's looking like a good decision and then Invesco you can see the quarter very strong, YTD they're up about 6%+ over the benchmark. Lastly Hartford Schroders Emerging Markets they outperformed the benchmark with the emerging markets but the allocation to the emerging markets. You can see at universe much lower for the month then the rest of international.

Fixed income you can see here if you look at the returns essentially a flat month. The Actives did add value slightly Baird, Prudential, Double Line continue to be the exception on the active side. It missed slightly. There's not a whole lot to say about and the i Shares your corporate bond exposure this allocation continued to YTD corporate bonds are now at 14% so even a small allocation here has benefited.

There was an addition to the fixed income portfolio. We just recently ordered Voya Intermediate Bond fund. It has a little bit of everything, it is treasuries, it has corporates, it has sub high yield but really what it has that we were attracted to was an allocation to mortgages. The mortgage market has significantly stabilized from what the market was ten years ago and it actually has provided a lot of diversification to fixed income investors. Right now your bond portfolio is pretty much just government bonds and corporate bonds. Adding this as an asset backed bond like mortgages it provides a little bit of diversification.

Robert Senchak asked about Double Line, it's performing well below its' benchmark. Is there any option of looking in a different direction there, Alex said that is part of what the addition of Voya has been. Double Line as well as Baird and Prudential to a lesser extent have been reduced to just add a decent percent, not 10%, but a decent allocation to Voya to get another diversified opinion. We're not quite ready to terminate Double Line yet. A lot of their trending underperformance comes from the last year and a half or so where they have been contrary about falling interest rates. They really did not expect interest rates to fall as much or as fast as they did this year. Now as we enter this place where interest rates will be flat, over time they might steadily go up. We would hope that Double Line would see some recovery, they've been trimmed, they haven't been terminated we're adding move diversity, it's definitely something that is being watched and discussed but right now the position of our committee is we're okay with Double Line. They're a firm that we like very, very much. They have pretty strong governance structure in their investment committee. They run a lot of different strategies but they have this one group making the decisions for all of them. They are very, very talented, they have a lot of research analyst supporting them and we like that. You don't have different parts of the firm holding different viewpoints. They take a position that's it.

We were hovering around \$100 million in the beginning of the month, with paying out benefits it dipped down below to \$99,334,202 you paid an additional \$500,000 in benefits.

Equity markets were up a lot, the plan was up 1.8% for the month. That still generated \$1.78 million investment gain. So you're back up to \$100,570,600. As of the 13th of December the plan continues to grow, it's \$100,821,911. Since October 1st you've actually taken out \$1.75 million. The State contributions and everything, the MMO contribution went in in the Third Quarter. So since then you've only been drawing down but it still continues to grow.

He's sure Mark talked about this last time, their decision to finally add more money back in stocks. Our overweight in domestic and international have both grown, the underweight to fixed has grown and the modest underweight in cash. The last thing he noted, the last page of the book goes over the changes that he talked about today. You can see there the event summary, a, b, c, removing small caps, removing Van Guard International Value and then adding Voya.

John Hazzouri asked if the money that we get from the City by the end of the year, you don't put it all in at once. Alex said the money that they got at the end of last year from the sewer sale so we did not because that was a very significant amount. The money that we got from the municipal and the state contributions he believes that it's typically put in all in one fell swoop. He can't confirm that but again typically if it's less than \$10 million \$5 million of so he doesn't recall what the amount was. Jim Kennedy said he spoke with Rebecca it's going to be \$6.3 million they are planning on depositing it just so you're aware at the end of this week on the 20th. Alex said so this is different than the earlier contribution. Jim said that was the State Aid. You're going to have \$2.1 for police and \$4.2 for fire a total of over \$6.3 million. Alex said that is something that they might breakup into two different chunks. If it were \$3 to \$4 million we might do that in one but when it's over \$5 million, he will talk to his traders. Jim said basically what she said it's Friday, that's his understanding \$6.3 million and change. Alex will take that to his traders today. He appreciated the heads up with the holiday next week.

Robert Senchak said last month he said he knew that we have a reduction in management fees when we hit \$50 million, was there another benchmark at \$100 million benchmark or is there other benchmarks. Alex said Mark mentioned that he did look into it there is not a break at \$100 million and there are no further breaks as the contract is structured. Obviously you guys go out every couple of years we'd love to continue working with you in that process. Mark would negotiate that he doesn't do those things.

Paul Helring... The Police Pension Board spoke about getting a management company for records, downloading, scanning our records, sorting, access for the Boards, folders, categorizing, view online. Nancy Krake actually spear headed this. She spoke to a company called EDM they currently work for the City. This would have to be put out for bid. This guy said he would come in just to give us an idea if it's \$100,000 or \$10,000 Since we all represent all the Boards at the Composite Board Meeting (everyone started asking questions at the same

time I could not follow) Larry said he thinks it would be useful to have someone from each of the Boards meet with them to get an idea, to say what each Board does, what they need, the needs are a little different for each board. Most of what the composite Board does is public, a fair amount of what the other Boards do is not or may not be. To give you a base line idea of here's what we have in terms of records which are from years and years ago. Fire is an antiquated system at best. (Lori asked a question but she spoke low and I couldn't make out what she said) Larry's response was that at this Board we talked and said that it might be useful to have people from the other Boards who deal with this stuff already. It has to be across all four Boards where getting all the records is a challenge.

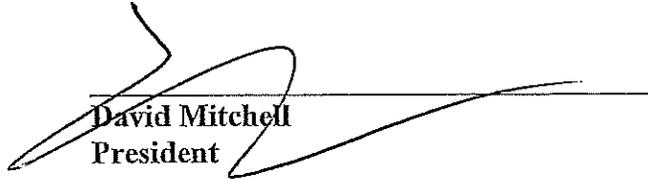
Larry made the recommendation before he thinks it's worth doing. At least getting an idea of what's involved and having a better set. He thinks there should be a work session. It would be an informational meeting. It will have to be put out for bid this is for informational purposes only. Garry said during the RFP process other companies would come in. Larry said as this point he thinks no one would even know how to articulate an RFP. We have to see what's realistic and what's not. (People were talking among themselves) Paul said we should have a work session after the next Composite Pension Board meeting. The Boards will get their people to attend.

Jim Kennedy... Thanked everyone, he wished everyone a happy and safe holiday, it's been a great year. They were preparing the pension for Mrs. Novembrino, he wanted to say they are going to miss her a lot, she was a really nice vital force on the Board and he sure enjoyed the opportunity to work with her.

John Hazzouri... Said he appreciated the great words, it means a lot. John said it's a pleasure being on this Board. Everything is going very smoothly and he wanted to thank PFM for a great job this year. Everything is going really good, he also wanted to thank Larry for everything he does for these Boards. He wished everyone a nice Christmas and good health.

Motion to adjourn made by Paul Helring, seconded by Gary DeStefano, all were in favor.

January 15th is our next Meeting



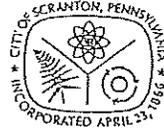
David Mitchell
President



Kathleen McGinn
Recording Secretary

City of Scranton

Pennsylvania



Municipal Pension Fund

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JAN 15 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

NON-UNIFORM MUNICIPAL PENSION

AGENDA

JANUARY 15, 2020

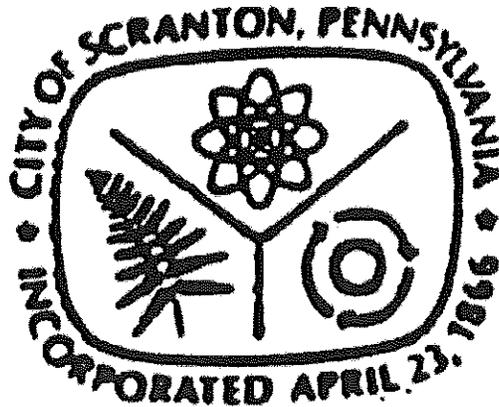
- 1. RECEIVED A PENSION APPLICATION FROM KATHRYN GARVEY, FORMER CITY OF SCRANTON EMPLOYEE WHO RESIGNED ON JANUARY 3, 2020. MRS. GARVEY HAS COMPLETED 20 YEARS OF SERVICE AND IS ELIGIBLE TO COLLECT A PENSION OF \$550.00 PER MONTH.**
- 2. RECEIVED AN INVOICE FROM DURKIN MACDONALD, LLC IN THE AMOUNT OF \$1,044.00 WHICH REPRESENTS SERVICES RENDERED FROM DECEMBER 17, 2019 THROUGH JANUARY 13, 2020.**
- 3. A REFUND OF PENSION CONTRIBUTIONS IS DUE TO FORMER ZONING OFFICER JACK SWEENEY, WHO HAD BEEN EMPLOYED FROM APRIL 2014 TO JULY 2019. MR. SWEENEY HAS CONTRIBUTED A TOTAL OF 63 MONTHS AT \$22.00 PER MONTH AND IS DUE A REFUND OF \$1,386.00.**

CITY OF SCRANTON

PENNSYLVANIA RECEIVED

JAN 15 2020

OFFICE OF CITY
COUNCIL/CITY CLERK



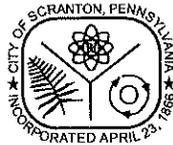
**OFFICE OF THE CITY CONTROLLER
AND BUREAU OF INVESTIGATIONS**

**JOHN J. MURRAY
CITY CONTROLLER**

**CONTROLLER'S REPORT
FOR THE MONTH ENDING
DECEMBER 31, 2019**

City of Scranton
Pennsylvania

John J. Murray
City Controller
Municipal Building
Scranton, Pennsylvania 18503
(570) 3484125



Office of the City Controller
and Bureau of Investigations

January 15, 2020

The Honorable Paige G. Cagnetti
And
The Honorable City Council
Municipal Building
Scranton, Pa 18503

Dear Honorable Mayor and Honorable Council:

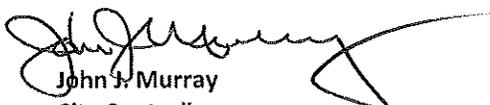
In Accordance with the Home Rule Charter of the City of Scranton, I am hereby submitting the report of the Office of the City Controller for the month of December, 2019.

The first section of this report includes a summary of the General Fund Activities for the month as well as a year to date revenue summary. The second section contains a detailed listing of the purchases in all departments for the period. Both sections are the end result of the review, authoritative approval, and audit procedures applicable to each section. This reflects the Controller's integral part of the internal control environment and the application of those independent audit techniques designed to provide improvement within the system and/or identify irregularities.

Rather than traditional audit reports which outline the results of an examination performed on a particular schedule within the calendar cycle, this department applies audit reviews on a daily, bi-weekly and monthly basis. Audit procedures were applied to the following financial applications which are an integral part of or have a direct impact on this report; all cash receipts flowing through the Treasurer's Office, all bank account reconciliations, Capital Budget reviews, Operating budget review/monthly reconciliation, payroll review and reconciliation, and voucher/requisition order review/authorization. Any item considered reportable would have been detailed later in this report (page 2).

This report is presented for your review. All figures are accurate as of this date but are subject to change due to subsequent postings by the Business Administration Department. Any such posting will be accounted for within the next monthly report from this department.

Sincerely,


John J. Murray
City Controller

**CITY OF SCRANTON
GENERAL FUND EXPENDITURES
MONTH OF DECEMBER 2019**

CODE #	DEPARTMENT	EXPENDITURES
10	Mayor's Office	\$ 11,096.95
11	Public Safety	-
20	City Council	36,693.67
30	Controller	34,444.85
40	Business Administration	503,494.15
41	Bureau of Human Resources	20,753.15
42	Bureau of Information Technology	111,489.92
43	Treasurer	12,739.57
51	Inspections and Licenses	87,926.82
60	Law	19,161.68
71	Police	3,889,874.16
75	Traffic Maintenance	-
78	Fire	6,051,209.50
80	Public Works	306,373.34
81	Engineering	19,790.49
82	Buildings	113,495.30
83	Highways	578,543.17
84	Refuse	584,405.26
85	Garages	196,131.41
90	Single Tax Office	111,442.37
100	Parks and Recreations	82,797.20
TOTAL DEPARTMENTAL:		\$ 12,771,862.96
NON DEPARTMENTAL		
0140	Scranton Plan	\$ -
1000	Boards and Commissions	8,680.00
1100	Utilities	-
1300	Contingency	-
1500	Special Items	4,686,487.50
1600	Unencumbered/Court Awards	27,648.15
1700	Grants and Contributions	216,642.00
1900	Special Items (Non Add)	-
TOTAL NON DEPARTMENTAL:		\$ 4,939,457.65
GRAND TOTAL:		\$ 17,711,320.61

**CITY OF SCRANTON
GENERAL FUND REVENUE REPORT
FOR THE MONTH OF DECEMBER 2019**

CODE #	FUND SOURCE	REVENUES
300	Previous Year Balance	\$ -
301	Real Property Taxes	1,857,179.80
302	Landfill and Refuse Fees	359,565.88
304	Utility Tax	-
305	Non-Resident Tax	-
310	Local Taxes (Act 511)	837,316.82
319	Penalties and Interest (Delinquent Taxes)	20,171.73
320	Licenses and Permits	230,199.83
330	Fines and Forfeitures	-
331	Police Fines and Violations	42,949.57
341	Interest Earnings	4,022.49
342	Rents and Concessions	-
350	Inter-Government-Revenue Reimbursements	2,000.00
359	Local Governments (Payments in Lieu)	2,250.00
360	Departmental Earnings	53,484.30
367	Recreational Departments	2,241.50
380	Cable TV and Miscellaneous Revenue	344.14
392	Interfund Transfers	-
392*	Interfund Transfers (Non Add)	-
394	Tax Anticipation Loan/Note	-
TOTAL		\$ 3,411,726.06
MONTH TO DATE:		
Revenues To December 2019		\$ 103,607,056.92
Expenditures To December 2019		103,390,535.75
NET:		\$ 216,521.17

