



## OFFICE OF THE MAYOR

City Hall | 340 North Washington Avenue | Scranton, PA 18503 | 570.348.4101

December 24, 2020

Dear Scranton Residents:

Throughout 2020, our administration has demonstrated how to govern through crisis.

Working in close collaboration with hospitals, epidemiologists, community health, emergency services and social service providers, education and business leaders, local, state and federal elected officials, including Scranton City Council, and other stakeholders, we have spent the year managing through unprecedented public health and economic crises.

While working tirelessly alongside our hospitals and healthcare providers to bring accurate information and support to mitigate the spread of COVID-19 in our City, we also have successfully navigated fiscal challenges due to the economic impact of the virus. Beyond our COVID-19 response, my priorities this past year have been to maintain public safety services despite the pandemic, help local businesses, and to oversee fiscal transparency and responsibility while operating with austerity.

**Despite the myriad of adverse impacts the pandemic has caused, we project that we will end 2020 with a surplus, while paying our annual pension and debt obligations, and without increasing taxes.** Through 2020 we made careful spending decisions and fostered a culture that encourages savings and acknowledges that City funds are taxpayer dollars that must be used to provide services and do the most good possible for the most residents and for Scranton's future.

The 2021 Budget was constructed maintaining these significant expenditure cuts while being realistic about revenue projections; revenues were set around or below 2020 projections to account for the extended impact of COVID-19 on the local economy, especially on household incomes. The revenue losses laid out in the 2021 Budget represent the impact of COVID-19, not a structural deficit. Rather, when we have recovered from the pandemic we anticipate local revenues to grow as the real estate market runs hot and Scranton is on the radar as one of America's most livable small cities. We are also analyzing the local tax structure with the goal of making changes that will help attract and retain businesses, open up more job opportunities, and ultimately reduce the tax burden on Scranton residents and wage-earners.

I know that so many of you have had to sacrifice and overcome many obstacles this past year, which is why we have worked very hard to do the same in City operations.

Through discipline, positivity, and cooperation throughout the City, each department did its part to rein in spending, including dozens of city administrative employees enduring furloughs. We deeply appreciate the sacrifice of those employees.

But running a city is not just about resources; it's about management of resources. All of our efforts are related. We are no longer operating City departments as silos – communication is strong between departments and the culture of ethical and responsible government permeates the City. The Ethics Code, gift policies, IT use policies, improved internal controls, and the new Whistleblower Hotline all set a foundation for integrity in our city government and prevent waste and abuse, help us build trust with our community, and ultimately reduce unnecessary spending.

The 2021 Budget as presented to City Council was crafted with strategic intent, to enable us to ensure that your city government works for you by improving services, modernizing processes, professionalizing how we do business, enhancing communication with residents, and fighting blight, with a focus on neighborhoods, public health, and public safety.

Three key pillars of my proposed budget included:

1. Continuing to improve the City's operational effectiveness and efficiency;
2. Implementing structural changes to deliver services supporting resident needs and economic growth; and
3. Building an organization capable of delivering results and a reputation for successful and fulfilling careers in local government.

City Council's version of the 2021 Budget presents a host of roadblocks on our path to success, but we will manage these as best we can. I will not sign City Council's Budget, as their amendments encumber our administration's ability in a host of ways, including managing an organization of more than 500 employees, retaining and attracting talent, collecting delinquent taxes, engaging with residents in their neighborhoods, and fighting blight by demolishing hazardous properties.

First and foremost, the decision to restrict contingency funding fails to adequately reflect the current economic uncertainty occurring not just here but throughout the world. Now more than ever, we need greater flexibility to quickly adapt to all of the unknowns of our new COVID-19 existence while continuing to provide quality City services. Such restrictions may also lead to possible shortfalls in support of critical projects aimed at sustaining our local small businesses at a time when they are struggling. A financial crisis is not the time to close the door on funding options.

Second, City Council's amendments strip away funding for demolition of blighted structures throughout the City. This past year, we have seen firsthand the widespread and lasting impact of remediating blight throughout the City – demolishing

neighborhood eyesores improves the morale and property values of our City as a whole and each of our neighborhoods, block by block. We will continue and build upon this progress, but unfortunately will be limited with the budgetary cuts from City Council. We will look for innovative ways to maximize our efforts in this area and forge ahead on this critical initiative.

Finally, my proposed 2021 Budget focused on creating a city government structure equipped for efficiency and progress. The requested organization changes were designed to drive the City's operational performance and change management for a more modern and relevant city to better serve you. The positions approved will bring discipline to city projects and increase capacity for city services. However, a Chief of Staff would have ensured that all departments are working together as efficiently as possible and stakeholders are engaged at every turn. It would have afforded me and the Business Administrator greater capacity to focus on both short- and long-term recovery for the City. The absence of this position does not lend itself to efficient government operations, or allow us capacity to respond to City Council and stakeholder requests and questions within the timeframes that we would all prefer.

Furthermore, refusal to fund a Deputy Superintendent of Police limits the City's capability to respond to and communicate critical public safety issues, which is more important now than ever. Failure to fund a Confidential Human Resources Administrator will severely hinder sensitive personnel work and collective bargaining coming due over the next two years and ongoing grievance negotiation preparations. By reducing the role of the Parks and Recreation Manager, and cutting "Neighborhoods" from the department, our initiatives for parks, recreation, and neighborhood engagement will be curtailed and slowed, at a time when recreational outlets for our children have become more needed and used than ever.

Additionally, salary increases for certain positions were aimed at fixing historical imbalances and ensuring the attraction and retention of talented and motivated leadership in the City. City Council's rejection of these increases does not support the message that these dedicated public servants are valued or appreciated.

Many positions within the City are compensated at rates significantly less than those similarly situated in other peer municipalities and up the street at the School District. The Director of Community Development, for example, will take on managing two more departments in 2021 and make roughly half of that of her peers in similar PA cities.

Unequal pay structures lend themselves to reduced productivity and participation, and run the risk of increasing employee turnover. We cannot afford to be shortsighted as we seek to capture momentum in 2021 and capitalize on growth opportunities.

Our administration hires on merit, not connections. Refusing to respect the hard-working professionals in the City puts us at risk of losing key employees and impedes our efforts to hire the most qualified candidates to tackle the problems we face.

Failure to fund internships reduces our capacity for improvement projects, particularly with regard to our new operating platform and our efforts to promote community outreach. It also eliminates a key method of attracting local talent to the City and building a bench of talent that can help us make progress for years to come.

Despite these setbacks, myself and the team of public servants at the City remain dedicated to weathering the storm caused by COVID-19 while providing prompt, quality public services and continuing the City's road to financial recovery.

As I said earlier, running a city is about management of resources, and that is what we will do. The team of dedicated public servants at the City and I are focused on weathering the storm caused by COVID-19 while improving the delivery of services and the efficiency of operations as we travel on the City's road to financial recovery.

I am incredibly proud of the strides we have made this year, and we will keep pushing hard in 2021 and beyond to show you what local government *can be*, remain responsible stewards of your hard-earned dollars and work toward reducing your tax burden, and collaborate with you to improve our programs and services.

I look forward to working with you, City Council, and all stakeholders as we turn to a new year and aspire to create the best possible version of the City we all love.

Sincerely,

A handwritten signature in cursive script that reads "Paige Gebhardt Cognetti". The signature is enclosed within a faint, circular watermark or seal.

Paige Gebhardt Cognetti, Mayor

CC: City Employees  
City Council  
City Controller