*Non Add

**CITY OF SCRANTON
DECEMBER 31, 2019
GENERAL FUND REVENUE REPORT
YEAR TO DATE**

CODE #	FUND SOURCE	ESTIMATED	REALIZED	UN-REALIZED
300	Previous Year Balance	\$ -	\$ -	\$ -
301	Real Property Taxes	33,520,050.63	34,868,112.10	(1,348,061.47)
302	Landfill and Refuse Fees	7,267,500.00	7,224,075.30	43,424.70
304	Utility Tax	75,000.00	65,988.73	9,011.27
305	Non-Resident Tax	520,000.00	-	520,000.00
310	Local Taxes (Act 511)	40,692,118.03	36,820,282.57	3,871,835.46
319	Penalties and Interest (Delinquent Taxes)	249,600.00	264,590.53	(14,990.53)
320	Licenses and Permits	1,992,004.00	2,440,441.55	(448,437.55)
330	Fines and Forfeitures	165,100.00	-	165,100.00
331	Police Fines and Violations	182,750.00	574,866.68	(392,116.68)
341	Interest Earnings	150,000.00	313,735.81	(163,735.81)
342	Rents and Concessions	5,000.00	5,000.00	-
350	Inter-Government-Revenue Reimbursements	6,659,966.00	4,341,917.05	2,318,048.95
359	Local Government (Payments in Lieu)	250,000.00	245,337.96	4,662.04
360	Departmental Earnings	267,125.00	301,592.35	(34,467.35)
367	Recreational Departments	45,500.00	38,360.00	7,140.00
380	Cable TV and Miscellaneous Revenues	1,119,200.00	661,206.52	457,993.48
392	Interfund Transfers	4,147,793.00	2,741,549.77	1,406,243.23
392*	Interfund Transfers SSA/SPA	-	-	-
394	Tax Anticipation Loan/Note	12,750,000.00	12,700,000.00	50,000.00
395	Unfunded Pension	-	-	-
396	Capital Budget Reimbursements	-	-	-
TOTALS		\$ 110,058,706.66	\$ 103,607,056.92	\$ 6,451,649.74

PURCHASE ORDER REPORT

MONTH ENDING DECEMBER 31, 2019

ACCOUNT BALANCES AS OF DECEMBER 31, 2019

DEPARTMENT / ACCOUNT OFFICE OF THE MAYOR	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
0101000000 4270 DUES & SUBSCRIPTIONS	21,913.63	0.00		0.00
0101000000 4290 STATIONERY / OFFICE SUPPLIES TULPEHOCKEN MOUNTAIN SPRING WATER	150.00	78.31	13.49	64.82
0101000000 4420 TRAVEL & LODGING	1,000.00	560.00		560.00
DEPARTMENT OF PUBLIC SAFETY				
POLICE BUREAU				
0101100071 4201 PROFESSIONAL SERVICES HR DIRECT	40,000.00	261.85	227.90	33.95
0101100071 4210 SERVICES & MAINTENANCE FEE CINTAS FAS LOCKBOX 636525 LIGHTING SERVICES, INC.	69,000.00	1,048.47	734.85 275.00	38.62
0101100071 4270 DUES & SUBSCRIPTIONS	3,150.00	(26.20)		(26.20)
0101100071 4280 MISCELLANEOUS SERVICES - NON CLASSIFIED ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD KOSKO, MARK PERSONNEL EVALUATION, INC.	2,000.00	153.18	(692.08) 692.08 113.50 20.00	19.68
0101100071 4290 STATIONERY / OFFICE SUPPLIES	2,750.00	209.83		209.83
0101100071 4380 GUNS / AMMUNITION	30,000.00	619.10		619.10
0101100071 4390 MATERIALS / SUPPLIES (MISC) ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD UNITED PUBLIC SAFETY	21,000.00	6.87	(2,563.12) 743.76 1,830.62	(14.39)
0101100071 4420 TRAVEL & LODGING CASTANZO, MICHAEL	4,500.00	1,016.16	113.00	903.16

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL.	ACTIVITY	ENDING BAL.
0101100071 4470 TRAINING & CERTIFICATION	50,000.00	1,814.45		
ENCUMBERED: PREVIOUS PERIOD			(3,000.00)	
ENCUMBERED: CURRENT PERIOD			3,000.00	
NASRO			1,435.00	
SAFE KIDS			55.00	
				<u>324.45</u>
0101100071 4550 CAPITAL EXPENDITURES	275,000.00	96,054.23		
ENCUMBERED: PREVIOUS PERIOD			(248,488.80)	
ENCUMBERED: CURRENT PERIOD			174,687.80	
				<u>169,855.23</u>
0101100071 4570 MAINTENANCE COMMUNICATION EQUIPMENT	7,500.00	2,268.86		
ENCUMBERED: PREVIOUS PERIOD			(968.87)	
ENCUMBERED: CURRENT PERIOD			968.87	
FIDELITY DEPOSIT & DISCOUNT BANK			150.00	
PERSONNEL EVALUATION, INC.			140.00	
				<u>1,978.86</u>
0101100071 6003 SPCA - ANIMAL CONTROL	86,976.00	24,563.88		
DASH MEDICAL GLOVES, INC.			1,077.30	
ONE BEAT CPR LEARNING CENTER, LLC.			304.00	
				<u>23,182.58</u>
FIRE BUREAU:				
0101100078 4201 PROFESSIONAL SERVICES	30,000.00	(0.00)		
0101100078 4210 SERVICE & MAINTENANCE FEE	15,000.00	5,784.90		
BUDGET TRANSFER TO:0101100078 4550			2,000.00	
JALVO, INC.			272.00	
				<u>3,512.90</u>
0101100078 4270 DUES & SUBSCRIPTIONS	1,000.00	146.44		
0101100078 4320 BUILDING REPAIR - SUPPLY MAINTENANCE	15,000.00	5,854.85		
AIR CLEANING SYS. INC.			1,392.00	
GLECO PAINTS, INC.			1,880.86	
HOME DEPOT			584.94	
				<u>2,017.95</u>
0101100078 4390 MATERIALS / SUPPLIES (MISC)	7,250.00	2,890.90		
GLEN SUMMIT SPRINGS WATER			9.15	
LUCAS, ALLEN			15.25	
WITMER ASSOCIATES, INC.			166.00	
				<u>2,700.50</u>

DEPARTMENT / ACCOUNT	2019 BUDGET	BEGINNING BAL	DECEMBER, 2019	
			ACTIVITY	ENDING BAL.
0101100078 4420 TRAVEL & LODGING BUDGET TRANSFER TO:0101100078 4550	3,000.00	1,392.62	1,392.62	0.00
0101100078 4430 AIR PACK / REHAB SUPPLIES	6,000.00	5,505.43		5,505.43
0101100078 4470 TRAINING & CERTIFICATION BUDGET TRANSFER TO:0101100078 4570 DAVIS, JOHN R. DOUGHERTY, MICHAEL S. IRWIN, THOMAS	95,000.00	19,270.59	3,579.50 1,358.56 1,292.00 2,557.24	10,483.29
0101100078 4550 CAPITAL EXPENDITURES BUDGET TRANSFER FROM:0101100078078 4420 BUDGET TRANSFER FROM:0101100078078 4210 ENCUMBERED: PREVIOUS PERIOD FIRST CHOICE FIRE APPARATUS, LLC	853,000.00	17,520.05	(1,392.62) (2,000.00) (272,687.40) 292,010.40	1,589.67
0101100078 4570 MAINTENANCE COMMUNICATION EQUIPMENT BUDGET TRANSFER FROM:0101100078078 4470	4,250.00	623.50	(3,579.50)	4,203.00
0101100078 4575 MAINTENANCE-EQUIPMENT	1,000.00	1,000.00		1,000.00
0101100078 4580 GENERAL EQUIPMENT LUCAS, ALLEN REEVE'S RENT-A-JOHN, INC.	65,000.00	7,073.08	9.52 94.50	6,969.06
OFFICE OF THE CITY CLERK / CITY COUNCIL				
0102000000 4201 PROFESSIONAL SERVICES BUDGET TRANSFER TO:01002000000 4290 EDM AMERICAS INC. KOHANSKI & CO PC MCCOOL, MARIA	59,000.00	21,871.59	3.57 191.65 5,000.00 69.00	16,607.37
0102000000 4210 SERVICES & MAINTENANCE FEE	15,000.00	1,755.03		1,755.03
0102000000 4230 PRINTING & BINDING	6,250.00	2,321.67		2,321.67
0102000000 4250 ADVERTISING SCRANTON TIMES	31,500.00	11,425.55	4,637.29	6,788.26
0102000000 4290 STATIONERY / OFFICE SUPPLIES BUDGET TRANSFER FROM:01002000000 4201 GLEN SUMMIT SPRINGS WATER	500.00	1.93	(3.57) 5.50	0.00

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019			
		BEGINNING BAL	ACTIVITY	ENDING BAL.	
CITY CONTROLLER					
0103000000 4201 PROFESSIONAL SERVICES	40,000.00	28,000.00		28,000.00	
0103000000 4230 PRINTING AND BINDING	1,000.00	200.00		200.00	
0103000000 4240 POSTAGE & FREIGHT	100.00	8.00		8.00	
0103000000 4270 DUES & SUBSCRIPTIONS	700.00	481.60		481.60	
0103000000 4290 STATIONERY / OFFICE SUPPLIES GLEN SUMMIT SPRINGS WATER	500.00	423.08	27.15	395.93	
0103000000 4420 TRAVEL AND LODGING	500.00	500.00		500.00	
BUSINESS ADMINISTRATION DEPARTMENT					
0104000040 4201 PROFESSIONAL SERVICES BUDGET TRANSFER TO:0104000040 4290 HERBERT ROWLAND & GRUBIC, INC. JOYCE HATALA ASSOCIATES KRAKE, NANCY KS ENGINEERS PC MCLANE, THOMAS J. RAINEY & RAINEY CPAS REUTHER & BOWEN PC S & P GLOBAL MARKETS INTELLIGENCE TURNKEY TAXES	500,000.00	153,967.83	4,000.00 4,046.70 550.00 25.50 13,769.07 1,190.00 1,002.50 12,570.00 91.00 1,000.00		115,723.06
0104000040 4210 SERVICES & MAINTENANCE FEE	1,750.00	1,725.00		1,725.00	
0104000040 4230 PRINTING & BINDING	1,500.00	1,500.00		1,500.00	
0104000040 4240 POSTAGE & FREIGHT POSTAGE REFILL (11/27/19) POSTAGE REFILL SEWER AUTHORITY	34,000.00	(3,116.35)	15,000.00 15,000.00 (17.00)	(33,095.35)	
0104000040 4250 ADVERTISING	22,500.00	451.50		451.50	

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL.	ACTIVITY	ENDING BAL.
0104000040 4270 DUES & SUBSCRIPTIONS	1,000.00	40.00		40.00
0104000040 4290 STATIONERY / OFFICE SUPPLIES	12,750.00	1,063.87	(4,000.00)	
BUDGET TRANSFER FROM:0104000040 4201			(834.28)	
ENCUMBERED: PREVIOUS PERIOD			663.86	
ENCUMBERED: CURRENT PERIOD			690.96	
DIVERSIFIED BUSINESS FORMS, INC.			3,286.21	
PHILLIPS SUPPLY CO.			257.40	
STAPLES BUSINESS ADVANTAGE			100.00	
TIERNEY'S OFFICE PRODUCTS				900.72
0104000040 4390 MATERIALS / SUPPLIES (MISC)	600.00	219.92	11.55	
GLEN SUMMIT SPRINGS WATER				208.37
0104000040 4420 TRAVEL & LODGING	2,500.00	409.35		409.35
0104000040 4470 TRAINING & CERTIFICATION PAPERS	2,000.00	1,607.65	125.00	1,482.65
0104000040 4480 SELF INSURANCE	110,000.00	89,066.00		89,066.00
0104000040 6009 OPERATING TRANSFERS - WORKERS' COMP	3,300,718.00	1,499,118.00		1,499,118.00
0104000040 6024 BANK FEES AND CHARGES	11,000.00	9,964.39		9,964.39
HUMAN RESOURCES:				
0104000041 4201 PROFESSIONAL SERVICES	170,000.00	47,875.56	155.58	
CONCORDE, INC.			386.14	
P & A GROUP ADMIN SERVICE			4,327.00	
WE PAY PAYROLL PROCESSING				43,006.84
0104000041 4290 STATIONERY / OFFICE SUPPLIES	1,000.00	946.23		946.23
0104000041 4390 MATERIALS / SUPPLIES (MISC)	500.00	82.65	11.55	
GLEN SUMMIT SPRINGS WATER				71.10
0104000041 4420 TRAVEL & LODGING	2,000.00	1,829.80		1,829.80

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
0104000041 4470 TRAINING & CERTIFICATION	5,000.00	4,624.80		4,624.80
0104000041 4630 LIABILITY / CASUALTY INSURANCE	1,175,000.00	119,892.91		119,892.91
0104000041 6006 PERSONNEL COST ADJUSTMENT	7,500.00	1,856.73		1,856.73
INFORMATION TECHNOLOGY:				
0104000042 4201 PROFESSIONAL SERVICES ACCOUNT CORRECTION	150,000.00	68,434.36	6,482.50 4,047.05 1,116.93 414.40 1,206.00 9,000.00 12,486.91	33,678.57
0104000042 4210 SERVICES & MAINTENANCE FEE BUDGET TRANSFER TO:01040000042 4440 CDW GOVERNMENT, INC.	100,000.00	75,067.00	6,762.59 32,380.00	35,924.41
0104000042 4270 DUES AND SUBSCRIPTIONS	500.00	500.00		500.00
0104000042 4290 STATIONARY / OFFICE SUPPLIES BUDGET TRANSFER TO:01040000042 4440	1,000.00	381.56	94.64	286.92
0104000042 4390 MATERIALS / SUPPLIES (MISC)	75,000.00	(0.00)		(0.00)
0104000042 4420 TRAVEL AND LODGING BUDGET TRANSFER TO:01040000042 4440	1,000.00	1,000.00	336.25	663.75
0104000042 4440 TELEPHONE BUDGET TRANSFER FROM:01040000042 4290 BUDGET TRANSFER FROM:01040000042 4470 BUDGET TRANSFER FROM:01040000042 4210 BUDGET TRANSFER FROM:01040000042 4420 COMCAST FRONTIER COMMUNICATIONS VERIZON	200,000.00	(0.00)	(94.64) (7,500.00) (6,762.59) (336.25) 6,829.04 7,448.35 334.30	81.79

DEPARTMENT / ACCOUNT	2019 BUDGET	BEGINNING BAL	DECEMBER, 2019	
			ACTIVITY	ENDING BAL
0104000042 4470 TRAINING & CERTIFICATION BUDGET TRANSFER TO:01040000042 4440	35,000.00	26,473.83	7,500.00	18,973.83
0104000042 4550 CAPITAL EXPENDITURES ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD CDW GOVERNMENT, INC. CSI	455,000.00	46,074.96	(5,353.05) 516.05 1,060.00 4,837.00	45,014.96
0104000042 4560 EQUIPMENT MAINTENANCE / LEASES	94,000.00	33,005.20		33,005.20
TREASURY:				
0104000043 4201 PROFESSIONAL SERVICES	13,000.00	13,000.00		13,000.00
0104000043 4390 MATERIALS / SUPPLIES (MISC) PITNEY BOWES GLOBAL	15,000.00	5,872.33	751.35	5,120.98
0104000043 6000 TAX & MISCELLANEOUS REFUNDS	5,000.00	5,000.00		5,000.00
0104000043 6001 TAX COLLECTION COMMITTEE EXPENSE	500.00	500.00		500.00
BUREAU OF LICENSES, INSPECTIONS & PERMITS LICENSE, INSPECTIONS & PERMITS:				
0105100051 4201 PROFESSIONAL SERVICES BUDGET TRANSFER TO:0105100082 4320 BUDGET TRANSFER TO:0105100082 4320 BUDGET TRANSFER TO:0105100082 4320 BUDGET TRANSFER TO:0105100082 4450 BUDGET TRANSFER TO:0105100082 4320	50,000.00	27,236.56	2,087.40 5,365.45 1,806.91 13,390.00 4,586.80	0.00
0105100051 4290 STATIONERY / OFFICE SUPPLIES	500.00	387.10		387.10
0105100051 4390 MATERIALS / SUPPLIES (MISC)	500.00	500.00		500.00
0105100051 4420 TRAVEL AND LODGING	1,000.00	1,000.00		1,000.00
0105100051 4470 TRAINING & CERTIFICATION	1,000.00	1,000.00		1,000.00

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL.	ACTIVITY	ENDING BAL.
0105100051 4550 CAPITAL EXPENDITURES BUDGET TRANSFER TO:0105100082 4320	20,000.00	9,274.09	6,813.10	2,460.99
0105100051 4570 MAINTENANCE COMMUNICATION EQUIPMENT	500.00	500.00		500.00
0105100051 4590 BUILDING DEMOLITION DATOM PRODUCTS, INC.	150,000.00	116,350.00	810.00	115,540.00
BUREAU OF BUILDINGS:				
0105100082 4201 PROFESSIONAL SERVICES BUDGET TRANSFER TO:0105100082 4320	5,000.00	3,700.00	3,700.00	0.00
0105100082 4320 BUILDING REPAIR - SUPPLY MAINTENANCE BUDGET TRANSFER FROM:0105100051 4201 BUDGET TRANSFER FROM:0105100051 4201 BUDGET TRANSFER FROM:0105100051 4201 BUDGET TRANSFER FROM:0105100051 4201 AMERICAN JANITOR BURKE, MICHAEL C & C CLEANING SERVICES CINTAS CORPORATION EASTERN PENN SUPPLY COMPANY FRIEDMAN ELECTRIC SUPPLY GERALD SMURL GLECO PAINTS, INC INTEGRITEC, INC. J. C. EHRlich CO. KELLY JR, JOHN J. PICA'S GARAGE DOOR SALES & SERVICE SIEMENS INDUSTRY, INC. TORBIK SAFE & LOCK, INC. URBAN ELECTRICAL CONTRACTORS, INC.	150,000.00	4,993.88	(2,087.40) (5,365.45) (1,806.91) (15,099.90) 1,442.42 2,408.00 2,795.00 385.28 814.48 162.45 760.00 29.92 1,900.00 360.00 2,595.00 1,660.00 12,483.00 541.00 1,016.99	(0.00)
0105100082 4447 UGI - GAS DIRECT ENERGY BUSINESS UGI NORTH	135,000.00	58,323.26	2,703.71 7,360.95	48,258.60
0105100082 4448 PAWC - WATER PENNSYLVANIA AMERICAN WATER CO.	475,000.00	35,802.42	27,286.77	8,515.65

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
0105100082 4450 ELECTRICAL BUDGET TRANSFER FROM:0105100051 4201 PPL ELECTRIC UTILITIES	135,000.00	1,320.63	(13,390.00) 14,710.63	0.00
0105100082 4465 BUILDING SUPPLIES	1,000.00	1,000.00		1,000.00
LAW DEPARTMENT:				
0106000000 4201 PROFESSIONAL SERVICES	255,000.00	154,011.98		154,011.98
0106000000 4210 SERVICES AND MAINTENANCE FEE	2,000.00	2,000.00		2,000.00
0106000000 4270 DUES & SUBSCRIPTIONS	3,000.00	2,311.00		2,311.00
0106000000 4290 STATIONERY / OFFICE SUPPLIES	500.00	260.87		260.87
0106000000 4390 MATERIALS / SUPPLIES (MISC)	500.00	331.02		331.02
0106000000 4420 TRAVEL & LODGING	3,500.00	3,500.00		3,500.00
0106000000 4470 TRAINING & CERTIFICATION	3,500.00	3,201.00		3,201.00
DEPARTMENT OF PUBLIC WORKS ADMINISTRATION BUREAU:				
0108000080 4201 PROFESSIONAL SERVICES	10,000.00	9,813.40		9,813.40
0108000080 4210 SERVICES & MAINTENANCE FEE PA ONE CALL SYSTEM, INC.	2,040.00	690.24	52.34	637.90
0108000080 4420 TRAVEL AND LODGING	500.00	500.00		500.00
0108000080 4550 CAPITAL EXPENDITURES BUDGET TRANSFER TO:0108000080 4570	10,000.00	10,000.00	2,482.00	7,518.00

DEPARTMENT / ACCOUNT	2019 BUDGET	BEGINNING BAL	DECEMBER, 2019	
			ACTIVITY	ENDING BAL.
0108000080 4570 MAINTENANCE COMMUNICATION EQUIPMENT BUDGET TRANSFER FROM:0108000080 4550 INDUSTRIAL ELECTRONICS, INC.	16,500.00	698.68	(2,482.00) 1,590.00	1,590.68
0108000080 4576 MAINTENANCE SUPER FUND SIGHT	13,000.00	6,705.00		6,705.00
0108000080 6007 FLOOD PROTECTION SYSTEM MAINTENANCE BUDGET TRANSFER TO:0108000084 4490 ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD NORTH END ELECTRIC	1,973,900.00	1,460,246.86	120,350.00 (15,450.00) 15,450.00 789.02	1,339,127.84
ENGINEERING BUREAU:				
0108000081 4201 PROFESSIONAL SERVICES	69,500.00	6,500.00		6,500.00
0108000081 4210 SERVICES & MAINTENANCE FEE	500.00	500.00		500.00
0108000081 4290 STATIONERY / OFFICE SUPPLIES	100.00	100.00		100.00
0108000081 4390 MATERIALS / SUPPLIES (MISC)	250.00	202.50		202.50
0108000081 4470 TRAINING & CERTIFICATION	1,000.00	910.00		910.00
HIGHWAYS BUREAU:				
0108000083 4260 RENTAL VEHICLES & EQUIPMENT ENCUMBERED: PREVIOUS PERIOD BUDGET TRANSFER TO:0108000085 4301 SUNBELT RENTALS	300,000.00	48,344.22	(711.20) 40,000.00 711.20	8,344.22
0108000083 4340 CONSTRUCTION - PAVING MATERIAL	150,000.00	55,888.49		55,888.49
0108000083 4350 PAINT / SIGN MATERIAL ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD BRADCO SUPPLY CO. LEE ELECTRIC SUPPLY CO., INC. REED GENE S & S TOOLS & SUPPLIES	25,000.00	11,842.96	(365.62) 4,436.93 271.12 94.50 179.25 63.75	7,163.03

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL.	ACTIVITY	ENDING BAL.
0108000083 4357 PARKS AND RECREATION SUPPLIES	37,600.00	37,600.00		37,600.00
0108000083 4390 MATERIALS / SUPPLIES (MISC)	37,500.00	2,184.98	(1,008.39)	
ENCUMBERED: PREVIOUS PERIOD			1,715.20	
ENCUMBERED: CURRENT PERIOD			148.26	
JENKINS, CHRISTOPHER			774.20	
LEE ELECTRIC SUPPLY CO., INC.			148.50	
PUGLIESE, ROBERT			14.99	
S & S TOOLS & SUPPLIES				392.22
0108000083 4410 SALT	425,000.00	84,474.15	57,474.52	26,999.63
ENCUMBERED: CURRENT PERIOD				
0108000083 4460 STREET LIGHTING	200,000.00	16,292.91	14,679.10	1,613.81
PPL ELECTRIC UTILITIES				
0108000083 4466 STREET LIGHTING SERVICE / MAINTENANCE	60,000.00	27,782.76	(4,000.00)	
BUDGET TRANSFER FROM:0108000083 4550			26,281.60	
A & M ELECTRICAL CONSTRUCTION, INC.			1,720.00	
URBAN ELECTRICAL CONTRACTORS, INC.				3,801.16
0108000083 4467 TRAFFIC SIGNAL ELECTRICITY	90,000.00	21,547.68	7,015.49	14,532.19
PPL ELECTRIC UTILITIES				
0108000083 4550 CAPITAL EXPENDITURES	450,000.00	241,431.40	4,000.00	
BUDGET TRANSFER TO:0108000083 4466			26,865.34	
KOVATCH FORD, INC.				210,626.06
0108000083 4551 ROADWAY RESURFACING PROGRAM	875,000.00	(30,566.98)		(30,566.98)
REFUSE BUREAU:				
0108000084 4390 MATERIALS / SUPPLIES (MISC)	1,000.00	340.15		340.15
0108000084 4420 TRAVEL AND LODGING	1,000.00	948.80		948.80
0108000084 4490 LANDFILL	1,300,000.00	44,148.18	(120,350.00)	
BUDGET TRANSFER FROM:0108000080 6007			102,080.17	
KEYSTONE SANITARY LANDFILL				62,418.01

DEPARTMENT / ACCOUNT	2019 BUDGET	BEGINNING BAL.	DECEMBER, 2019	
			ACTIVITY	ENDING BAL.
0108000084 4550 CAPITAL EXPENDITURES TRIPLE CITIES ACQUISITIONS, LLC	225,000.00	225,000.00	215,517.00	9,483.00
0108000084 4555 RECYCLING	175,000.00	175,000.00		175,000.00
GARAGES BUREAU:				
0108000085 4220 CONTRACTED SERVICES CINTAS FAS LOCKBOX 636625	2,500.00	824.61	439.39	385.22
0108000085 4301 GAS, OIL, LUBRICANTS BUDGET TRANSFER FROM:0108000083 4260 COMMONWEALTH OF PENNSYLVANIA D. G. NICHOLAS CO. DENAPLES AUTO PARTS PAPCO WEX BANK	340,000.00	28,077.59	(40,000.00) 825.00 1,081.71 43.00 16,289.25 18,242.08	31,596.55
0108000085 4310 EQUIPMENT/VEHICLE REPAIR/MAINTENANCE ENCUMBERED: PREVIOUS PERIOD ENCUMBERED: CURRENT PERIOD A.I.T. AUTOMOTIVE AIR BRAKE & EQUIPMENT CO., INC. ARM OPCO, INC. C. G. CUSTOM TRUCKS D. G. NICHOLAS CO. DAILEY RESOURCES DAVE'S AUTO IGNITION DENAPLES AUTO PARTS EAGLE TRUCK EQUIPMENT, INC. ELECTRO BATTERY EPSCO FARGIONE AUTO SERVICE FEZUK'S AUTO FLEET PRIDE FRP FIRE & RESCUE PRODUCTS JACKS CYCLE & SERVICE JOHN SIGNS KME FIRE APPARATUS KOST TIRE & AUTO SERVICE MARTIN G. SHULDE DBA LEROY'S AUTO REPAIRS MAUS AUTOMOTIVE CENTER NORTHEAST HYDRAULICS POWELL'S SALES & SERVICE S & S TOOLS & SUPPLIES TRIPLE CITIES ACQUISITIONS, LLC	325,000.00	65,135.13	(7,229.78) 779.03 2,165.55 1,582.46 1,200.00 942.82 1,368.42 220.00 150.00 8,749.50 275.28 1,075.00 80.66 150.00 1,800.00 65.11 75.71 106.69 150.00 1,240.71 182.00 400.00 5,833.51 406.83 529.00 16.48 597.82	42,223.33

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019	
		BEGINNING BAL	ENDING BAL
0108000085 4360 SMALL TOOLS / SHOP SUPPLIES	6,500.00	5,148.33	
ENCUMBERED: PREVIOUS PERIOD			(43.00)
ENCUMBERED: CURRENT PERIOD			323.12
A.I.T. AUTOMOTIVE			154.85
WILLIAMS INDUSTRIAL SUPPLY			43.00
			<u>4,670.36</u>
0108000085 4390 MATERIALS / SUPPLIES (MISC)	49,500.00	7,392.03	
ENCUMBERED: PREVIOUS PERIOD			(785.95)
ENCUMBERED: CURRENT PERIOD			504.87
C. G. CUSTOM TRUCKS			980.69
D. G. NICHOLAS CO			660.12
FASTENAL COMPANY			127.43
GRAINGER			461.48
POWELL'S SALES & SERVICE			155.80
TRIPLE CITIES ACQUISITIONS, LLC			325.08
WILLIAMS INDUSTRIAL SUPPLY			210.00
			<u>4,752.51</u>
0108000085 4401 TIRES	109,500.00	33,994.57	
ENCUMBERED: PREVIOUS PERIOD			(4,602.69)
ENCUMBERED: CURRENT PERIOD			203.35
KOST TIRE & AUTO SERVICE			17,670.81
STEVE SHANNON TIRE CO., INC.			500.00
			<u>20,223.10</u>
0108000085 4420 TRAVEL AND LODGING	500.00	500.00	
			<u>500.00</u>
0108000085 4550 CAPITAL EXPENDITURES	70,000.00	9,928.16	
			<u>9,928.16</u>
0108000085 4901 MAINTENANCE (PREVENTATIVE)	7,500.00	2,100.93	
			<u>2,100.93</u>

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
PARKS & RECREATION DEPARTMENT				
0110000000 4280 MISC SERVICES - NON CLASSIFIED	5,000.00	5.63		5.63
0110000000 4290 STATIONERY / OFFICE SUPPLIES	500.00	344.26		344.26
0110000000 4320 BUILDING REPAIR - SUPPLY MAINTENANCE	15,000.00	0.00		0.00
0110000000 4330 MEDICAL, CHEMICAL, LAB SUPPLIES MAIN POOL & CHEMICAL CO.	20,000.00	14,221.37	649.00	13,572.37
0110000000 4360 SMALL TOOLS / SHOP SUPPLIES	500.00	14.81		14.81
0110000000 4370 PARKS & RECREATION SUPPLIES CINTAS FAS LOCKBOX 636925 F & S SUPPLY COMPANY, INC. JUDGE LUMBER COMPANY KITLAS, MARYANN NORTH END ELECTRIC S & S TOOLS & SUPPLIES	11,000.00	24,352.69	(285.09) 6,500.00 121.70 42.11 581.00 542.77	16,850.20
0110000000 4420 TRAVEL AND LODGING	750.00	(0.00)		(0.00)
0110000000 4530 PERFORMING ARTS	20,000.00	4,625.00		4,625.00
0110000000 4540 SPRING / SUMMER PROGRAMS	3,000.00	1,171.00		1,171.00
0110000000 4550 CAPITAL EXPENDITURES KEYSTONE CONTAINER SERVICE INC.	875,000.00	188,405.47	270.00	188,135.47
NON-DEPARTMENTAL EXPENDITURES				
0140110030 4299 ZONING BOARD	25,000.00	997.60		997.60
0140110060 4299 EVERHART MUSEUM	29,000.00	0.02		0.02
0140110075 4299 SCRANTON PLAN	150,000.00	0.00		0.00

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		ENDING BAL.
		BEGINNING BAL	ACTIVITY	
0140110080 4299 SCRANTON TOMORROW	225,000.00	0.00		0.00
0140110110 4299 SHADE TREE COMMISSION	200,000.00	(41.98)		(41.98)
0140110120 4299 ST. CATS AND DOGS BUDGET TRANSFER FROM:01040117100 4299 ST CATS & DOGS, INC.	10,000.00	2,020.00	(6,660.00) 8,680.00	0.00
0140110130 4299 MAYOR'S 504 TASK FORCE	1,000.00	1,000.00		1,000.00
0140110140 4299 CIVIL SERVICE COMMISSION	25,000.00	1,735.50		1,735.50
0140110150 4299 HUMAN RELATIONS COMMISSION	1,000.00	1,000.00		1,000.00
0140110155 4299 LHVA TRAIL MAINTENANCE	24,000.00	13,500.00		13,500.00
0140115230 4299 TAN SERIES	12,750,000.00	405,864.09		405,864.09
0140115240 4299 TAN SERIES INTEREST	465,375.00	465,375.00		465,375.00
0140115310 4299 OPER TSF TO DBT SVC - STREET LIGHTING	525,000.00	100,000.00		100,000.00
0140115320 4299 OPER TSF TO DBT SVC - GUARANTEED ENERGY SAVINGS	144,997.96	0.00		0.00
0140115324 4299 OPER TSF TO DBT SVC - FDM REVOLVING AID LN	100,000.00	0.00		0.00
0140115328 4299 OPER TSF 2016 REDEVELOPMENT AUTH SERIES AA	883,725.00	734,362.50		734,362.50
0140115329 4299 OPER TSF TO DBT SVC - LEASE OF REFUSE PACKERS	218,147.96	0.00		0.00
0140115330 4299 OPER TSF TO DBT SVC - LEASE OF KME ENGINE	49,849.00	0.00		0.00

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
0140115331 4299 OPER TSF TO DBT SVC - 2019 GO BONDS BLDG	1,000.00	1,000.00		1,000.00
0140115332 4299 OPER TSF TO DBT SVC - SERIES 2017 GENERAL OBLIGATION REFUNDING	3,231,000.00	0.00		0.00
0140115333 4299 OPER TSF TO DBT SVC - 2018 TAXABLE SERIES	1,208,252.22	695,664.43		695,664.43
0140115334 4299 OPER TSF TO DBT SVC - LEASE OF JOHN DEERE WHEEL LOADER	25,851.02	0.00		0.00
0140115335 4299 OPER TSF TO DBT SVC - LEASE OF LAW ENFORCEMENT MGMT SYSTEM	219,557.60	0.00		0.00
0140115337 4299 OPER TSF TO DBT SVC - ESCO LEASE BUILDING	100,000.00	9,812.13		9,812.13
0140115338 4299 OPER TSF TO DBT SVC - 2016 RED AUTH SERIES A	3,614,000.00	2,892,000.00		2,892,000.00
0140115339 4299 OPER TSF TO DBT SVC - 2016 GENL. OBL. NOTES	1,875,250.00	1,060,125.00		1,060,125.00
0140115340 4299 OPER TSF TO DBT SVC - 2016 LEASE FORD TRKS	53,925.94	0.00		0.00
0140115341 4299 OPER TSF TO DBT SVC - PIB LOAN	244,811.66	0.00		0.00
0140115342 4299 OPER TSF TO DBT SVC - LEASE STREET LIGHTING	421,476.00	0.00		0.00
0140115343 4299 2018 ARIEL PLATFORM TRUCK LEASE	102,156.57	0.00		0.00
0140113090 4299 CONTINGENCY	596,904.82	596,904.82		596,904.82
0140113100 4299 OECD CONTINGENCY MONEY NOT REC FROM OECD	150,000.00	(11,303.54)	2,137.06	(13,440.60)
0140116090 4299 UNENCUMBERED EXPENSES PRIOR YEAR OBLIG. REUTHER & BOWEN PC	375,000.00	126,283.58	11,663.80	114,619.78

DEPARTMENT / ACCOUNT	2019 BUDGET	DECEMBER, 2019		
		BEGINNING BAL	ACTIVITY	ENDING BAL.
0140116270 4299 COURT AWARDS CAPUTO AND MARIOTTI, PC HAGGERTY HINTON & COSGROVE, LLC	725,000.00	367,160.75	12,500.00 3,484.35	<u>351,176.40</u>
0140117020 4299 VETERAN'S ORGANIZATION	50,000.00	0.00		<u>0.00</u>
0140117040 4299 OPEB TRUST FUND	100,000.00	100,000.00		<u>100,000.00</u>
0140117060 4299 TRIPP PARK COMMUNITY CENTER	1,000.00	0.00		<u>0.00</u>
0140117080 4299 TARGETED EXPENSES - REVENUE PASS THROUGH ACCOUNT	275,000.00	275,000.00		<u>275,000.00</u>
0140117100 4299 GRANT MATCH BUDGET TRANSFER TO:01040110120 4299 TRIPLE CITIES ACQUISITIONS, LLC	860,499.00	366,404.54	6,660.00 215,517.00	<u>144,227.54</u>

TAX ASSESSOR'S REPORT

Hearing Date: 01/15/20

Time	Name	Boro/Twp.	Pin Number	Attorney	Proposed/Current Assessed Value	After Appeal Value
10:00 AM	OHARA JAMES T JR	SPRINGBROOK	19703020034		26360	24360
10:10 AM	PEARCE JASON J & CHARLENE K	ROARING BROOK	1700101001183		40000	32350
10:20 AM	FULLER ADAM R & MARGUERITE I	MADISON TWP	20001010006		54214	42274
10:30 AM	PIONEER CONSTRUCTION CO INC	JEFFERSON TWP	1490205000142		46500	32200
10:40 AM	FELSMAN DEREK & ALEXIS	JEFFERSON TWP	1490205000143		10000	9000
10:50 AM	GAUGHAN TIMOTHY & TAMMY	MOOSIC	1850102001121		43500	32000
11:10 AM	ROSSI ANTHONY V & KAREN	ARCHBALD	1040601000194	GREGORY PASCALE	9400	7500
11:20 AM	MATOS RITA ANN	ARCHBALD	09402050032		45000	32000
11:30 AM	SANTARELLI FRANK A&CHRISTINE	ARCHBALD	1040601000188		53600	33600
11:40 AM	BRENNAN JAMES	FELL	0150401000505	WALTER CASPER	23750	23750
11:50 AM	GAUGHAN SHERYL & PHILIP A	GREENFIELD TWP	0140302000201	WALTER CASPER	7000	7000
12:00 PM	CARUSO JOHN & DIANE	JEFFERSON	14003030012		6400	5492
12:10 PM	JENKINS ROBERT C	BENTON	02802010019		28750	20111
TOTAL RECORDS					13	

Linda Crofton 5709636385

RECEIVED

JAN 16 2020

OFFICE OF CITY COUNCIL/CITY CLERK

(02/02) 01/16/2020 12:19:19 PM



CITY PLANNING COMMISSION

CITY HALL : 340 NORTH WASHINGTON AVENUE : SCRANTON, PENNSYLVANIA 18503 : PHONE 570-348-4280 : FAX 570-348-4171

CITY PLANNING COMMISSION
January 22, 2020
6:00 PM

RECEIVED
JAN 16 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

Meeting Location
City Council Chambers 2nd Floor
City Hall
340 N. Washington Ave.
Scranton, PA

OLD BUSINESS:

1.

NEW BUSINESS:

1. Review of Final Land Development plans by May Brands, LLC to develop a 4920 sq. ft. Major Convenience Store (Convenience Store, Dunkin Donuts and 5 fuel pumps) at 1200 N Keyser Ave. (N Keyser and Loop St.)

RESOLUTION NO. _____

2020

RATIFYING AND APPROVING THE FEE AGREEMENT FOR LEGAL SERVICES FROM THE LAW FIRM STEVENS & LEE ON BEHALF OF THE CITY OF SCRANTON IN THE MATTER OF ST. FLEUR, ET AL. V. CITY OF SCRANTON, ET AL. (LACKAWANNA COUNTY COURT OF COMMON PLEAS DOCKET NO. 2017-CV-1403).

WHEREAS, the City is seeking legal representation in an appeal to the Pennsylvania Commonwealth Court from the December 16, 2019 ruling made by the Court of Common of Lackawanna County ("Action") the matter of St. Fleur, et al. v. City of Scranton, et al. Lackawanna County Court of Common Pleas Docket No. 2017-CV-1403.; and

WHEREAS, the Court's ruling in this matter would significantly adversely impact the financial stability of the City if no appeal is pursued; and

WHEREAS, the City of Scranton and Stevens & Lee wish to enter into the Fee Agreement and attached General Provisions setting forth additional terms and conditions of the Agreement attached hereto as Exhibit "A" and incorporated herein as if set forth in length.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Fee Agreement and attached General Provisions for legal services from Stevens & Lee on behalf of the City of Scranton in this appeal are hereby ratified and approved.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

STEVENS & LEE
LAWYERS & CONSULTANTS

425 Spruce Street
Suite 300
Scranton, PA 18503
(570) 343-1827 Fax (570) 343-1892
www.stevenslee.com

DIRECT DIAL: (570) 969-5362
Email: mjpg@stevenslee.com
Direct Fax: (610) 988-0866

January 13, 2020

ATT: Jessica Eskra, Esq., Solicitor

City of Scranton
340 North Washington Avenue
Scranton, PA 18503

Re: City of Scranton Tax Action

Dear Jessica:

Introduction

This letter sets forth the terms and conditions upon which Stevens & Lee will perform legal services for the City of Scranton ("Scranton") in connection with the matter discussed below. The Rules of Professional Conduct for our attorneys require that we enter into a written agreement describing the basis upon which Scranton will be charged for professional services performed by our firm.

Thank you for engaging Stevens & Lee to represent Scranton, and we look forward to working with you.

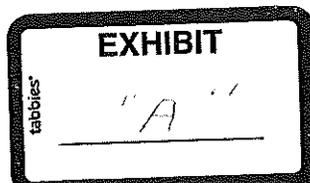
Scope of Engagement

Our understanding is that you wish to engage us to represent Scranton in connection with an appeal to the Pennsylvania Commonwealth Court from a December 16, 2019 ruling made by the Court of Common Pleas of Lackawanna County ("Action") and any resulting litigation. We will provide such other related appellate services as are reasonably related to the above at your direction.

You acknowledge that we are not Scranton's solicitor and that our acceptance of this engagement does not involve an undertaking to represent Scranton or its interests in any matter other than as described above. Furthermore, you acknowledge that our representation does not

Allentown • Bala Cynwyd • Charleston • Cleveland • Fort Lauderdale • Harrisburg • Lancaster • New York
Philadelphia • Princeton • Reading • Rochester • Scranton • Valley Forge • Wilkes-Barre • Wilmington
A PROFESSIONAL CORPORATION

SL1 1623213v1 000000.00000



STEVENS & LEE
LAWYERS & CONSULTANTS

Jessica Eskra, Esq., Solicitor
January 13, 2020
Page 2

entail a continuing obligation to advise Scranton concerning subsequent legal developments that might have a bearing on its affairs generally or, after the completion of the matter as to which we are representing it, subsequent legal developments related to, or that might have a bearing on, that matter.

Fees, Disbursements and Other Expenses - Staffing

Legal work varies greatly. Although we are often engaged by our clients to perform specific and limited tasks, our primary role as legal advisors is to offer our knowledge, experience and independent judgment. Recognizing this, our focus in charging for services is to arrive at a fee that is fair and appropriate considering all of the circumstances.

Among the factors that we consider in establishing a fee are the following: the time (measured in tenths of an hour) devoted to a particular matter and the lawyers and paralegals who worked on that matter; the nature and complexity of the work performed; the expertise required to perform that work; the novelty and difficulty of the issues presented; the extent to which the urgency of the matter preempted other work; the extent to which the matter required special allocation of firm resources and staff overtime; the result obtained; and the amount typically charged by comparable firms for the same or similar work.

We have discussed with you our firm's standard rates for various types of work and advised that these rates are reviewed and adjusted periodically to reflect increased experience and special expertise of the professionals and the inflationary cost increases affecting our profession. For this matter, Stevens & Lee will consult with you about assignment of this matter to professionals with the subject matter expertise necessary to properly represent Scranton in the Action. We have agreed to discount our standard hourly rates substantially, with shareholders and senior professionals billed at an hourly rate of \$390 and associates and junior professionals billed at an hourly rate of \$250. Paralegal time will be billed at a rate of \$150 per hour. I will serve as the relationship partner for this assignment and consult with you about the mix of professionals who will be assigned to work on Scranton's behalf. They will include one or more attorneys from each of the following practice groups: litigation, appellate, state and local tax and municipal. Our rates will not increase for the duration of this appeal.

You should understand that Stevens & Lee operates as a firm -- a client who retains a particular lawyer in fact retains the entire firm and has at its disposal all of the expertise and resources that the firm can bring to bear upon its legal problem. Therefore, the lawyer who serves as your principal contact at the firm may seek assistance from or assign primary responsibility for a project to another lawyer who has experience in the particular area involved and who is for that reason in a position to do the work as efficiently as possible. In assigning

STEVENS & LEE
LAWYERS & CONSULTANTS

Jessica Eskra, Esq., Solicitor

January 13, 2020

Page 3

work within the firm, we strive to achieve the most efficient mix of seniority and expertise, with the goal of providing effective representation to our clients on an economical and cost efficient basis. Given the nature of work to be performed, you understand and agree that there will be occasions when our attorneys engage in inter-office consultations for the benefit of Scranton. It is our experience that this practice facilitates communication, improves the quality of the work, and ultimately is more efficient and economical.

If you have any questions or comments about our services, staffing, billing, or any other aspect of our representation, please contact me at my direct telephone number, which is (570) 969-5362. My direct fax number is (610) 988-0866. I have shared with you my cell phone number. My e-mail address is mjg@stevenslee.com. My assistant's name is Sally Billings and she can be reached at her direct dial number which is (570) 969-5361. Sally's email address is sab@stevenslee.com. She will be glad to help you in my absence.

It is our practice to forward periodic statements on a monthly basis. We expect our statements to be paid in full within 30 days, unless another arrangement has been discussed and agreed to in advance. If at any time our fees are not paid when due, we will have the right to move for permission to cease performing further work and to withdraw from the representation.

Duties and Responsibilities

We will provide legal services to Scranton in connection with this engagement. Scranton is not relying on us for, and we are not providing, any business, investment, insurance, or accounting advice that does not bear directly on the appeal in this Action.

Effective legal representation requires a high level of cooperation between attorney and client. By signing this letter, you therefore agree to cooperate with us, to keep us fully informed of all developments, and to ensure that Scranton performs its obligations as described in this letter. We, in turn, will rely on the information that you provide to us. We agree to provide the legal services reasonably required to represent Scranton with respect to the matters assigned to us and to take reasonable steps to keep you informed of our progress and to respond to your inquiries.

In addition, you will be responsible for advising us whether any document we have prepared or received and sent to you for your approval or review reflects the strategy and expectations discussed during our attorney-client communications.

You agree that, with respect to all decisions regarding this engagement, we may take direction from Jessica Eskra, Esq. or, in her absence, Stephanie Pisko, Esq..

STEVENS & LEE
LAWYERS & CONSULTANTS

Jessica Eskra, Esq., Solicitor
January 13, 2020
Page 4

General Provisions

Enclosed with this letter is a statement entitled General Provisions, which sets forth additional terms and conditions, all of which are incorporated into this letter and apply to our representation to the extent not expressly inconsistent with this letter.

Conflicts

To determine if Scranton is involved in any matter adverse to our firm or to our clients, we have checked your name and the name of opposing parties through our computerized conflicts checking system. We also provided the lawyers in all of our offices with notice that we are proposing to represent Scranton as counsel. Neither of those searches has revealed any such matter or conflict. We therefore believe that we will have no conflict in representing Scranton in this matter.

We are a large firm with offices in several states, and we represent many other municipalities, companies, and individuals. It is possible that, during the time we are representing a client and at any time following the conclusion of our engagement, some of our present or future clients will be engaged in transactions, or encounter disputes, with Scranton. You agree that we may continue to represent, and may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for Scranton even if the interests of such clients in those matters are directly adverse to Scranton, and to that end Scranton hereby waives any such conflict. We agree, however, that your advance consent to and waiver of conflicting representations contained in the preceding sentence shall not apply in any instance in which, as a result of our representation of Scranton, we have obtained proprietary, confidential, or other information of a non-public nature that, if known to such other client, could be used in any such other matter to Scranton's material disadvantage.

We encourage you to participate actively in the matters we are handling for Scranton, because you are much closer to the details than we are and we want to be certain that our efforts are consistent with Scranton's goals. If at any time you have a question, comment or concern, or if we may be of service in another substantive area, I ask that you raise it with us at once so that we can address the matter without delay.

If the foregoing is in accordance with your understanding of the terms and conditions upon which Scranton will engage us and the nature of our engagement, please confirm its acceptance and sign the enclosed duplicate copy of this letter in the space provided for this

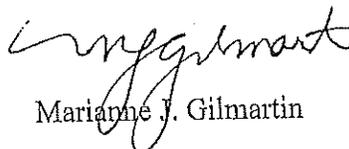
STEVENS & LEE
LAWYERS & CONSULTANTS

Jessica Eskra, Esq., Solicitor
January 13, 2020
Page 5

purpose below and return it to me. Upon your acceptance, these terms and conditions shall apply to services we provided beginning on January 11, 2020.

Very truly yours,

STEVENS & LEE



Marianne J. Gilmartin

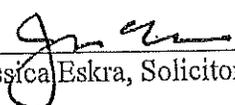
MJG:sab

I have read and understand the terms and conditions set forth in this letter (including the attached General Provisions) and agree to them.

Accepted and agreed to this 13th day of January, 2020:

CITY OF SCRANTON
LACKAWANNA COUNTY, PENNSYLVANIA

By: _____


Jessica Eskra, Solicitor

CITY OF SCRANTON

ATTEST:

BY: _____
Lori Reed, City Clerk

Date: _____

BY: _____
Paige G. Cognetti, Mayor

Date: _____

BY: _____
John Murray, City Controller

Date: _____

APPROVED AS TO FORM:

BY: _____
Jessica L. Eskra, Esq., City Solicitor

Date: _____

STEVENS & LEE
LAWYERS & CONSULTANTS

General Provisions

Except as modified by the accompanying engagement letter, the following provisions will apply to the relationship between Stevens & Lee and our clients:

1. The time for which a client will be charged will include, but will not be limited to, telephone and office conferences with a client and counsel, witnesses, consultants, court personnel, and others; conferences among our personnel; factual investigation; legal research; responding to clients' requests to provide information to auditors in connection with reviews or audits of financial statements; drafting of letters, pleadings, briefs, agreements, and other documents; travel time; waiting time in court, closings, or elsewhere; and time in depositions and other discovery proceedings.

2. In addition to our fees, we will be entitled to payment or reimbursement for disbursements and other expenses incurred on behalf of a client such as photocopying, messenger and delivery, air freight, computerized research, videotape recording, travel (including mileage, parking, airfare, lodging, meals, and ground transportation), long distance telephone, telecopying, postage, court costs, transcripts, and filing fees. To the extent that we directly provide any of these services, we reserve the right to adjust the amount we charge, at any time or from time to time, as we deem appropriate, in light of our direct costs, our estimated overhead allocable to the services, and outside competitive rates. Unless special arrangements are made, fees and expenses of others (such as experts, investigators, witnesses, consultants, and court reporters) and other large disbursements (in excess of \$300) will not be advanced by our Firm and will be the responsibility of, and paid directly by, the client.

3. Either at the beginning or during the course of our representation, we may express our opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any attorney or other employee of our Firm is intended to be an expression of opinion only, based on information available to us at the time, and is not a promise or guarantee of any particular result.

4. A client shall have the right at any time to terminate our services and representation upon written notice to the Firm. Such termination shall not, however, relieve the client of the obligation to pay for all services rendered and disbursements and other expenses made or incurred on behalf of the client prior to the date of termination and for services rendered and expenses incurred after such date to the extent they are required to protect our client's interests or as may be required by appropriate authorities.

5. We reserve the right to withdraw from our representation with our client's consent or without consent for good cause. "Good cause" may include the client's failure to honor the terms of the engagement letter, the client's failure to pay amounts billed in a timely manner, the client's failure to cooperate or follow our advice on a material matter, or any fact or circumstance that would, in our view, impair an effective attorney-client relationship or would render our continuing representation inappropriate, unlawful, or unethical. If we elect to do so, the client will take all steps necessary to free us of any obligation to perform further, including the

STEVENS & LEE
LAWYERS & CONSULTANTS

execution of any documents (including forms for substitution of counsel) necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and disbursements and other expenses made or incurred on behalf of the client prior to the date of withdrawal and for services rendered and expenses incurred after such date to the extent they are required to protect our client's interests or as may be required by appropriate authorities.

6. We have found that our clients have become increasingly reliant upon various forms of electronic communication, such as e-mail, cellular telephones, other Internet communications, and electronic telefax (collectively, "Electronic Communications"), for purposes of day-to-day business communications. We note, however, that Electronic Communications may be inherently less secure than some traditional methods of communication (hard wired telephones and telefax, U.S. mail and commercial couriers, for example) and involve a risk of interception by unauthorized third parties. We understand that, because of the convenience and efficiency of Electronic Communications, you are willing to accept the risk of unauthorized interception and authorize us to communicate with you (and with others with whom we have dealings in connection with the matters we are handling for you) by means of Electronic Communications, unless you advise us in writing to the contrary



DEPARTMENT OF LAW

P E N N S Y L V A N I A CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 13, 2020

RECEIVED
JAN 13 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION RATIFYING AND APPROVING THE FEE AGREEMENT FOR LEGAL SERVICES FROM THE LAW FIRM STEVENS & LEE ON BEHALF OF THE CITY OF SCRANTON IN THE MATTER OF ST. FLEUR, ET AL. V. CITY OF SCRANTON, ET AL. (LACKAWANNA COUNTY COURT OF COMMON PLEAS DOCKET NO. 2017-CV-1403).

Respectfully,


Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. _____

2020

AN ORDINANCE

CLOSING AND VACATING A PORTION OF BLUCHER AVENUE BETWEEN BEECH STREET AND BIRCH STREET.

WHEREAS, the portion Blucher Avenue shown on Exhibit "A" has never been opened, used or dedicated by the City of Scranton; and

WHEREAS, a request to vacate said roadway has been received; and

WHEREAS, the City Engineer and City Planner have inspected said right-of-way and recommend its vacation; and

WHEREAS, the Council of the City of Scranton finds that there no longer exists a need for a public right of passage in this right-of-way and the public is no longer benefitted by such a use.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that the portion of Blucher Avenue described below and shown on Exhibit "A" is hereby closed and vacated with the exception of any public or private utility easements in place:

Beginning at a point, said point being the intersection of the Southerly Right-Of-Way line of Birch Street and the Westerly Right-Of-Way line of Blucher Avenue, thence southerly along said Right-Of-Way line of Blucher Avenue approximately 344 ft. to a point on the Northerly Right-Of-Way line of Beech Street, thence in a easterly direction along said Right-Of-Way line of Beech Street approximately 60 ft. to a point, said point being the intersection of the Easterly Right-Of-Way line of Blucher Avenue and the Northerly Right-Of-Way line of Beech Street thence along the Easterly Right-Of-Way line of Blucher Avenue approximately 344 ft. to a point on the Southerly Right-Of-Way line of Birch St, thence westerly along said Southerly Right-Of-Way line of Birch St approximately 60 ft. to the Place of Beginning, as shown on Exhibit "A".

SECTION 1. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

SECTION 2. This ordinance shall take effect immediately upon passage.

SECTION 3. This ordinance is enacted by the Council of the City of Scranton, under the authority of the act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



BUREAU OF CITY PLANNING

CITY HALL : 340 NORTH WASHINGTON AVENUE : SCRANTON, PENNSYLVANIA 18503 : PHONE 570-348-4280 : FAX 570-348-4171

November 20, 2019

Jessica L Eskra, Esq.
City Solicitor
City Hall
Scranton, PA 18503

Re: Request to vacate a portion of Blucher Ave.

Dear Atty. Eskra:

The City of Scranton has received a request to vacate the unopened portion of 800 Block of Blucher Ave. from the Discovery Multiple Intelligences Preschool located at 1301 Beech St.

I have inspected this unopened roadway and find it has never been opened or used and serves no public purpose. I recommend that it be vacated.

If you have any further questions regarding this matter please call me at 570-348-4280.

Sincerely,

Donald J. King, AICP, CFM
City Planner

Barrett Law, LLC

345 Wyoming Avenue · Suite 215 · Scranton, Pennsylvania 18503

Matthew P. Barrett, Esquire
570-575-7732
mbarrett@barrettslaw.com

Lori A. Barrett, Esquire
570-335-1968
lbarrett@barrettslaw.com

May 2, 2019

via email

Donald King, City Planner
City of Scranton
North Washington Avenue
Scranton, PA 18503

Dear Mr. King:

Please be advised that I represent the Discovery Multiple Intelligences Preschool located at 1301 Beech Street, Scranton PA 18505. Please accept this letter as a request that the City of Scranton abandon or vacate the 800 block Blucher Street between what would be its intersections with Beech and Birch Street. Based upon my information, I do not believe the street was ever dedicated.

Thank you for your consideration of this request. Please advise if you require any other information from me.

Sincerely,

Matthew P. Barrett



BIRCH

POB

60

BIRCH

WINTERMANTLE

344

PORTION OF BLUCHER AVENUE
TO BE VACATED

344

BEECH

60

BLUCHER



1 inch = 50 feet



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 6, 2020

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE CLOSING AND VACATING A PORTION OF
BLUCHER AVENUE BETWEEN BEECH STREET AND BIRCH STREET.

Respectfully,

Jessica Eskra (s)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RECEIVED

JAN 7 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

FILE OF THE COUNCIL NO. _____

2020

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 43, 2018, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2020 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER" BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 MILLS LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2 AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 33% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

WHEREAS, City Council amended the City's 2020 budget to increase the current Real Estate Tax, Land millage Rate from 232.521 mills to 239.521 mills.

NOW, THEREFORE, SECTION 1 OF FILE OF THE COUNCIL NO. 43, 2018 SHALL BE AMENDED TO READ AS FOLLOWS:

SECTION 1. Be it ordained by the Council of the City of Scranton, that Section 1 of File of the Council No. 100, 1976 shall be amended to read as follows:

"The Council of the City of Scranton ordains that for the purpose of defraying the expense of the City of Scranton for the fiscal year commencing on the first day of January, 2020 and certain other deficiencies prior thereto, a tax is hereby levied on all real, personal and mixed property within the limits of the City of Scranton, Pennsylvania taxable according to the laws of the Commonwealth of Pennsylvania as follows:

To provide for the payment of general expenses and to provide for the various interest and sinking funds as required by law, there is hereby levied on each thousand dollar of valuation in the Scranton Twenty-Four Ward area:

For General Expense and Sinking Fund purposes:

Levy on all Land	.239521 millage rate
Levy on all buildings	.050564 millage rate

The total levy for general and special purpose is two hundred thirty nine dollars and .521 cents (\$239.521) on each one thousand dollars of said valuation of land, and fifty dollars and .564 cents (\$50.564) on each one thousand dollars of said valuation on all buildings."

The total levy for year 2020 will be 290.085 mills.

SECTION 2. Eliminating the dedicated millage for debt service and imbedding a dedicated percentage of revenues thereby meeting the intent of a segregated stream of revenues assigned to debt service. To address the continued dedication of real estate tax revenue, the

Single Tax Office will be notified, and the amended legislation will certify, that 33% of real estate tax revenue on a current year basis will be remitted to the City's Single Point Paying Agent to meet the budgeted debt service requirement for the fiscal year.

SECTION 3. This Ordinance shall be retroactive to January 1, 2020.

SECTION 4. In all other respects, File of the Council No. 43, 2018 and File of the Council No. 100, 1976 shall remain in full force and effect.

SECTION 5. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance and the effective administration thereof.

SECTION 6. The tax imposed herein is effective for calendar year 2020 and shall remain in full force and effect annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation pursuant to Act of the Legislature, April 13, 1972, Act No. 62.

SECTION 7. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF LAW

PENNSYLVANIA

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 10, 2020

RECEIVED

JAN 10 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 43, 2018, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2020 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER" BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 MILLS LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2 AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 33% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

Respectfully,

Jessica Eskra (s)

Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RESOLUTION NO. _____

2020

APPROVING, IN ACCORDANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, A PLAN OF FINANCING OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY AND DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON FOR THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY TO UNDERTAKE A PROJECT FOR NORTHEASTERN CHILD CARE SERVICES.

WHEREAS, pursuant to the Pennsylvania Municipality Authorities Act, as amended (the "Act"), the City of Scranton, Pennsylvania (the "City"), together with the County of Lackawanna, Pennsylvania (the "County"), created the Scranton-Lackawanna Health and Welfare Authority (the "Authority") to act as a financing authority for projects serving the City and/or the County; and

WHEREAS, Northeastern Child Care Services (the "Borrower") has requested the Authority to issue its revenue notes (the "Notes") in one or more series in an aggregate principal amount not to exceed \$2,000,000 to finance, refinance and/or reimburse a project (the "Project") for the benefit of the Borrower consisting of all or any of the following: (1) designing, acquiring, constructing, renovating, improving, furnishing and equipping of new facilities and existing facilities of the Borrower, including but not limited to, the demolition of an existing building and the construction and equipping of a new facility on a site previously purchased by the Borrower in 2018 located at 901 Adams Avenue, Scranton, Pennsylvania 18503 (the "Project Site"); (2) designing, acquiring, constructing and equipping of site, infrastructure and parking improvements and various other capital improvements to the Borrower's existing facilities and acquiring various capital equipment for use in or in connection with the facilities of the Borrower; (3) funding, if applicable, necessary reserves for the Notes; (4) refunding certain outstanding indebtedness of the Borrower the proceeds of which were used by the Borrower to acquire the Project Site; (5) refunding any other outstanding indebtedness of the Borrower, if advantageous to the Borrower; and (6) funding contingencies and paying all or a portion of the costs and expenses of issuance of the Notes; and

WHEREAS, the Authority has authorized the issuance of the Notes pursuant to a Resolution adopted by the Authority on November 21, 2019, subject to approval of the Project by the City and by the County; and

WHEREAS, the approval by this Council, as evidenced by this Resolution, will enable the Authority to finance the Project without imposing any liability on the City or its citizens or taxpayers with respect to the Notes; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the applicable elected representative of the governmental unit on behalf of which bonds or notes are issued and of each governmental unit having jurisdiction over the area in which any facility with respect to which financing is to be provided from the net proceeds of such bonds or notes is located, approve such Notes after a public hearing in order for a private activity bond to be a qualified bond under the Code; and

WHEREAS, this Council is the "applicable elected representative" of the City within the meaning of the Code; and

WHEREAS, in accordance with Section 147(f) of the Code, a public hearing was held by the Authority at 3:00 p.m. local time on December 18, 2019, in connection with the issuance of the Notes and a report of such hearing has been provided to this Council; and

WHEREAS, the Act provides that none of the powers granted thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any project or projects which in whole or in part shall duplicate or compete with existing enterprises serving substantially the same purposes, but that such limitation does not apply to certain projects, including the financing and/or refinancing of buildings and facilities constituting "health centers" within the meaning of the Act, if the municipality organizing the authority for such project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by or financed through an authority.

NOW THEREFORE, THE COUNCIL OF THE CITY OF SCRANTON, PENNSYLVANIA hereby resolves that;

SECTION 1. The issuance of the Notes by the Authority in an aggregate principal amount not in excess of \$2,000,000 and the use of the proceeds of the Notes to finance the Project is hereby approved.

SECTION 2. It is hereby declared desirable for the health, safety and welfare of the people in the City of Scranton, Pennsylvania to have the Authority issue the Notes for the purpose of financing the Project.

SECTION 3. The foregoing action of this Council shall not in any way pledge or obligate the credit or taxing power of the City of Scranton, Pennsylvania, nor shall the City of Scranton be liable for the payment of the principal of, premium, if any, or interest on the Notes or any other cost related thereto.

SECTION 4. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion hereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration hereof.

SECTION 5. This Resolution shall become effective immediately upon approval.

SECTION 6. This Resolution is adopted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, Known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the Commonwealth of Pennsylvania.

SCRANTON/LACKAWANNA HEALTH AND WELFARE AUTHORITY

LACKAWANNA COUNTY GOVT CENTER • P.O Box 860 • 123 WYOMING AVENUE, • SCRANTON, PA 18501-0860

December 19, 2019

(570) 342-2353

FAX (570) 342-4088

Honorable Wayne Evans
Mayor, City of Scranton
340 N. Washington Avenue
Scranton, PA 18503

RE: Health and Welfare Authority Resolution for Northeastern Child Care Services
Tax Free Financing not to exceed \$2,000,000.00

Dear Mayor Evans:

Enclosed is a proposed resolution approving the financing of certain facilities and declaring that it is desirable for the health, safety and welfare of the people in the area to be served by facilities of Northeastern Child Care Services to have such facilities financed through the Scranton-Lackawanna Health and Welfare Authority for a maximum principal amount not to exceed \$2,000,000.

Also enclosed is an Approval of Applicable Elected Representative document which must be approved. Under the Tax Reform Act of 1986, as amended, the Scranton-Lackawanna Health and Welfare Authority, subsequent to holding a Public Hearing, must receive approval from the chief elected official of each governmental unit having jurisdiction over any Project that the Authority undertakes.

The Authority would appreciate placement of this Resolution on the Agenda for the next scheduled Council Meeting. Also, please keep in mind there is no liability on the City's behalf by approving this Resolution.

On behalf of the representatives of Northeastern Child Care Services and the Authority, we wish to thank you for your participation in this Project. If you have any questions or concerns, please contact our office at any time.

Sincerely,



Mary Ellen Clarke
Asst. Administrator

Encl.

cc: Lori Reed, City Clerk, City of Scranton
Jessica Eskra, Solicitor, City of Scranton
Sally Locker, Law Office, City of Scranton

SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY

TRANSCRIPT OF PUBLIC HEARING
of December 18, 2019

The Public Hearing of the Scranton-Lackawanna Health and Welfare Authority (the "Authority") scheduled for 3:00 P.M., local time, on Wednesday, December 18, 2019, is hereby called to order. This Public Hearing is being held pursuant to the requirements of Section 147 (f) of the Internal Revenue Code of 1986, as amended. Attending the hearing on behalf of Northeastern Child Care Services (the "Corporation") relating to the Authority's proposed issuance of its 2020 Revenue Note in an aggregate principal amount up to but not exceeding \$2,000,000.00 is Brian Koscelansky, Esq., of Stevens & Lee, Bond Counsel; and Mary Ellen Clarke, Assistant Administrator of the Authority.

The representatives of the Authority and Northeastern Child Care Services attending the Public Hearing have described the nature and the purpose of the project being financed by the issuance of the 2020 Revenue Note in an aggregate amount up to but not exceeding \$2,000,000.00. The proceeds of the debt to be issued will be used to provide funds to finance, refinance and/or reimburse all or any of the following: (a) designing, acquiring, constructing, renovating, improving, furnishing and equipping of new facilities and existing facilities of the Corporation, including but not limited to the demolition of an existing building and the construction and equipping of a new facility on a site previously purchased by the Corporation in 2018 located at 901 Adams Avenue, Scranton, Pennsylvania 18503 (the "Project Site"); (b) designing, acquiring, constructing an equipping of site, infrastructure and parking improvements and various other capital improvements to the Corporation's existing facilities and acquiring various capital equipment for use in or in connection with the facilities of the Corporation; (c) funding, if applicable, necessary reserves for the debt; (d) refunding certain outstanding indebtedness of the Corporation the proceeds of which were used by the Corporation to acquire the Project Site; (e) refunding any other outstanding indebtedness of the Corporation, if advantageous to the Corporation; and (f) funding contingencies and paying all or a portion of the costs and expenses of issuance of the debt.

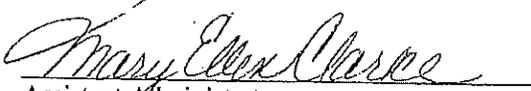
I hereby enter into the Record one copy of an affidavit showing publication in The Scranton Times, a newspaper of general circulation in Lackawanna County, Pennsylvania, on a date at least seven (7) days prior hereto, of notice of the public hearing. The affidavit of publication is attached to this transcript.

The Authority is now ready to hear testimony and other comments from the public concerning the issuance by the Authority of the 2020 Revenue Note.

Let the record show that no members of the public have offered testimony or other comments as of 3:30PM this date. Let the record also reflect that written comments have not been received. Accordingly, this public hearing is adjourned.

I, Mary Ellen Clarke, Assistant Administrator of the Scranton Lackawanna Health and Welfare Authority, do hereby certify that the foregoing is a true and accurate transcript of the Public Hearing held on December 18, 2019, by the Scranton-Lackawanna Health and Welfare Authority.

Date: December 18, 2019


Assistant Administrator

The Scranton Times (Under act P.L. 877 No 160. July 9, 1976)
Commonwealth of Pennsylvania, County of Lackawanna

NORTHEASTERN CHILD CARE SERVICES
MARGI LOMEO, VICE PRESIDENT
1356 N. WASHINGTON AVENUE SCRANTON PA 18509

Account # 566364
Order # 82402803
Ad Price: 583.30

NOTICE OF PUBLIC HEARING

Gina Krushinski

Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

12/11/2019

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true

Sworn and subscribed to before me
this 11th day of December A.D., 2019

Sharon Venturi
(Notary Public)

Commonwealth of Pennsylvania - Notary Seal
Sharon Venturi, Notary Public
Lackawanna County
My commission expires February 12, 2022
Commission number 1254228
Member, Pennsylvania Association of Notaries

NOTICE OF PUBLIC HEARING

Scranton-Lackawanna Health and Welfare Authority

Notice is hereby given that the Scranton-Lackawanna Health and Welfare Authority (the "Authority"), will hold a public hearing on December 18, 2019, at 6:00 p.m., on behalf of the City of Scranton and the County of Lackawanna at the office of the Authority, Lackawanna County Government Center, 123 Wyoming Avenue, 5th Floor, Scranton, PA 18503, to discuss and take comment with respect to the financing of the following project:

Scranton-Lackawanna Health and Welfare Authority/ Northeastern Child Care Services Project

NAME AND ADDRESS OF OWNER AND OPERATOR OF FACILITIES TO BE FINANCED: Northeastern Child Care Services (the "Corporation"), 1356 North Washington Avenue, Scranton, PA 18509

ADDRESS OF PROJECT: 301 Adams Avenue, Scranton, Pennsylvania 18503

TOTAL COST OF PROJECT: Not to Exceed \$2,000,000

MAXIMUM AGGREGATE FACE AMOUNT OF DEBT TO BE ISSUED: Not to Exceed \$2,000,000

PROJECT DESCRIPTION: The proceeds of the debt to be issued will be used to provide funds to finance, reimburse and/or reimburse all or any of the following: (a) designing, acquiring, constructing, renovating, improving, furnishing and equipping of new facilities and existing facilities of the Corporation, including but not limited to, the demolition of an existing building and the construction and equipping of a new facility on a site previously purchased by the Corporation in 2018 located at 301 Adams Avenue, Scranton, Pennsylvania 18503 (the Project Site); (b) designing, acquiring, constructing and equipping of site, infrastructure and parking improvements and various other capital improvements to the Corporation's existing facilities and acquiring various capital equipment for use in or in connection with the facilities of the Corporation; (c) funding, if applicable, necessary reserves for the debt; (d) refunding certain outstanding indebtedness of the Corporation the proceeds of which were used by the Corporation to acquire the Project Site; (e) refunding any other outstanding indebtedness of the Corporation, if advantageous to the Corporation; and (f) funding contingencies and paying all or a portion of the costs and expenses of issuance of the debt.

Members of the public are invited to attend the aforesaid public hearing. The attending public, on their own behalf or by attorney, are urged to provide information and make statements concerning the aforesaid project.

THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY IS ACTING AS A "CONDUIT ISSUER" FOR THE BENEFIT OF THE CORPORATION AND THE DEBT WILL BE A LIMITED OBLIGATION OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY, PAYABLE SOLELY FROM PAYMENTS TO BE MADE BY THE CORPORATION.

DEBT FINANCINGS OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY ARE NOT OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA, NOR OF ANY CITY, BOROUGH, TOWNSHIP OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH OF PENNSYLVANIA.

This Notice is published in accordance with the requirements of Section 147(f) of the Internal Revenue Code, as amended.

SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 6, 2020

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION APPROVING, IN ACCORDANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, A PLAN OF FINANCING OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY AND DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON FOR THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY TO UNDERTAKE A PROJECT FOR NORTHEASTERN CHILD CARE SERVICES.

Respectfully,

Jessica L. Eskra (s)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RECEIVED

JAN 7 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

RESOLUTION NO. _____

2020

AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 5654 LACKAWANNA AVENUE AND FRANKLIN AVENUE.

WHEREAS, it is necessary for the Director of the Department of Public Works to sign and submit the traffic signal application on behalf of the City of Scranton. A copy of the application is attached hereto as Exhibit "A" and incorporated herein by reference thereto; and

WHEREAS, as per a meeting held on Tuesday November 12, 2019 at the State Office Building with representatives from the Commonwealth, COLTS, PENNDOT 4-0 and the City of Scranton to discuss pedestrian safety, it was agreed to request that the Department revise this permit to have four (4) seconds of advanced pedestrian timing and to request the Department if additional vehicle green time can be added to the State Office building parking lot driveway at quitting time which is around 3:30 pm, 4:00 pm and 4:30 pm for this intersection.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Director of the Department of Public Works is authorized to sign and submit the traffic signal application on behalf of the City of Scranton for Traffic Signal Permit No.5654 at Lackawanna Avenue and Franklin Avenue.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



BUREAU OF ENGINEERING

101 WEST POPLAR STREET • SCRANTON, PENNSYLVANIA 18508 • PHONE: 570-348-4180 • FAX: 570-348-0197



MEMORANDUM

TO: Jessica Eskra, Esquire, City Solicitor

FROM:  John J. Pocius, P.E., P.L.S., City Engineer
LaBella Associates

DATE: November 25, 2019

**RE: *Application for Traffic Signal Approval
Traffic Signal Permit No.5654
Lackawanna Avenue and Franklin Avenue***

Enclosed is one copy (1) of TE-160 (6-12) Application for Traffic Signal Approval. As per a meeting held on Tuesday November 12, 2019 at the State Office Building with representatives from the Commonwealth, COLTS, PENNDOT 4-0, and the City of Scranton to discuss pedestrian safety, it was agreed to request that the Department revise this permit to have four (4) seconds of advanced pedestrian timing and to request the Department if additional vehicle green time can be added to the State Office building parking lot driveway at quitting time which is around 3:30 pm, 4:00 pm and 4:30 pm for this intersection.

We recommend that a Resolution be prepared and forwarded to City Council indicating that ***“The Director of the Department of Public Works of the City of Scranton is authorized and directed to submit the attached Application for Traffic Signal Approval to the Pennsylvania Department of Transportation and to sign this Application on behalf of the City of Scranton”.***

The Application cannot be signed and dated and witnessed until after the Resolution is passed by City Council and approved by the Mayor. If there are any questions on this matter, please do not hesitate to contact me at (570)904-6189.

JJP/lmz
Z-11-04-30 ESKRA memo-Permit No 5654-11-25-19
Enclosures

- c Dennis Gallagher, Director, Department of Public Works
- Donald J. King, AICP, City Planner
- Lori Reed, City Clerk
- David Bulzoni, City Business Administrator
- Amy Szydowski, MPA, MSW, District Executive Director
- QA/QC C. File



Application for Traffic Signal Approval

Please Type or Print all information in Blue or Black Ink

County: Lackawanna
 Engineering District: 4-0
 Department Tracking #: _____
 Initial Submission Date: _____

A - Applicant's (Municipal) Contact Information

Municipal Contact's Name : Dennis Gallagher Title : Director of Department of Public Works
 Municipal Name : City of Scranton
 Municipal Address : 340 North Washington Avenue, Scranton, PA 18503
 Municipal Phone Number : (570) 348-4180 Alternative Phone Number : (570) 357-4988
 E-mail Address : dgallagher @ scrantonpa.gov
 Municipal Hours of Operation : 6:00 a.m. to 2:00 p.m.

B - Application Description

Location (*intersection*) : Lackawanna Avenue and Franklin Avenue

Traffic Control Device is : NEW Traffic Signal EXISTING Traffic Signal (Permit Number) : 5654

Type of Device (*select one*) Traffic Control Signal (MUTCD Section 4D, 4E, 4G) Flashing Beacon (MUTCD Section 4L) School Warning System (MUTCD Section 7B)
 Other : _____

Is Traffic Signal part of a system? : YES NO System Number (*if applicable*) : _____
 If YES, provide locations of all signalized intersections in system.

Lackawanna Avenue/Mifflin Avenue/Entr. Steamtown Mall; Lackawanna Avenue/Franklin Avenue; Lackawanna Avenue/Penn Avenue; Lackawanna Avenue/Wyoming Avenue; Lackawanna Avenue/North Washington Avenue; Lackawanna Avenue/Adams Avenue.

Explain the proposed improvements :
Revise permit to have four (4) seconds of advanced pedestrian time and add additional green time to the State Office Building parking lot driveway at quitting time which is around 3:30 p.m., 4:00 p.m., and 4:30 p.m.

Associated with Highway Occupancy Permit (HOP)? : YES NO If YES, HOP Application # : _____

C - Maintenance and Operation Information

Maintenance and Operations are typically performed by? :

Municipal Personnel Municipal Contractor Municipal Personnel & Contractor
 Other : _____

Maintenance and Operations Contact Name : Dennis Gallagher Company/Organization : City of Scranton
 Phone # : (570) 357-4988 Alternative Phone # : (570) 348-4180 E-mail : dgallagher@scrantonpa.gov

D - Attachments Listing

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Municipal Resolution (<i>required</i>) | <input type="checkbox"/> Location Map | <input type="checkbox"/> Traffic Volumes / Pedestrian Volumes |
| <input type="checkbox"/> Letter of Financial Commitment | <input type="checkbox"/> Photographs | <input type="checkbox"/> Turn Lane Analysis |
| <input type="checkbox"/> Traffic Signal Permit | <input type="checkbox"/> Straight Line Diagram | <input type="checkbox"/> Turn Restriction Studies |
| <input type="checkbox"/> Warrant Analysis | <input type="checkbox"/> Capacity Analysis | <input type="checkbox"/> Other : _____ |
| <input type="checkbox"/> Crash Analysis | <input type="checkbox"/> Traffic Impact Study (TIS) | |
| <input type="checkbox"/> Traffic Signal Study | <input type="checkbox"/> Condition Diagram | |

Application for Traffic Signal Approval

Please Type or Print all information in Blue or Black Ink



County : Lackawanna
Engineering District : 4-0
Department Tracking # : _____
Initial Submission Date : _____

E - Applicant (Municipal) Certification

The applicant desires to own, operate, and maintain the traffic control device in the location indicated above; and the Vehicle Code requires the approval of the Department of Transportation ("Department") before any traffic signals may be legally erected or modified. A signed Application for Traffic Signal Approval (TE-160) must be submitted in conformance with the instructions provided by the Department, and a Traffic Signal Permit must be issued, before any work can begin.

If the Department approves a traffic signal after a traffic engineering study and engineering judgment indicates the need, the traffic signal shall be installed, owned, operated, and maintained within the parameters indicated in the Vehicle Code and the Department's regulations relating to traffic signs, signals, and markings. The Department may direct appropriate alterations to the design or operation (including, but not limited to, hours of operation) of the traffic signal, or require removal of the traffic signal, if traffic conditions or other considerations necessitate alteration or removal.

All items associated with the traffic control device (geometric features, signs, signals, pavement markings, pedestrian accommodations, and other traffic control device associated items) are the applicant's responsibility. The Traffic Signal Permit will then document all of the items associated with operation of each traffic control device. The applicant, at its sole expense, shall provide the necessary inspection, maintenance, and operation activities in conformance with the Department's Publication 191 or as otherwise agreed to by the Department. The applicant shall perform the preventative and responsive maintenance requirements and recordkeeping in accordance with the exhibits specified below. If the applicant fails to provide the required inspection, maintenance, or operation services within thirty (30) days of receipt of written notice from the Department, the Department shall have the right to perform the required inspection, maintenance, or operation services in the applicant's stead and the applicant shall reimburse the Department for all costs incurred. Federal- and/or state-aid participation may be withheld on all future projects if the applicant fails to demonstrate to the Department the ability to provide all required maintenance and operation services. The applicant certifies that it has funds available and committed for the operation and maintenance of the traffic control device and that it will make available sufficient funds for all required future inspection, maintenance, and operation activities.

The applicant shall indemnify, save harmless and, defend (if requested) the Commonwealth of Pennsylvania, its agents, representatives, and employees from and against any damages recoverable under the Sovereign Immunity Act, 42 Pa. C.S. §§ 8521-8528, up to the limitations on damages under said law, arising out of any personal injury or damage to property which is finally determined by a court to be caused by or result from acts or omissions of the applicant and for which a court has held applicant, its officials, or employees to be liable. This provision shall not be construed to limit the applicant in asserting any rights or defenses. Additionally, the applicant shall include in any contracts into which it enters for maintenance, operation, or inspection of the traffic control device this same obligation to indemnify the Commonwealth and its officers, agents, and employees; and it shall require its contractor(s) to provide public liability insurance coverage, naming the Commonwealth and the applicant as additional insureds for bodily injury, including death and property damage, in the minimum amounts of \$500,000 per person, \$1,000,000 per occurrence, it being the intention of parties to have the contractor fully insure and indemnify the Commonwealth and the applicant.

The applicant shall comply with the study and ordinance requirements of 75 Pa. C.S. § 6109. The applicant submits this application with the intention of being legally bound.

Neither this application nor any Traffic Signal Permit creates any rights or obligations with respect to parties other than the applicant and the Department. Third parties may not rely upon any representations made by either the applicant or the Department in connection with the submission or approval of this application or any work permitted or approved that is related to this application, as regards either payment of funds or performance of any particular item of maintenance precisely as specified.

- The applicant agrees to comply with the attached Exhibits:
- Exhibit "A": Preventative and Response Maintenance Requirements (Sheet 3 of 5)
 - Exhibit "B": Recordkeeping (Sheet 4 of 5)
 - Exhibit "C": Signal Maintenance Organization (Sheet 5 of 5)

Printed Municipal Contact Name : Dennis Gallagher Date : _____
Signed By : _____ Witness or Attest : _____
Title of Signatory : Director of Department of Public Works Title of Witness or Attester: City Solicitor

Exhibit "A":
Preventative and Response Maintenance
Requirements



County: Lackawanna
Engineering District: 4-0
Department Tracking #: _____
Initial Submission Date: _____

Preventive Maintenance

The APPLICANT or its contractor will provide preventive maintenance for each individual component of the traffic signal installation covered by this application at intervals not less than those indicated in the Preventive Maintenance Summary, PA DOT Publication 191, current version. This is the recommended level of maintenance to keep the intersection control equipment and signals in mechanically, structurally and aesthetically good condition.

Response Maintenance

The APPLICANT or its contractor will provide response maintenance in accordance with the provisions of the Response Maintenance Schedule. It encompasses the work necessary to restore a traffic signal system to proper and safe operation. Includes Emergency Repair and Final Repair.

FINAL REPAIR:

Repair or replace failed equipment to restore system to proper and safe operation in accordance with permit within a 24-hour period.

EMERGENCY REPAIR:

Use alternative means or mode to temporarily restore system to safe operation within a 24-hour period. Final repair must then be completed within 30 days unless prohibited by weather conditions or availability of equipment.

Response Maintenance Schedule

KNOCKDOWNS

TYPE OF REPAIR PERMITTED

Support - Mast arm	Emergency or Final
Support - Strain pole	Emergency or Final
Span wire/tether wire	Final Only
Pedestal	Emergency or Final
Cabinet	Emergency or Final
Signal heads	Final Only

EQUIPMENT FAILURE

Lamp burnout (veh. & ped.)	Final Only
Local controller	Emergency or Final
Master controller	Emergency or Final
Detector sensor	
- Loop	Emergency or Final
- Magnetometer	Emergency or Final
- Sonic	Emergency or Final
- Magnetic	Emergency or Final
- Pushbutton	Emergency or Final
Detector amplifier	Emergency or Final
Conflict monitor	Final Only
Flasher	Final Only
Time clock	Emergency or Final
Load switch/relay	Final Only
Coordination unit	Emergency or Final
Communication interface, mode	Emergency or Final
Signal cable	Final Only
Traffic Signal Communications	Final Only
Traffic Signal Systems	Final Only

Exhibit "B":
Recordkeeping



Sheet 4 of 5
DEPARTMENT USE ONLY

County :Lackawanna _____

Engineering District :4-0 _____

Department Tracking # : _____

Initial Submission Date : _____

Recordkeeping

Accurate and up-to-date recordkeeping is an essential component of a good traffic signal maintenance program. In recognition of this fact, the APPLICANT must prepare, retain, and make available to the COMMONWEALTH, on request, a record of all preventive and response maintenance activities performed on the traffic signal equipment covered by this application.

The APPLICANT shall establish a separate file for each installation and keep its records in the municipal building, signal maintenance shop, or other weather-protected enclosure.

At a minimum, the following records will be kept by the APPLICANT or its contractor for each traffic signal. These forms can be found in Section 10.0, Maintenance Record Forms, PA DOT Publication 191, current version.

FORM 1 - Master Intersection Record

This form, which lists all maintenance functions performed at the intersection, should be updated within one day of the activity but no more than one week later.

FORM 2 - Response Maintenance Record

Each time response maintenance is required at the intersection, this form is to be completed. Once the pertinent information is transferred to the master intersection record, this form is to be placed in the intersection file.

FORM 3 - Preventive Maintenance Record

This form will be used to provide a record of the preventive maintenance activities performed at each intersection. The date, the activities performed, and the signature of the person in charge of the work must be recorded in the form.

This form may be kept at the intersection, if it is adequately protected from the weather. Form 1 must be updated at the central file, however, to reflect the date and activity.

**Exhibit "C":
Signal Maintenance Organization**County : LackawannaEngineering District : 4-0

Department Tracking # : _____

Initial Submission Date : _____

Personnel Classifications

In order to properly maintain the traffic signal equipment covered by this applicant, the APPLICANT agrees to provide, as minimum, the following staff throughout the useful life of equipment. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191.

Traffic Engineer - The administrative position which has prime responsibility for the proper operation of traffic signal equipment. The principal function of this position is the supervision and control of subordinate personnel and the planning of their activities to ensure adequate preventive and response maintenance programs.

Minimum Position Requirements

1. A thorough understanding of traffic signal design, installation and maintenance.
2. A working knowledge of the interaction between the following traffic characteristics: Intersection geometry, traffic flow theory, control type (fixed time, actuated, etc.), signal phasing and timing, and interconnection.
3. An ability to supervise subordinate personnel effectively in the assignment of their work.
4. Possession of a college degree in engineering, which includes course work in traffic engineering.
5. Either four years experience in the field of traffic engineering or its equivalent in graduate college work.

Signal Specialist - The individual responsible for the diagnostics and repair of all traffic signal equipment including solid state equipment.

Minimum Position Requirements

1. Extensive training and troubleshooting skills in electronics and software.
2. Ability to repair modules in the shop and to design test equipment needed to diagnose and repair a problem.
3. Ability to make design and modifications to implement or omit special functions.
4. Ability to implement a recordkeeping system to include maintenance activities, inventory control and identification of recurring problems.
5. Ability to perform all tasks required of a signal technician.

Signal Technician - Individual responsible for the operation and maintenance of traffic signals and electromechanical equipment.

Minimum Position Requirements

1. Ability to perform response maintenance on solid state equipment up to the device exchange level.
2. Capability to diagnose a vehicle loop failure and initiate corrective action.
3. Ability to tune detector amplifiers.
4. Ability to follow wiring schematics, check and set timings from plan sheet and check all field connections.
5. Ability to perform preventive maintenance on all equipment and to maintain accurate records of all work perform.

Training

The APPLICANT agrees to secure training in order to upgrade the ability of its present staff to properly perform the required maintenance functions. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191.

Budget Requirements

The APPLICANT agrees to provide, in its annual operating budget, dedicated funds which are sufficient to cover the cost of the personnel, training, contractors (if utilized) and specialized maintenance equipment which are required, by virtue of this application. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191..



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 6, 2020

RECEIVED

JAN 7 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 5654 LACKAWANNA AVENUE AND FRANKLIN AVENUE.

Respectfully,

Jessica Eskra (s)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RESOLUTION NO. _____

2020

AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 40110 AT LACKAWANNA AVENUE AND MIFFLIN AVENUE (ENTRANCE TO STEAMTOWN MALL).

WHEREAS, it is necessary for the Director of the Department of Public Works to sign and submit the traffic signal application on behalf of the City of Scranton. A copy of the application is attached hereto as Exhibit "A" and incorporated herein by reference thereto; and

WHEREAS, as per a meeting held on Tuesday November 12, 2019 at the State Office Building with representatives from the Commonwealth, COLTS, PENNDOT 4-0 and the City of Scranton to discuss pedestrian safety, it was agreed to request that the Department revise this permit to have four (4) seconds of advanced pedestrian timing and to request the Department if additional vehicle green time can be added to the State Office building parking lot driveway at quitting time which is around 3:30 pm, 4:00 pm and 4:30 pm for this intersection.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Director of the Department of Public Works is authorized to sign and submit the traffic signal application on behalf of the City of Scranton for Traffic Signal Permit No.40110 at Lackawanna Avenue and Mifflin Avenue (Entrance to Steamtown Mall).

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



BUREAU OF ENGINEERING

101 WEST POPLAR STREET • SCRANTON, PENNSYLVANIA 18508 • PHONE: 570-348-4180 • FAX: 570-348-0197

MEMORANDUM

TO: Jessica Eskra, Esquire, City Solicitor

FROM:  John J. Pocius, P.E., P.L.S., City Engineer
LaBella Associates

DATE: November 25, 2019

RE: *Application for Traffic Signal Approval
Traffic Signal Permit No. 40110
Lackawanna Avenue and Mifflin Avenue/Entrance to Steamtown Mall*

Enclosed is one copy (1) of TE-160 (6-12) Application for Traffic Signal Approval. As per a meeting held on Tuesday November 12, 2019 at the State Office Building with representatives from the Commonwealth, COLTS, PENNDOT 4-0, and the City of Scranton to discuss pedestrian safety, it was agreed to request that the Department revise this permit to have four (4) seconds of advanced pedestrian timing and to request the Department if additional vehicle green time can be added to the State Office building parking lot driveway at quitting time which is around 3:30 pm, 4:00 pm and 4:30 pm for this intersection.

We recommend that a Resolution be prepared and forwarded to City Council indicating that *"The Director of the Department of Public Works of the City of Scranton is authorized and directed to submit the attached Application for Traffic Signal Approval to the Pennsylvania Department of Transportation and to sign this Application on behalf of the City of Scranton"*.

The Application cannot be signed and dated and witnessed until after the Resolution is passed by City Council and approved by the Mayor. If there are any questions on this matter, please do not hesitate to contact me at (570)904-6189.

JJP/lmz

Z-11-04-30 ESKRA memo-Permit No40110-11-25-19

Enclosures

- c Dennis Gallagher, Director, Department of Public Works
- Donald J. King, AICP, City Planner
- Lori Reed, City Clerk
- David Bulzoni, City Business Administrator
- Amy Szydowski, MPA, MSW, District Executive Director
- QA/QC C. File

Application for Traffic Signal Approval

Please Type or Print all information in Blue or Black Ink



County : Lackawanna
 Engineering District : 4-0
 Department Tracking # : _____
 Initial Submission Date : _____

A - Applicant's (Municipal) Contact Information

Municipal Contact's Name : Dennis Gallagher Title : Director of Department of Public Works
 Municipal Name : City of Scranton
 Municipal Address : 340 North Washington Avenue, Scranton, PA 18503
 Municipal Phone Number : (570) 348-4180 Alternative Phone Number : (570) 357-4988
 E-mail Address : dgallagher @ scrantonpa.gov
 Municipal Hours of Operation : 6:00 a.m. to 2:00 p.m.

B - Application Description

Location (*intersection*) : Lackawanna Avenue and Mifflin Avenue/Entrance to Steamtown Mall
 Traffic Control Device is : NEW Traffic Signal EXISTING Traffic Signal (Permit Number) : 40110
 Type of Device (*select one*) Traffic Control Signal (MUTCD Section 4D, 4E, 4G) Flashing Beacon (MUTCD Section 4L) School Warning System (MUTCD Section 7B)
 Other : _____
 Is Traffic Signal part of a system? : YES NO System Number (*if applicable*) : _____
 If YES, provide locations of all signalized intersections in system.
Lackawanna Avenue/Mifflin Avenue/Entr. Steamtown Mall; Lackawanna Avenue/Franklin Avenue; Lackawanna Avenue/Penn Avenue; Lackawanna Avenue/Wyoming Avenue; Lackawanna Avenue/North Washington Avenue; Lackawanna Avenue/Adams Avenue.
 Explain the proposed improvements :
Revise permit to have four (4) seconds of advanced pedestrian time and add additional green time to the State Office Building parking lot driveway at quitting time which is around 3:30 p.m., 4:00 p.m., and 4:30 p.m.
 Associated with Highway Occupancy Permit (HOP)? : YES NO If YES, HOP Application # : _____

C - Maintenance and Operation Information

Maintenance and Operations are typically performed by? :
 Municipal Personnel Municipal Contractor Municipal Personnel & Contractor
 Other : _____
 Maintenance and Operations Contact Name : Dennis Gallagher Company/Organization : City of Scranton
 Phone # : (570) 357-4988 Alternative Phone # : (570) 348-4180 E-mail : dgallagher@scrantonpa.gov

D - Attachments Listing

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Municipal Resolution (<i>required</i>) | <input type="checkbox"/> Location Map | <input type="checkbox"/> Traffic Volumes / Pedestrian Volumes |
| <input type="checkbox"/> Letter of Financial Commitment | <input type="checkbox"/> Photographs | <input type="checkbox"/> Turn Lane Analysis |
| <input type="checkbox"/> Traffic Signal Permit | <input type="checkbox"/> Straight Line Diagram | <input type="checkbox"/> Turn Restriction Studies |
| <input type="checkbox"/> Warrant Analysis | <input type="checkbox"/> Capacity Analysis | <input type="checkbox"/> Other : _____ |
| <input type="checkbox"/> Crash Analysis | <input type="checkbox"/> Traffic Impact Study (TIS) | |
| <input type="checkbox"/> Traffic Signal Study | <input type="checkbox"/> Condition Diagram | |

Application for Traffic Signal Approval

Please Type or Print all information in Blue or Black Ink



County :Lackawanna

Engineering District :4-0

Department Tracking # :

Initial Submission Date :

E - Applicant (Municipal) Certification

The applicant desires to own, operate, and maintain the traffic control device in the location indicated above; and the Vehicle Code requires the approval of the Department of Transportation ("Department") before any traffic signals may be legally erected or modified. A signed Application for Traffic Signal Approval (TE-160) must be submitted in conformance with the instructions provided by the Department, and a Traffic Signal Permit must be issued, before any work can begin.

If the Department approves a traffic signal after a traffic engineering study and engineering judgment indicates the need, the traffic signal shall be installed, owned, operated, and maintained within the parameters indicated in the Vehicle Code and the Department's regulations relating to traffic signs, signals, and markings. The Department may direct appropriate alterations to the design or operation (including, but not limited to, hours of operation) of the traffic signal, or require removal of the traffic signal, if traffic conditions or other considerations necessitate alteration or removal.

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The applicant shall indemnify, save harmless and, defend (if requested) the Commonwealth of Pennsylvania, its agents, representatives, and employees from and against any damages recoverable under the Sovereign Immunity Act, 42 Pa. C.S. §§ 8521-8528, up to the limitations on damages under said law, arising out of any personal injury or damage to property which is finally determined by a court to be caused by or result from acts or omissions of the applicant and for which a court has held applicant, its officials, or employees to be liable. This provision shall not be construed to limit the applicant in asserting any rights or defenses. Additionally, the applicant shall include in any contracts into which it enters for maintenance, operation, or inspection of the traffic control device this same obligation to indemnify the Commonwealth and its officers, agents, and employees; and it shall require its contractor(s) to provide public liability insurance coverage, naming the Commonwealth and the applicant as additional insureds for bodily injury, including death and property damage, in the minimum amounts of \$500,000 per person, \$1,000,000 per occurrence, it being the intention of parties to have the contractor fully insure and indemnify the Commonwealth and the applicant.

The applicant shall comply with the study and ordinance requirements of 75 Pa. C.S. § 6109. The applicant submits this application with the intention of being legally bound.

Neither this application nor any Traffic Signal Permit creates any rights or obligations with respect to parties other than the applicant and the Department. Third parties may not rely upon any representations made by either the applicant or the Department in connection with the submission or approval of this application or any work permitted or approved that is related to this application, as regards either payment of funds or performance of any particular item of maintenance precisely as specified.

The applicant agrees to comply with the attached Exhibits:

- Exhibit "A": Preventative and Response Maintenance Requirements (Sheet 3 of 5)
- Exhibit "B": Recordkeeping (Sheet 4 of 5)
- Exhibit "C": Signal Maintenance Organization (Sheet 5 of 5)

Printed Municipal Contact Name :Dennis Gallagher

Date :

Signed By :

Witness or Attest :

Title of Signatory : Director of Department of Public Works

Title of Witness or Attester: City Solicitor

Exhibit "A":
Preventative and Response Maintenance
Requirements



County : Lackawanna
 Engineering District : 4-0
 Department Tracking # : _____
 Initial Submission Date : _____

Preventive Maintenance

The APPLICANT or its contractor will provide preventive maintenance for each individual component of the traffic signal installation covered by this application at intervals not less than those indicated in the Preventive Maintenance Summary, PA DOT Publication 191, current version. This is the recommended level of maintenance to keep the intersection control equipment and signals in mechanically, structurally and aesthetically good condition.

Response Maintenance

The APPLICANT or its contractor will provide response maintenance in accordance with the provisions of the Response Maintenance Schedule. It encompasses the work necessary to restore a traffic signal system to proper and safe operation. Includes Emergency Repair and Final Repair.

FINAL REPAIR:

Repair or replace failed equipment to restore system to proper and safe operation in accordance with permit within a 24-hour period.

EMERGENCY REPAIR:

Use alternative means or mode to temporarily restore system to safe operation within a 24-hour period. Final repair must then be completed within 30 days unless prohibited by weather conditions or availability of equipment.

Response Maintenance Schedule

KNOCKDOWNS

- Support - Mast arm
- Support - Strain pole
- Span wire/tether wire
- Pedestal
- Cabinet
- Signal heads

TYPE OF REPAIR PERMITTED

- Emergency or Final
- Emergency or Final
- Final Only
- Emergency or Final
- Emergency or Final
- Final Only

EQUIPMENT FAILURE

- Lamp burnout (veh. & ped.)
- Local controller
- Master controller
- Detector sensor
 - Loop
 - Magnetometer
 - Sonic
 - Magnetic
 - Pushbutton
- Detector amplifier
- Conflict monitor
- Flasher
- Time clock
- Load switch/relay
- Coordination unit
- Communication interface, mode
- Signal cable
- Traffic Signal Communications
- Traffic Signal Systems

- Final Only
- Emergency or Final
- Final Only
- Final Only
- Emergency or Final
- Final Only
- Emergency or Final
- Emergency or Final
- Final Only
- Final Only
- Final Only

Exhibit "B":
Recordkeeping



Sheet 4 of 5
DEPARTMENT USE ONLY

County : Lackawanna

Engineering District : 4-0

Department Tracking # : _____

Initial Submission Date : _____

Recordkeeping

Accurate and up-to-date recordkeeping is an essential component of a good traffic signal maintenance program. In recognition of this fact, the APPLICANT must prepare, retain, and make available to the COMMONWEALTH, on request, a record of all preventive and response maintenance activities performed on the traffic signal equipment covered by this application.

The APPLICANT shall establish a separate file for each installation and keep its records in the municipal building, signal maintenance shop, or other weather-protected enclosure.

At a minimum, the following records will be kept by the APPLICANT or its contractor for each traffic signal. These forms can be found in Section 10.0, Maintenance Record Forms, PA DOT Publication 191, current version.

FORM 1 - Master Intersection Record

This form, which lists all maintenance functions performed at the intersection, should be updated within one day of the activity but no more than one week later.

FORM 2 - Response Maintenance Record

Each time response maintenance is required at the intersection, this form is to be completed. Once the pertinent information is transferred to the master intersection record, this form is to be placed in the intersection file.

FORM 3 - Preventive Maintenance Record

This form will be used to provide a record of the preventive maintenance activities performed at each intersection. The date, the activities performed, and the signature of the person in charge of the work must be recorded in the form.

This form may be kept at the intersection, if it is adequately protected from the weather. Form 1 must be updated at the central file, however, to reflect the date and activity.

**Exhibit "C":
Signal Maintenance Organization**



County :Lackawanna

Engineering District :4-0

Department Tracking # :

Initial Submission Date :

Personnel Classifications

In order to properly maintain the traffic signal equipment covered by this applicant, the APPLICANT agrees to provide, as minimum, the following staff throughout the useful life of equipment. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191.

Traffic Engineer - The administrative position which has prime responsibility for the proper operation of traffic signal equipment. The principal function of this position is the supervision and control of subordinate personnel and the planning of their activities to ensure adequate preventive and response maintenance programs.

Minimum Position Requirements

1. A thorough understanding of traffic signal design, installation and maintenance.
2. A working knowledge of the interaction between the following traffic characteristics: Intersection geometry, traffic flow theory, control type (fixed time, actuated, etc.), signal phasing and timing, and interconnection.
3. An ability to supervise subordinate personnel effectively in the assignment of their work.
4. Possession of a college degree in engineering, which includes course work in traffic engineering.
5. Either four years experience in the field of traffic engineering or its equivalent in graduate college work.

Signal Specialist - The individual responsible for the diagnostics and repair of all traffic signal equipment including solid state equipment.

Minimum Position Requirements

1. Extensive training and troubleshooting skills in electronics and software.
2. Ability to repair modules in the shop and to design test equipment needed to diagnose and repair a problem.
3. Ability to make design and modifications to implement or omit special functions.
4. Ability to implement a recordkeeping system to include maintenance activities, inventory control and identification of recurring problems.
5. Ability to perform all tasks required of a signal technician.

Signal Technician - Individual responsible for the operation and maintenance of traffic signals and electromechanical equipment.

Minimum Position Requirements

1. Ability to perform response maintenance on solid state equipment up to the device exchange level.
2. Capability to diagnose a vehicle loop failure and initiate corrective action.
3. Ability to tune detector amplifiers.
4. Ability to follow wiring schematics, check and set timings from plan sheet and check all field connections.
5. Ability to perform preventive maintenance on all equipment and to maintain accurate records of all work perform.

Training

The APPLICANT agrees to secure training in order to upgrade the ability of its present staff to properly perform the required maintenance functions. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191.

Budget Requirements

The APPLICANT agrees to provide, in its annual operating budget, dedicated funds which are sufficient to cover the cost of the personnel, training, contractors (if utilized) and specialized maintenance equipment which are required, by virtue of this application. The APPLICANT agrees to abide by all guidance provided in PA DOT Publication 191..



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

January 6, 2020

RECEIVED

JAN 7 2020

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF SCRANTON TO SIGN AND SUBMIT THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") APPLICATION FOR TRAFFIC SIGNAL APPROVAL FOR TRAFFIC SIGNAL PERMIT NO. 40110 AT LACKAWANNA AVENUE AND MIFFLIN AVENUE (ENTRANCE TO STEAMTOWN MALL).

Respectfully,

Jessica Eskra (S)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl