

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, August 2, 2012

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

CATHENE S. NARDOZZI, RPR - OFFICIAL COURT REPORTER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

FRANK JOYCE, VICE-PRESIDENT

ROBERT MCGOFF

PAT ROGAN

JOHN LOSCOMBE
(Not present.)

NANCY KRAKE, CITY CLERK

JAMIE MARCIANO, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

1 (Pledge of Allegiance recited and moment of reflection
2 observed.)

3 MS. EVANS: Roll call, please.

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. MARCIANO: Mr. Rogan.

7 MR. ROGAN: Here.

8 MS. MARCIANO: Mr. Loscombe. Mr.
9 Joyce.

10 MR. JOYCE: Here.

11 MS. MARCIANO: Mrs. Evans.

12 MS. EVANS: Here. Dispense with the
13 reading of the minutes, please.

14 MS. KRAKE: THIRD ORDER. 3-A.

15 FINANCIAL AND DAILY OPERATIONS STATUS REPORT
16 FOR THE SCRANTON PUBLIC LIBRARY AUTHORITY AS
17 OF JULY 30, 2012.

18 MS. EVANS: Are there any comments?
19 If not, received and filed.

20 MS. KRAKE: 3-B. THE CITY OF
21 SCRANTON ZONING HEARING BOARD WILL NOW HAVE
22 THEIR MEETINGS THE 3RD WEDNESDAY OF EACH
23 MONTH IN COUNCIL CHAMBERS AT 6:00PM.

24 MS. EVANS: Are there any comments?
25 If not, received and filed.

1 MS. KRAKE: 3-C. AGENDA FOR THE
2 ZONING HEARING BOARD'S MEETING TO BE HELD
3 AUGUST 15, 2012.

4 MS. EVANS: Are there any comments?
5 If not, received and filed.

6 MS. KRAKE: 3-D. MINUTES OF THE
7 COMPOSITE PENSION BOARD MEETING HELD JUNE
8 27, 2012.

9 MS. EVANS: Are there any comments?
10 If not, received and filed.

11 MS. KRAKE: 3-E. MINUTES OF THE
12 FIREMEN'S PENSION COMMISSION MEETING HELD
13 JUNE 27, 2012.

14 MS. EVANS: Are there any comments?
15 If not, received and filed.

16 Do you have any clerk's notes this
17 evening, Mrs. Krake.

18 MS. KRAKE: No, Mrs. Evans.

19 MS. EVANS: Thank you. Do any
20 council members have announcements at this
21 time?

22 MR. MCGOFF: Just like to mention
23 I'm sure, Mr. Hetman, was going to mention
24 it the Three-on-Three basketball tournament
25 being held this weekend in downtown

1 Scranton. Once again, it originated there
2 some 20 years ago and is now returning to
3 the city streets, it will be played Saturday
4 and Sunday and tomorrow evening there are
5 four, I'll say, celebrity or some games
6 being played, one of them featuring a team
7 of firemen versus a team of policemen, and
8 another one with members of the city hall
9 team versus a county commissioner's team, so
10 come out and enjoy.

11 MS. EVANS: Thank you. Councilman
12 Loscombe is unable to attend tonight's
13 meeting due to a prior commitment.

14 The former Waffle Shop at 917
15 Wyoming Avenue is under new ownership. We
16 welcome Alfonso's to our city and wish them
17 great success. On Monday through Friday
18 from 6 to 9 a.m. Alfonso's offers a 99 cent
19 breakfast special that can't be beat. Such
20 bargain prices and delicious food should
21 attract many new customers. And that's it.

22 MS. KRAKE: FOURTH ORDER. CITIZENS'
23 PARTICIPATION.

24 MS. EVANS: Our first speaker
25 tonight is Les Spindler.

1 MR. SPINDLER: Good evening,
2 Council. Les Spindler, city resident and
3 homeowner and taxpayer. I want to talk
4 about an article in the Doherty newsletter
5 the other day about the Scranton Parking
6 Authority where Attorney O'Brien said that
7 the \$2 million debt to cover payments is the
8 city is obligated to pay that, and he also
9 goes onto say that the Authority will need
10 more than \$3 million of bond payments until
11 2039. I'd like to know where had money is
12 going to come from.

13 The best thing that could happen to
14 this situation is someone take over the
15 Authority, sell the garages, get rid of all
16 of the cronies in there that are helping to
17 kill this city and sell the garages and pay
18 off those debts. Authorities, I've always
19 said it in years past if they're autonomous
20 the city has no control over them. Well, if
21 they're autonomous then they should pay
22 their debts. They shouldn't count on the
23 city, the city shouldn't be responsible.

24 The nonprofits, we have talked about
25 this for a long time and something was in

1 the paper today. As a matter of fact, it
2 wasn't in the paper today was on the
3 Internet on-line about the University and
4 Doug Hill, Director of the Harrisburg
5 Assessor's Association said that there is
6 companies on the property of the University
7 of Scranton that can be taxed, and Attorney
8 Hughes said last week Chick-fil-A is in,
9 there, Starbucks is in there, as Mr. Hill
10 said, these people can be taxes. And the
11 parking garages, if it's other people than
12 students that are parking in there that
13 could also be taxed. This is someone from
14 the state assessor's office saying this. So
15 I think a letter should be sent, as I said
16 last week, to our county assessor and get
17 these nonprofits that are not -- get these
18 profit making companies to contribute to the
19 tax base of this city. Chick-fil-A and
20 Starbucks, they are not a nonprofit company.

21 MS. EVANS: And, Mr. Spindler, we
22 actually have discussed that at the first
23 intergovernmental meeting with the county
24 commissioners and the school district and
25 the County Assessor's Office was represented

1 at that meeting, so I am sure they are fully
2 aware of the city's desire to go after those
3 types of properties and should the
4 nonprofits fail to make a fair share
5 contributions to the beleaguered City of
6 Scranton then I believe that the City should
7 pursue taxing their eligible properties.

8 MR. SPINDLER: Absolutely. Another
9 story in the Doherty newsletter today, "New
10 police vehicles spread distracting driving
11 message," and I want to read part of this.
12 "The SUV will serve as the highway crash
13 investigation cruiser for Cpl. Richard
14 Bachman to help assess crash scenes with
15 serious or fatal injuries. Acting Police
16 Chief Carl Graziano hopes the message will
17 remind people to put down cellphones and pay
18 attention to the road."

19 Well, you know what, when this
20 vehicle arrive at the crash scene it's a
21 little late, isn't it? It says, "We want to
22 prevent Corporal Bachman from responding
23 with this vehicle, Chief Graziano said:

24 Well, the way to prevent him from
25 responding is to enforce the distracted

1 driving law. You can stand on the street
2 corner I bet and see at least five out of
3 ten cars where people on their cell phones,
4 maybe more. If this law was enforced you
5 want to talk about revenue source? We could
6 probably bring in thousands of dollars a day
7 on all the people that can be caught on
8 their cell phones. I don't know what the
9 fine would be for that, but these people
10 should all be cited, stopped and cited.

11 And you know what, I have been a
12 backer of our police force and firemen for
13 years and years and years, I have all of the
14 respect in the world for our police
15 officers, but sometimes they are the biggest
16 culprits. I see sometimes they will be
17 driving by and they are on their cell
18 phones, so I think they have to lead by
19 example, and no personal shots at the police
20 officers, I have friends on the force, and
21 like I said, they should lead by example and
22 if we can enforce this distracted, I said
23 this for years, a cell phone that's
24 distracted driving. We don't need a cell
25 phone law, we have to enforce the laws we

1 have and, as I said, it's not hard to spot
2 people on their cell phones. Pull them
3 over, cite them and we'll have plenty of
4 money coming into the city, as with the
5 right turn on red lights with cameras in
6 them.

7 To have a vehicle like this it's
8 like -- I just think it's a waste. It's not
9 going to stop people from talking on their
10 cell phones. The law has to be -- the
11 distracted driving law has to be enforced.

12 Some good news for myself anyway, my
13 streetlight, which has been out for like a
14 month or a month and a half as of Monday
15 night is back on, so I want to thank who was
16 responsible for getting that taken care of,
17 whether it was you, Mr. McGoff, I don't know
18 if you talked to anybody at DPW and asked
19 you too, or Mrs. Marciano, whoever got it
20 taken care of, thank you. Now we can
21 actually see on our corner.

22 And lastly, one quick note, next
23 Friday and Saturday August 10 and 11, the
24 Tripp Park Neighborhood Association is
25 having their annual picnic from 6 to 10 with

1 EJ the DJ and hope everyone attends. Thank
2 you for your time.

3 MS. EVANS: Thank you. Bill
4 Jackowitz.

5 MR. JACKOWITZ: Bill Jackowitz,
6 South Scranton resident, member of the
7 Taxpayers' Association. I really wasn't
8 planning on coming here tonight, but I had
9 so many questions asked of me it's almost
10 like I'm sitting up there or I'm on council
11 or I'm the mayor so -- because, quite
12 honestly, I'm frustrated, frustrated about a
13 lot of things in the city and nothing seems
14 to go right.

15 You know, I never thought I'd bring
16 a newspaper here either, I actually bought
17 these at 75 cents a whack. I can't believe
18 that either, but anyway, you know, the
19 newspaper July 31, 2010r, "Commuters would
20 being subject to a tax, possibly 1 percent
21 on their gross wages."

22 You know, I'm against it. I don't
23 think commuters should have to pay for
24 Scranton's mistakes. We are the ones who
25 elected the mayor, past mayors, we are the

1 ones who elected city council, present city
2 council and past city councils. Commuters
3 did not do that. A lot of the commuters, as
4 a matter of fact, moved out of the city to
5 avoid the high taxes in the City of
6 Scranton, and what happened? They are
7 getting nailed now if you really stop and
8 think about it because they are going to get
9 a 1 percent Lackawanna County tax that they
10 are going to have to pay and you are going
11 to get a 1 percent commuter tax that they
12 are going to have to pay, and they are going
13 to have to pay the 1 percent tax in their
14 community so that adds up to 3 percent so
15 what do they save, four-tenths of a percent
16 by moving out of the City of Scranton? Stop
17 and think about it. They are getting
18 hammered. They are not responsible for what
19 happened to the City of Scranton. We, the
20 citizens of the City of Scranton, are
21 responsible for it.

22 The nonprofits would be asked to
23 raise contributions from 300 grand to 2.4
24 million. Good luck. Five years ago when
25 Judy Gatelli was president of City Council,

1 and Nancy Krake can affirm this, she formed
2 a committee, we met five or six times. We
3 sat right here in this building and in this
4 room and we talked about the collecting
5 money from the nonprofits, and the mayor sat
6 right across from me, I spoke about this
7 before, said he was going to support it.
8 Well, he never did support it. This should
9 have been done years ago. Not 2012. Not
10 2014. This should have been years ago.

11 The Gatelli council did absolutely
12 nothing, the McGoff council did absolutely
13 nothing, and so far the Evans council has
14 done nothing either. So, I hope we get that
15 2.4 million, I really do because this should
16 have been done years ago.

17 MS. EVANS: Mr. Jackowitz, I don't
18 agree that the Evans council has done
19 nothing.

20 MR. JACKOWITZ: Well, I didn't
21 expect you to agree with it.

22 MS. EVANS: Well, I think you need
23 to think about to all of the tremendous
24 publicity that this council and I received
25 when we made our visits to the nonprofits.

1 MR. JACKOWITZ: Well, I understand
2 that, but nothing was solved, nothing was
3 accomplished. They still haven't
4 contributed anything. Lackawanna College,
5 you are never going to get a dime from
6 Lackawanna College. They made that
7 perfectly clear. You know, and am I in
8 favor of it? Yes. I spoke from this podium
9 many times, I'm in favor of it. I don't
10 think 2.4 million and whatever it is is
11 enough. I think the University should be
12 giving \$2 million itself every year and
13 Lackawanna College should be giving a
14 million and Marywood should be giving a
15 million. I spoke about this again right
16 from this council, okay? I'm just saying
17 good luck. I hope you get it. I hope you
18 are strong enough and I hope that Mayor
19 Doherty backs you for the next year that he
20 is in office. Otherwise, you are not going
21 to get it, okay?

22 Now, employees, 3.3 million in
23 departmental budget cuts over three years
24 and cut jobs. Again, I'm in favor of that
25 depending upon what jobs are being cut and

1 who they are, and not people either, I'm not
2 talking about people, I'm talking about
3 positions. I could care less who works for
4 the city and who doesn't work for the city.

5 Residents will see a real estate tax
6 rise of 33 percent over the next three
7 years. 33 percent is a lot better than 78
8 percent, but you know what it's actually 63
9 percent because you also passed a 10 percent
10 court-mandated tax increase for the next
11 three years.

12 MS. EVANS: That's included in the
13 33 percent.

14 MR. JACKOWITZ: That's included?
15 Okay, thank you for clarifying that because
16 a lot of people didn't know that, myself
17 included.

18 Okay, again, a new plan 33 percent
19 tax hike. I thought we were told that we
20 weren't going to read about things in the
21 newspaper anymore. I thought we were told
22 that everything was going to be open and
23 transparent. I thought we were told there
24 were going to be no more behind the closed
25 door meetings. But guess what, we have

1 behind the closed door meetings and I read
2 about it in the newspaper. I read about the
3 tax hike on Saturday July 28, 2012.

4 MS. EVANS: Well --

5 MR. JACKOWITZ: Can I finish,
6 please? And then I still don't see the
7 mayor here. I thought we were told that
8 nothing was going to until the mayor showed
9 up at city council meetings. I still don't
10 see the mayor here, but, guess what, the
11 Recovery Plan looks like it's going through,
12 the tax hike looks like it's going through.
13 Where is the mayor? Why isn't he here?

14 Mr. McGoff, you were going to ask
15 the mayor two weeks ago, did you ask the
16 mayor and if so what was his answer?

17 MR. MCGOFF: He didn't give me an
18 answer.

19 MR. JACKOWITZ: You didn't get an
20 answer. Okay, well, that doesn't surprise
21 me one bit either, but yet we are still
22 going to pass a Recovery Plan. We are
23 probably going to pass it tonight, it won't
24 surprise me. We are still to get a tax
25 increase, but where is the mayor? Is the

1 mayor here? We caved. He didn't cave, we
2 caved, and when I say "we" I'm talking about
3 the residents because we are the ones who
4 are going to have to pay for all of this.
5 You know, he is not here.

6 I was told -- I can't believe the
7 unions backed down from the Court appearance
8 because I wanted to hear what Doherty had to
9 said under oath and the stand, but you know
10 what, he got left off the hook again. So we
11 will never find out what happened.

12 We still don't know where the money
13 is at. How much money do we have? How are
14 we going to pay for this? Is it all
15 borrowing money? How are we going to pay
16 the firefighters and police officers plus
17 give them 6 percent interest? Is it all
18 borrowed money? Is it more money we are
19 going to have to borrow? I hope not. I
20 really do. I hope not.

21 MS. EVANS: Before I call of the
22 next speaker I just wanted to briefly
23 respond to some of the Mr. Jackowitz's
24 comments. First of all, it's all well and
25 good to repeat and repeat and repeat that

1 the mayor should come to council, and I
2 agree with that and I have said it more than
3 anyone up here, I have been trying for that
4 for many, many years as an elected official,
5 but I do recognize the mayor is not coming.
6 The mayor will never come. That's a
7 reality. That's what we have to work with.
8 He will not come.

9 Now, at last week's council meeting
10 it was made public and it was even printed
11 in the newspaper that council members and
12 the mayor would be meeting on Friday to try
13 to work out a revised Recovery Plan. In
14 fact, I remember one of my colleagues making
15 a -- trying to make a motion that if it were
16 incomplete as of Friday it would continue
17 round the clock through Saturday and Sunday,
18 but that wasn't necessary. Now, city
19 council did not release the Recovery Plan to
20 the newspaper or the media, I would assume
21 the administration did that.

22 Tonight, our Finance Chair will be
23 presenting all of the amendments to the
24 public and that was our contention. If the
25 administration insisted, for example, that

1 the plan be passed in one evening, in fact,
2 an emergency certificate was sent to council
3 earlier this week which I stopped, and when
4 the mayor mentioned it to me during the
5 negotiations on Friday I let him know with
6 no uncertain terms that would not happen,
7 that this Recovery Plan would go through its
8 three readings so that the people of the
9 city have a chance to see it and to respond.

10 I added that I would be conducting a
11 public hearing during next -- or rather
12 prior to next week's meeting as well and so
13 the emergency certificate was rescinded and
14 this will go through its three weeks of
15 votes and comments and suggestions and so I
16 don't appreciate being accused of secrecy
17 because that is not the case. You and I, we
18 know better after all of these years.

19 Our next speaker is David
20 Burgerhoff.

21 MR. BURGERHOFF: Hello. David
22 Burgerhoff from North Scranton,
23 Pennsylvania. David Burgerhoff, used to be
24 a friend of Pats. Ever since I have decided
25 to move back to Scranton, technically I

1 never left, but ever since I decided to take
2 over my grandmother's house after her death,
3 a home I was raised in, I have never stopped
4 regretting the decision. From the very
5 beginning of dispute with city over a
6 landfill on city property that borders a
7 couple of my properties, to the damage
8 caused by the city's trees due to neglect
9 and deferred abatements, to the harassing
10 visits from officers to my home each time I
11 spoke out at council, I expect to see them
12 soon, or made any complaint about that
13 property behind my houses.

14 I spoke several times to the
15 inspectors and Mark Seitzinger specifically,
16 always being blown off, usually lied to, or
17 a minimum mislead. All the way to a
18 statement from the mayor's secretary that
19 told me she cuts the trees of her neighbors
20 that intrude on her property so I should do
21 the same. I would like to request that the
22 mayor's secretary stop by my home since she
23 is so experienced and I will gladly help her
24 climb those 60 foot trees with those 25 foot
25 branches that weigh about 800 pounds each

1 that are tearing my roof apart and I will be
2 more than glad to thank her when she does
3 that. I assume she has the necessary tools
4 so she is welcome any time, I don't even
5 have to be there.

6 I could go onto mention how for a
7 year as I cleaned out my grandmother's home
8 all while I was out of work due to serious
9 injury due to a car accident, I had to drag
10 my garbage to the curb because I was on
11 crutches. I managed to get it out there on
12 crutches and in one hand and yet the city
13 would leave it behind claiming it was too
14 heavy. I called to inform the DPW and made
15 a complaint. It not only continued, of
16 course, most people know things got worse
17 because now they were throwing out my
18 garbage cans. When I bought new ones they
19 threw them out, too. When I complained to
20 DPW they promised me new cans, that was five
21 years ago. I still don't have new cans.

22 How about the vacant North Scranton
23 Junior High School, which we are going to be
24 talking about this evening. Everyone up
25 there voted to give money to it, Pat Rogan

1 will tell you it's not city tax dollars so
2 that means I guess city residents don't pay
3 state or federal taxes, it's all tax
4 dollars, \$4 million going through a blighted
5 school that's been sitting unoccupied for 20
6 years as a nonprofit.

7 As we stand here and fight about
8 nonprofits, there are supposedly to give us
9 money in lieu -- and I'm off script now so
10 if I go off script fine, because I'm going
11 to be all over the place now, because I'm
12 frustrated. You know, we are going to give
13 \$4 million to Goodwill Industries who got
14 millions of taxpayer dollars 15, 20 years
15 ago to redo that school, which they did not.

16 Pat is going to tell me it's going
17 to create jobs. Well, I ask specifically
18 how many jobs? Are you temporary or
19 permanent? Did anybody even ask if we need
20 senior assisted housing in this city? Did
21 anybody ask if it could be done through
22 private industry so we didn't waste million
23 of taxpayers dollars to try and recoup it in
24 lieu of tax payments and through taxing the
25 workers that are going to be there. There

1 may be two workers and we invested \$4
2 million plus millions years ago and the
3 additional millions that are going to have
4 to go forward to complete this 25 million
5 project. Did anybody look to see if the
6 traffic would even be able to be handle in
7 that area. Did anybody even look at the
8 North Scranton Junior High and realize what
9 a nightmare it is out to pull out of those
10 streets now, but you're going to put 70
11 apartments there and you are going to have
12 an auditorium? Give me a break.

13 This is another opportunity for
14 these people to steal from the taxpayer and
15 council jumps right up and gives millions
16 there. Pat would say, "Well, the money
17 would have been lost if we didn't waste it
18 on the school."

19 Pat may not have used the word term
20 "waste" I do. You know, but it won't have
21 ben lost, about it will be lost because if
22 we didn't have it, it would have gone to
23 another community that maybe would have used
24 it for a worthwhile project. Instead we are
25 going to waste it here because we don't want

1 to lose the money so we can stand in front
2 and cut the ribbon and say, "I did that."

3 You know what, it's going to cost us
4 forever because I asked him, "are those
5 rents going to be subsidized by taxpayers."

6 We all know they are, but Pat said
7 they are going to be paid the same way they
8 would pay if you had an apartment. Well, I
9 do have apartments, Pat, and you know what,
10 I built those apartments myself. I don't
11 take tax breaks and I don't get tax cuts.

12 As a matter of fact, this city
13 against me as a landlord is coming me. They
14 want me to pay additional fees for being a
15 landlord. They want me to carry additional
16 insurance for being a landlord. They want
17 me to charge my tenants more because that's
18 the only way I can recoup that. They are
19 raising garbage fees, the sewer fees are
20 sneaking up. Did anybody see that or catch
21 that? The new sewer fees are sneaking up
22 slowly. You know, they wanted to put a flat
23 rate of 360 a couple of years back. They
24 explained they need the five to ten million
25 dollars to do the repairs necessary. People

1 fought it so we go to this hybrid system.
2 Now all of a sudden it looks like I'm paying
3 more than 360 a years, check your bills, see
4 if you are. You may be surprised.

5 You know, honestly, I don't even now
6 how to speak to this council anymore. Pat,
7 I think he so appropriately named because I
8 always see him looking for someone to pat
9 him on the back when he thinks he has done
10 well, yet when there is a problem Pat always
11 said, "I didn't do this, it's not my fault."

12 You know what? You guys chose that
13 position, nobody forced you to be there.
14 Loscombe going after his pension when he
15 knew he couldn't have it, that shows how you
16 guys are arrogant and you think you are
17 above the law, and if you don't think this
18 defines you it doesn't. I'm talking
19 generally. Generally about politics.

20 You know, but the point is you know
21 what Jack did and now you are going to sit
22 here and Pat is going to tell me it wasn't
23 city dollars, Pat is a double speaker, he is
24 a dangerous politician. Janet I haven't
25 figured you out yet, I do term your success

1 as a failure, so you may call it a success,
2 I call it a failure. I know you are trying,
3 I realize what you're up against, the mayor
4 and all of that, I don't think you guys even
5 brought new ideas, I don't even hear good
6 ideas. Going after the nonprofits is what
7 we have heard for years.

8 I just don't know if you guys even
9 know where to begin at this point. You
10 obviously have hit a dead end. You know
11 what they say when you hit bottom is when
12 you stop digging so stop digging, stop
13 spending the money, stop saying \$4 million
14 from the state doesn't matter. How did that
15 get allocated to the North Scranton Junior
16 High is what I would like to know. Why
17 didn't other people spread that \$4 about
18 through other agencies. Could they have
19 lobbied for that money? None of that will
20 be answered because I have asked these
21 questions time and time and time again and I
22 have never received an answer.

23 MS. EVANS: Thank you. The only
24 reply I can give because you spoke very
25 eloquently, but on a myriad of topics so

1 I'll just try to address the last one
2 regarding the former North Scranton Junior
3 High School, that is a \$4 million RACP grant
4 from the State of Pennsylvania and I believe
5 that only projects of that type,
6 multi-million dollars projects that will
7 renovate existing structures and turn them
8 over into useful properties are awarded such
9 grants, so I don't know that, you know, as
10 you were asking that any agency, you know,
11 would be -- would be eligible for that type
12 of grant. I don't believe that's the case
13 because RACP grants aren't normally, you
14 know, a \$250,000 grant, they are in the
15 millions.

16 MR. BURGERHOFF: They are multiple
17 buildings that are -- my other point is --

18 MS. EVANS: Thank you.

19 MR. BURGERHOFF: -- if you guys
20 don't know the answers to these questions
21 how do you vote on them. You can't answer
22 how many jobs will be created. That's the
23 point. That's the only point I wanted to
24 make.

25 MS. EVANS: Thank you,

1 Mr. Burgerhoff.

2 MR. BURGERHOFF: You're welcome.

3 MS. EVANS: Ozzie Quinn.

4 MR. QUINN: Good evening.

5 MR. JOYCE: Good evening.

6 MR. QUINN: Ozzie Quinn, Scranton
7 Taxpayers. First of all, it will be four
8 months and the budget will have to be
9 approved. I'm hoping that you look at the
10 clerical workers in the city and give them a
11 break, okay? Go after those 60, 70,000,
12 80,000 jobs, those clerical workers they are
13 all below the median income and it's easy
14 for Mr. Doherty or whatever to cut them off
15 because of the fact that some of them are
16 here before, they are not politically
17 connected with him, but yet he hires and
18 hires and hires and then he made the Sewer
19 Authority autonomous so he could load up
20 down there, so what can you do.

21 But, you know, I really appreciate
22 the supermajority. It's a long time, okay
23 and I seen the hard work you are doing, you
24 know, and I have seen council after council
25 after council rubber stamp every borrowing

1 that the mayor did. Every borrowing that
2 the mayor did, and actually who is to blame?
3 The city councils before you, there is no
4 doubt about that, and the good ole' Scranton
5 Times. Why? Because, as I said before at
6 previous meetings, the publishers have been
7 financially contributing to the campaigns of
8 Mr. Doherty since 2001 and they have
9 continued up to the last election, so who
10 were they going to put the onus on? They
11 are going to put it on your backs, okay,
12 because you are not agreeing with
13 Mr. Doherty and they want to make sure that
14 they do anything at all, no matter what,
15 even if they do an unethical cartoon, you
16 know, they don't care, you know?

17 And they are making money now on
18 what this Recovery Plan, the headlines about
19 the commuter tax and whatnot, you know?
20 They are making money fist over -- you think
21 they care about the community? Heck no. If
22 they cared about the community they would
23 have looked at the one-time source funding
24 revenue that Mr. Doherty sold off, okay?
25 They would have been looking at the fact

1 that they did no housing rehabilitation
2 throughout the neighborhoods and ten years
3 as it termed, none of that was ever
4 investigated. And why? Because they are
5 the only newspaper in the area and people
6 got to realize it out there that if you read
7 the Scranton Times you better read it like
8 this and like this (indicating) because you
9 don't know what's spin they are putting on
10 that baby, okay?

11 Because it's ashame that you have to
12 take this beating by the people out here for
13 the work you are trying to do, you know. I
14 don't think that you should be negotiating,
15 you elected officials negotiating at this
16 table on a Recovery Plan. I believe the
17 fact -- how would you like to have somebody
18 come in here and sit here and start to upset
19 the whole negotiation? That's what it would
20 be like? How transparent can you get? This
21 word transparent, transparent, transparent,
22 you know, if it says that the state law
23 would change. The state law doesn't change
24 that, Mrs. Evans even said last week about
25 the fact that if you get a quorum then you

1 are going to have to have an -- allow it
2 open to the public.

3 MS. EVANS: Yes.

4 MR. QUINN: So, you know, I'm only
5 one of the present taxpayers, but I'm in
6 your favor and I'm really discouraged and
7 dismayed with the way that that Scranton
8 Times has lead this Mr. Doherty through this
9 quagmire of defeat, okay, and that's what he
10 did. He is responsible for over \$400
11 million in debt. He is a responsible.
12 Nobody else is responsible. You think the
13 clerk down there on the second floor is
14 responsible? No way. Should he or she pay
15 the taxes and everything. You know who is
16 responsible, the Scranton Times. Thank you
17 very much.

18 MS. EVANS: Thank you. Gary Lewis.

19 MR. LEWIS: Good evening.

20 MS. EVANS: Good evening.

21 MR. LEWIS: I have a whole bunch of
22 comments about this Recovery Plan that was
23 released and then the mandate impact summary
24 that accompanied it and I struggle with
25 where to start. I mean, your revenues are

1 overstated because you are relying on budget
2 numbers which don't take into account your
3 realization, your expenses are understated
4 because it doesn't appear that you are even
5 including the debt service on the current
6 debt that we have outstanding. You have at
7 least \$21 million in new borrowing.

8 As you push this plan has everyone
9 talks about this plan it's, oh, it's a 33
10 percent tax increase. It's not though, it's
11 a 70 percent tax increase because when you
12 don't get the sales tax, which needs to go
13 through a Republican legislature and gets
14 signed by a Republican governor, you are
15 going to raise taxes anyway.

16 I mean, you've got departmental cuts
17 totaling \$3 million or so. You only have
18 \$12 million of nonemployee departmental
19 expenditures. These are things like utility
20 bills, gas for city vehicles, tires for our
21 trucks, where are you going to find a 33
22 percent cut in these items? The money isn't
23 there. You can't just put numbers on paper
24 and declare that they work. I mean,
25 everybody can see through this. It's just

1 -- it's a sham. I mean, it's -- the only
2 thing I could think of when I actually saw
3 this plan was a quote that came out in
4 relation to an exposure draft of another
5 piece of accounting work and it said it's
6 theoretically arrogant in practice, insane,
7 financially negligent and reckless. That's
8 exactly what your Recovery Plan is. It does
9 nothing to address the city's systemic
10 issues. I mean, you can't just keep putting
11 numbers on paper and hoping they work.

12 MS. EVANS: And your suggestion
13 would be?

14 MR. LEWIS: My suggestion is
15 bankruptcy. I have been standing here for
16 three months. I have asked you to schedule
17 a public hearing and you have cancelled it.

18 MS. EVANS: And I told you that that
19 could be rescheduled and I never heard back
20 from you. However, I am wondering if you
21 are aware that bankruptcy, the decision to
22 enter Chapter 9, has to be approved by the
23 mayor and council and the state.

24 MR. LEWIS: I'm aware.

25 MS. EVANS: And that the state did

1 not approve Harrisburg's entry into
2 bankruptcy and as result a receiver was
3 appointed in Harrisburg.

4 MR. LEWIS: I mean, but you can
5 actually put together a plan and do the
6 bankruptcy right. Harrisburg went in
7 willy-nilly. It was council that filed
8 Harrisburg's bankruptcy plan, and actually
9 when the judge rejected it, the judge
10 rejected it because he said both branches of
11 city government weren't on the same page.
12 It wasn't rejected because the governor
13 didn't sign it, it was rejected because the
14 city screwed up. The city didn't do it
15 right.

16 MS. EVANS: And then the governor
17 moved at record speed and got legislation
18 through the state legislature to prevent
19 bankruptcy, to prevent that council from
20 pursuing bankruptcy and appointing a
21 receiver, and the first receiver who
22 appeared at a Court hearing and told the
23 truth about what had transpired in
24 Harrisburg was let go a day or two later,
25 and now the governor appointed someone else

1 who is going to tow the line.

2 MR. LEWIS: You don't think that
3 there is a little bit of symbolism in the
4 fact that Harrisburg is the capital of the
5 state? It's a little different for
6 Scranton.

7 MS. EVANS: I think Scranton is even
8 larger and that Scranton problems are just
9 as significant in that the incinerator was
10 the albatross around the neck of Harrisburg,
11 and we have municipal authorities, such as
12 the Scranton Parking Authority, that are the
13 albatrosses around the neck of this city.

14 MR. LEWIS: No, it's the \$101
15 million of city debt, it's \$90 million of
16 unfunded city pensions, it's \$23 million of
17 worker comp liability, those are city issues
18 not Authority issues. We would be dead
19 without the Authorities. These are city
20 issues.

21 MS. EVANS: Yes, and those are
22 issues that the state, DCED, Pennsylvania
23 Economy League, and the Mayor of Scranton
24 caused. The Pennsylvania Economy League has
25 a demonstrated record of failed leadership

1 for the last 20 years, I'm sure you would
2 agree.

3 MR. LEWIS: I definitely agree.

4 MS. EVANS: We are far more in debt
5 today than we were when they entered in
6 1992. They also allowed the administration
7 to privately engage in financial shell games
8 for many years without the knowledge and
9 consent of any city council. We have DCED
10 and PEL who use this city as a guinea pig in
11 the Supreme Court of the State of
12 Pennsylvania to try to prove the supremacy
13 of Act 47 over Act 111. That failed.

14 I sent a letter asking that DCED
15 would at least shoulder the attorney's fees
16 for what they have done, particularly since
17 it was DCED's attorney, Clifford Levine, who
18 presented the city's case to the Supreme
19 Court. I received a response this week.
20 They are giving us nothing.

21 Now, this is the state that I would
22 like to come in here and take over the City
23 of Scranton. I can just imagine how
24 considerate they would be to the people who
25 live here.

1 MR. LEWIS: If you don't declare
2 bankruptcy a receiver is going to be
3 appointed anyway because you insolvent. You
4 have no money. You are not going to be able
5 to borrow, I know you are not going to be
6 able to borrow, I spent all day on the phone
7 with Moody's, Morgan Stanley and M & T. No
8 one is going to let you borrow. How can you
9 borrow when you can't pay it back? How do
10 you plan to pay it back when you have a
11 massive, massive hole? How? That's a
12 question. How are you going to pay it back?

13 MS. EVANS: Through tax increases
14 and new revenue generators that have not
15 been tried.

16 MR. LEWIS: Again, a revenue
17 generator that requires the intervention of
18 a Republican legislature an a Republican
19 governor. Both of them, both the commuter
20 tax and the sales tax both require state
21 intervention.

22 MS. EVANS: I don't believe that the
23 commuter tax requires that.

24 MR. LEWIS: I mean, the city's class
25 needs to be changed to three, Class III;

1 right? That requires state intervention.
2 You don't think they are going to see that
3 coming?

4 MS. EVANS: No, that actually --

5 MR. HUGHES: Sir, you are wrong on
6 that. There is no state intervention
7 involved.

8 MR. LEWIS: So how do we get --

9 MR. HUGHES: We already have the
10 certificate from the governor, it's
11 automatic, it's an operation of law. There
12 is nothing -- the City of Scranton once for
13 two decennial census its population is under
14 80,000 people automatically reverts to a
15 Third Class city. So it has nothing to do,
16 there is no other intervention involved.

17 MR. LEWIS: So why hasn't it
18 happened already.

19 MR. HUGHES: It's an operation of
20 law.

21 MR. LEWIS: It has been two years
22 since the census, why are we still Class 2-A
23 if it's so automatic?

24 MR. HUGHES: Because the census was
25 just certified. The census was just

1 certified. The census was taken in 2010,
2 but the certification didn't come in until
3 the end of last year. We just got the
4 certification from the governor to be
5 recorded in the Recorder of Deeds Office.

6 MR. LEWIS: I'm done.

7 MS. EVANS: Thank you. And our next
8 speaker is Doug Miller.

9 MR. MILLER: Good evening, Council.
10 Doug Miller, Scranton. I'd just like to
11 begin tonight by some upsetting comments
12 that I heard were made last week and, you
13 know, I'm glad I'm able to come up here now
14 at this point to respond to some more
15 statements that were made.

16 You know, I was made aware that a
17 letter was read to council last week from I
18 believe his name is Gary Lewis, I'm not
19 positive, who was been coming here for weeks
20 and he came up with a letter that he sent
21 out to banks telling them not to do any
22 business with the city. This coming from a
23 so-called, you know, concerned citizen I
24 guess we can call him who is coming up here,
25 you know, telling us how we should run the

1 city, we should file for bankruptcy, you
2 know, he has got all of the answers and he
3 is going to go around and send a letters to
4 bank knowing full well that we need funding
5 to get through the rest of this year, he is
6 going to tell banks not to do business with
7 the city. I mean, I don't think it gets
8 anymore ridiculous than that.

9 You know, I have been sitting here
10 listening to things, statements made that
11 bankruptcy is the solution. Bankruptcy is
12 not the solution. The solution is that we
13 need to solve our own problems. We don't
14 need the state coming in here telling us how
15 to run the city, they can't even run their
16 operations and they are going to come in
17 here and run our city?

18 I think the best thing we need to do
19 is get behind this council, get behind the
20 Recovery Plan that you put in place, the tax
21 increase, that had to happen whether you
22 liked it or not it was inevitable as
23 Councilman Joyce stated. I think rather
24 than criticizing the council we need to
25 commend the fought that you fought

1 vigorously to cut that mayor's 78 percent
2 proposed tax increase as much as possible,
3 nearly 50, and then we're going to come up
4 here and we're going to criticize, oh, lack
5 of transparency and all of the absurd
6 comments that I have heard tonight.

7 Where is the lack of transparency?
8 There has been more transparency in this
9 chamber in decades. Let's take a look at
10 the past rubber stamp councils. No public
11 hearings, no caucuses. What have we had go
12 on in the last two years here? This chamber
13 has been nothing but transparent. You have
14 an issue you can go to the Clerk's Office.
15 You have an issue you can pick up the phone
16 and call a councilman, you could e-mail
17 them. You know, we want to come up here and
18 make comments.

19 And as far as learning things in the
20 paper, you know, as Councilwoman clarified
21 that tonight that was the administration
22 once again running in the print press, oh,
23 we got news, we have news, breaking news,
24 let get it in. We learned tonight
25 Councilman Joyce is going to go in detail

1 tonight on the revised Recovery Plan and he
2 is going to explain it eloquently like he
3 does on many occasions.

4 So before we come up here and we
5 jump to conclusions and, you know, as I like
6 to say we don't engage the brain before we
7 put our mouths in gear, you know, let's
8 actually sit back and let's actually listen
9 to some facts and listen to the other side
10 before we go and jump to conclusions and
11 make statements.

12 You know, I had the chance to look
13 over the Recovery Plan and there are many
14 things that I do like in here. As I stated,
15 the tax increase had to happen. We have
16 many issues we need to addresses. We have a
17 Supreme Court ruling we need to address. We
18 have the pension fund that we have to
19 address. This had to happen. Nobody likes
20 to raise taxes, believe me. I know this is
21 a very difficult decision for the council.
22 I think people think that everything is
23 easy. You know, we make requests, we ask
24 council members questions, everything is
25 easy. I wish everything was so easy like

1 everybody thinks it is. I don't think
2 people realize what this council goes
3 through every day. This isn't all come up
4 and play council every Thursday night, this
5 is a difficult job. This is a 24/7, seven
6 days a week job and I don't think people
7 realize that I think we need to get that
8 through our heads.

9 And as far as the mayor coming here,
10 believe me, nobody wants to see him here
11 more than I do, but he is not coming. It's
12 the bottom line, he is not coming. We can't
13 wait anymore. We have issues that we need
14 to address and we need to get that through
15 our head. Chris Doherty is not coming here
16 so we need to stop wasting our breath with
17 Chris Doherty. We needed to take action,
18 council took the bull by the horn in the
19 spirit of cooperation and you met over the
20 weekend and you resolved the issue and you
21 should be commended for that.

22 You know, the nonprofits we have
23 been talking about them for a long time. We
24 heard statements tonight that the Evans'
25 council did nothing to go after nonprofits.

1 I think we need to go back two summers ago
2 around this time when Councilman Loscombe
3 gave a presentation on all the properties
4 that the University has purchased through
5 the years. I think we also need to take a
6 look many occasions that you sat down with
7 the University and the president to try to
8 come up with some sort of a resolution to
9 get them to come up with some payments in
10 lieu of taxes. Nobody has fought more than
11 this council has with nonprofits and I think
12 it's unfair to make those statements.

13 You know, we had promises by past
14 councils that they were going to do so and
15 they failed, but when we have a council that
16 takes the initiative and then we want to
17 criticize them it's unfair and it's
18 ridiculous.

19 I do believe we need to continue to
20 go after them. You know, when you have a
21 University of Scranton that generated over
22 \$230 million in 2010 and they are going to
23 come and hand us \$175,000 like they are
24 doing us a favor, I think it's a complete
25 slap in the face to not only the city, but

1 importantly the taxpayers. That's merely
2 pocket change. That's lunch money to the
3 University.

4 You know, we hear in the paper today
5 Lackawanna College, Johnson College,
6 Geisinger stated they are not going to give
7 the city a dime. Well then if that's the
8 case then we need to get the county
9 assessor's office involved, and as you
10 stated before, determine what properties are
11 eligible to be taxed and if they are tax
12 them.

13 If they want to play the game, they
14 see the situation the city is in, these are
15 institutions that are trying to attract
16 students to a city and I just can't
17 understand how you would want to attract
18 students to a city in this current financial
19 situation. It doesn't make any sense to me.

20 But I do agree that there are
21 businesses that are profitable, such as the
22 Chick-fil-A and the Starbucks and the
23 Quizno's and everything else that's in the
24 University that is taxable and we have sat
25 on it and I'm hopeful that we'll continue to

1 pursue this and make sure they pay their
2 fair share. They have gotten a free ride
3 for far too long.

4 The commuter tax, I don't believe
5 it's people outside of the city paying for
6 our mistakes, I believe what this is is
7 simply those who are sharing the same
8 services that we, the taxpayers, pay for I
9 believe that to be fair for those that work
10 in the city that live outside to pay a 1
11 percent tax. I believe it's fair when you
12 are sharing public safety, you are using our
13 roads and bridges, our parks and everything
14 else within the city that's it's only fair
15 that you do so, that we all share it
16 equally. You know, if we are going to go
17 after one we go after all.

18 And, again, I commend you for your
19 hard work. The criticism I find unfair and
20 ask you to continue to stay the course and I
21 commend you for all you have done and I look
22 forward to Councilman Joyce's presentation
23 later as yet again you continue your
24 transparency. Thank you.

25 MS. EVANS: Thank you. And our next

1 speaker is Gerard Hetman.

2 MR. HETMAN: Good evening, Council.
3 Gerard Hetman from the Lackawanna County
4 Department of Community Relations.

5 MS. EVANS: Good evening.

6 MR. HETMAN: First off, thanks to
7 Councilman McGoff for mentioning the
8 Three-on-Three basketball tournament
9 tomorrow evening. There are a number of I
10 believe it is four games planned tomorrow
11 night between various local groups, but
12 again, looking forward especially to the
13 Scranton city team vs. The Lackawanna County
14 team and there is a number of other ones
15 taken place during First Friday, I believe
16 they begin at 6 p.m. through 8 p.m. on the
17 100 and 200 blocks of Wyoming Avenue.

18 I'm going to recap before I go
19 through tonight all of the other events
20 going on, but the first couple of new
21 announcements, which does pertain to this
22 weekend, Lackawanna County will present in
23 celebration of the 8th Annual Scranton Jazz
24 Festival a free afternoon jazz concert
25 taking place this Saturday, August 4 from 2

1 p.m. to 4 p.m. on the Lackawanna County
2 Courthouse Square on the Linden Street side
3 of the courthouse. The featured act is the
4 Steve Kurilla Jazz Project also featuring
5 Nancy and Spencer Reed. This unique brand
6 of vocal and instrumental styling had been
7 enjoyed by many jazz audiences around the
8 area. Again, this takes place this
9 Saturday, August 4 from 2 p.m. to 4 p.m. on
10 the Linden Street side of courthouse square.

11 Keeping with the music and
12 performance theme, the 50th Anniversary
13 Edition of the Parade of Champions will take
14 place on August 18 at Scranton Memorial
15 Stadium just off of Providence Road on Mike
16 Munchak Drive. Tickets are available, they
17 are priced here it says \$15 and \$20. This
18 flyer that we received doesn't specify who
19 those prices pertain to or how it's broken
20 down, but more information for the tickets
21 are available by calling 855-632-8090 from 9
22 to 5 Monday through Friday or online at
23 WWW.DCACORPS.ORG.

24 And then to recap some of the events
25 taking place this weekend downtown and

1 around the county: First, the Lackawanna
2 County Commissioner, the Multi-Purpose
3 Stadium Authority and SWB Yankees have
4 announced that the seats from PNC field will
5 be available for purchase this Saturday,
6 August 4, taking place at PNC field from 1-
7 a.m. to 2 p.m., and again, because the way
8 the seats are constructed they have to be
9 sold in quantities of four and they are \$25
10 a seat so it will be \$100 per racquet of
11 seats. And again, that's this Saturday,
12 August 4, 10 a.m. to 2 p.m. at PNC field in
13 Moosic.

14 And then to get to the downtown
15 theme, BackCourt will present the Lackawanna
16 County basketball tradition, again,
17 returning to downtown Scranton after many
18 years in absence the Three-on-Three
19 basketball tournament tipping off tomorrow
20 evening Friday, August 3, during the First
21 Friday, and then continuing August 4 and 5,
22 this Saturday and Sunday, on the 100 and 200
23 blocks of Wyoming Avenue.

24 The annual Scranton Jazz Festival,
25 eighth annual Scranton Jazz festival takes

1 place August 3 through the 5, this Friday
2 through Sunday, at the historic Radisson
3 Lackawanna Station Hotel. Again, a number
4 of jazz-related events and acts prominent
5 regionally and nationally will be playing
6 throughout the weekend. More information
7 available at ScrantonJazzFestival.org.

8 The annual Ramadan tent and Turkish
9 Cultural Exhibition will take place tomorrow
10 evening, August 3, also during first Friday
11 on the Lackawanna County Courthouse Square
12 at the corner of North Washington Avenue and
13 Linden Street, and again, this is a festival
14 of music, crafts, food and other activities
15 related to Turkish cultural and Turkish
16 heritage.

17 And last, but not least, the Jewish
18 discovery center of Northeast Pennsylvania
19 presents comedian and entertainer Elon Gold
20 and also an elaborate buffet of Jewish
21 ethnic foods at the Scranton Cultural Center
22 on Sunday, August 5, at 5:30 p.m.

23 Those are all of our announcements
24 recapping this weekend, a lot of great
25 activities coming up, and we hope to see

1 some of you out there in attendance. That's
2 all I have for this evening. Anything else?
3 Thank you.

4 MS. EVANS: Thank you. Ron Ellman.

5 MR. ELLMAN: Hello, Council. I hate
6 to eat my words and be up here, but I get
7 I'm a council addict or something. Ms.
8 Janet, before I start, I want to ask a
9 little quick favor of, I wish you would make
10 a quick statement to the people and tell who
11 voted for the SPA stuff and who the loan
12 person was voted against it because
13 people -- they just don't understand this
14 SPA guarantee.

15 MS. EVANS: I believe only one bond
16 issue for the SPA came before council during
17 the years in which I've been seated here and
18 I think that would have been 2007 and those
19 who voted yes were Mrs. Fanucci,
20 Mr. Courtright, Mrs. Gatelli, and I think
21 Mr. McGoff was on council at that time.

22 MR. MCGOFF: I don't remember.

23 MS. EVANS: I think he was. Those
24 would be the four.

25 MR. MCGOFF: Possibly.

1 MS. EVANS: And I voted "no".

2 MR. ELLMAN: You know, I didn't know
3 a couple of months, and I forgot who told
4 me, there is people out there keep thinking
5 that it was this council that guaranteed it.
6 I mean, I have heard it over and over again
7 that's why I said that.

8 Well, the reason I came tonight
9 really was to talk about this Recovery Plan.
10 To me it's just a plan for disaster, just
11 hundreds of people out there hanging onto
12 their property by their fingertips, you
13 know, this is just going to kill some more
14 of them. We lost about 3,000 homes,
15 properties in ten years, so that's what, 200
16 or 300 a year. If we lose 200 or 300 more
17 this year because of unfortunate fires and
18 foreclosures and abandonment and so on you
19 have lost a couple of hundred thousands
20 dollars I guess in taxes, but you got more
21 blight everywhere. My neighborhood has
22 degenerated. A real estate man told me, I
23 don't know, about two months ago, that my
24 house is probably worth \$25,000 less than
25 the city appraised it for four or five years

1 ago when they had that county deal. I said
2 how can -- he said that, you know, all over
3 houses have lost a percentage, but he said
4 my neighborhood is going downhill so fast
5 it's going to look like South Side pretty
6 soon. It's -- that Castle bar open all
7 night has just infested my neighborhood with
8 a bunch of druggy filth, it's everywhere on
9 Market and Main. You know, all that happens
10 is the police chase it from here to there to
11 somewhere else. I don't know.

12 You people are just not focused on
13 the problems that Mr. Doherty inherited and
14 Mr. Connors and Mr. Wenzel and all of these
15 men going back to 15, 75 years, that's these
16 nonprofits, the University. They have
17 killed the city. Last week Mr. Voight in
18 his speech accepting the presidency of
19 Lackawanna College, one of the first things
20 he said he wants to grow 40 percent. 40
21 percent. That's on us, you know? I don't
22 know who the jerk was that thought they
23 could stay in that little building down
24 there to start with, you know, that's the
25 first thing people thought of when they sold

1 it to them.

2 But you got the medical school said
3 they want five acres for a campus. The
4 heart of the city is going to be gone. You
5 got to draw a line in the sand someplace and
6 right now while all this is going on is a
7 good time to quit this borrowing stuff and
8 just you are going to have to have layoffs
9 and firings and it's just got to be done
10 sooner or later. You just can't keep going
11 to the taxpayers, there is nothing left out
12 there for hundreds ever people.

13 You know, I could sell something and
14 pay my taxes next year, but I'm not going to
15 start sacrificing like some of the people I
16 have talked to, it's just not fair to do
17 that to people. 2000 people's name in the
18 paper that for one reason or another that
19 didn't pay taxes, the city goes over to CMC
20 and gives them a pass, they owed us a half a
21 million dollars for years and years and
22 years on that parking garage, Mr. Doherty
23 wouldn't think of getting any money from
24 them, so they get a little token amount, why
25 couldn't they do this to some of these 2,000

1 people they couldn't pay. That just added
2 to the problem, more blight and abandonment.
3 I don't know.

4 I told you a few months ago I have
5 about 35 empty houses and apartments in
6 three blocks, a block this way and a block
7 that way and a block behind me where I walk
8 my poor Slugo at night.

9 You know, briefly, another thing
10 that doesn't help is these bleeding hearts
11 that write the newspaper. Last week there
12 was a Mary -- I think a Mary Jo Walsh or
13 something how fortunate we are to have the
14 University and all of these just greedy
15 institutions sucking the blood out of the
16 city, if her taxes were up a third more like
17 ours are maybe she would feel different.

18 Maybe you can get some kind of
19 policy with the county to start getting
20 these people to help. They use our
21 hospitals and schools and they got our
22 insurance when they walk down the sidewalks
23 and break a leg, maybe the county can share
24 these expenses, but you just can't keep
25 going to us no more, not ya' all, just the

1 city, the county.

2 The school board is hiring all of
3 these people and the county has hired 20
4 people, the school board wellness
5 instructor. That's just --

6 MS. EVANS: Thank you.

7 MR. ELLMAN: Let me just say one
8 thing, I'd like to congratulate Mr. Snedeker
9 on that bike ride. I just get -- that's
10 such achievement to me and such a good goal.
11 Thank you.

12 MS. EVANS: Thank you. Our next
13 speaker is Marie Schumacher.

14 MS. SCHUMACHER: Good evening,
15 Council. Marie Schumacher, resident and
16 taxpayer of Scranton.

17 MS. EVANS: Good evening.

18 MR. JOYCE: Good evening.

19 MS. SCHUMACHER: Three quick
20 questions before I get to the revised
21 Recovery Plan mandate impact summary that I
22 would like answered during motions.

23 First, how much monthly rent will
24 OECD be paying? Second, what is the open
25 period for the CDBG grant applications to be

1 submitted for next year? Third, do you have
2 a listing of entities receiving the parking
3 tax letters?

4 And now moving on, I trust this
5 Recovery Plan wasn't designed to obfuscate,
6 but rather achieve it accidentally. For
7 starters, the 2012 beginning operating
8 revenue are tens of millions of dollars
9 lower than the operating budget with no
10 explanation so it's impossible to know what
11 was removed and what remained as the
12 starting base. Despite this, there are many
13 questions other than what was removed from
14 the operating budget to achieve your base.
15 These include, there is no mention of
16 converting from a cash based accounting to
17 accrual accounting. This is a major
18 shortcoming.

19 Two. Why are items of questionable
20 substantiation both quantitatively and in
21 timing used to form a plan that is supposed
22 to be realistic?

23 Three. The use of the commuter tax
24 is reprehensible and could have the
25 unintended consequence of neighboring

1 municipalities responding in-kind leaving
2 Scranton taxpayers who work out of the city
3 also being charged a commuter tax.

4 A commuter tax is unjust as it is
5 taxation without representation. It has
6 been reported in the media that the commuter
7 tax is sharing the cost of providing
8 services. This is untrue. In fact,
9 commuters would be asked to help us pay the
10 debt caused by unbridled spending.

11 Four. Speaking of spending, where
12 are the cuts? I can identify but one line
13 item dealing with a paltry three-year
14 reduction totaling \$3.3 million for
15 department expense reduction.

16 Five. There is no increased
17 spending for firefighters after the two-year
18 SAFER grant expires. This implies the
19 reduction of firefighters after the SAFER
20 grant expires and that is certainly not good
21 news.

22 Six. The DCED loan offer was for 2
23 million yet only 1 million is included.
24 Why?

25 Seven. The parking enhancement

1 program revenue is shown as a net figure.
2 What is the assumed cost of this program by
3 year?

4 Eight. The increased real estate
5 transfer tax of 3.57 percent is stated to
6 produce a flat \$185,000 from 13 through 15.
7 3.5 percent of what? If you use this year's
8 budget, the increase would be \$155,385.
9 This indicates to me you're either expecting
10 real estate sales to remain flat, which is
11 highly unlikely considering the increases in
12 taxes and fees, or homes to lose substantial
13 value which could well have the unintended
14 consequence of yet more abandoned homes
15 increasing blight and the need for
16 additional unprovided for police protection
17 to keep these properties from becoming drug
18 houses and home for four-legged vermin.

19 Nine. Why is there no cash flow,
20 cash outflow shown to pay \$657,000 owed to
21 MEM that was part of the substantiation for
22 the unfunded borrowing needed? Are there
23 any other items used to justify the
24 Court-ordered unfunding borrowing that are
25 not being paid in 2012?

1 Ten. Why is the Parking Authority
2 debt service so much lower than the Scranton
3 Parking Authority's stated requirement?

4 Eleven. What is the backup for the
5 health care savings? Is it merely employees
6 paying for more of their premiums or
7 something else?

8 Twelve. The repayment of the
9 unfunded borrowing ordered by the Court
10 appears to be at a half-million dollars
11 understated from what was presented here
12 during a caucus.

13 I will save the rest for the public
14 hearing next week, but I look forward to the
15 responses that are able to be provided this
16 evening. Thank you.

17 MS. EVANS: Thank you. Is there
18 anyone else who cares to address council?

19 MR. DOBRZYN: Good evening, Council.
20 Walter Napasky from South Side and I want to
21 talk about three things. Just joking. Dave
22 Dobrzyn. I don't know if you remember those
23 old red on 107 Walter Napasky, it was a
24 comedy thing and it was really funny. I
25 want to talk about three things. Okay.

1 Now, to start with on their audit,
2 this is an excellent time to end this once
3 and for all and forever, anyone who can't do
4 their job should be dismissed, whether
5 they're trying now because that's a very big
6 concern of mine, and I'm only a voter and
7 taxpayer, but every year this audit just
8 gets further and further ahead and I think
9 that this is an excellent time to end the
10 lack of cooperation with council by the
11 administration.

12 And last week there was a suggestion
13 on pension and investments, I'd like to call
14 to the public's attention that Wall Street
15 lost \$30 million out of our pension fund.
16 Now, from the neighborhoods that I have
17 grown up in and came from somebody would be
18 floating down the river over that. We would
19 probably arrest them for water pollution.

20 And another question that's been
21 this my mind is this Berkheimer business
22 with their tax collection. It would be
23 interesting to find out from our tax
24 collector, Mr. Courtright, whether they are
25 actually starting to turn over some serious

1 revenue or is it business as usual and
2 stall, stall, stall and keep the money in
3 their accounts.

4 And about two weeks ago we had a
5 union representative here that said, "I
6 don't care."

7 He said it to John Loscombe and was
8 Pat -- in a heated discussion with Pat.
9 That's not a good statement to make. If he
10 doesn't care why should we? That was
11 totally uncalled for and I would suggest
12 that unions especially start to look at who
13 is -- who is not helping the city out with
14 their plight and start voting accordingly,
15 because they haven't in the past.

16 Zoning. We have a 35 percent tax
17 exempts. It would be very interesting and I
18 think that it could be done, I'm hoping it
19 could be done, but we really need at this
20 time to put a stop to any further tax
21 exemptions and that's it. I mean, Dickson
22 avenue or something we owe these people,
23 they irresponsibly moved the business down
24 there that ruined the neighborhood, okay,
25 but not -- no more. Just no more. Let

1 Dickson City, let Dunmore, let anybody,
2 Moosic, whoever wants to take them in take
3 them in, and that's a message to our county
4 commissioners, to. We are tired of it. We
5 can't keep going like this.

6 And also it's come to my attention
7 like General Dynamics they are a government
8 entity and they are also a profit making
9 entity, they are making pipes from Marcellus
10 Shale now as opposed to artillery shells and
11 I think it's about time they start to come
12 up with some PILOT payments.

13 And I was at a school board meeting
14 a couple of years ago, and Chris Phillips he
15 was voted off of the school board, he lost
16 his election bid, but from '92, and I think
17 it was to '09. It might have even been
18 earlier than that, the University estimated
19 if that was a private concern their taxes
20 would have been \$28 million over about 14
21 years or 16 years. \$28 million to the
22 school district, so if ours are a third of
23 what the school district is take it from
24 there. We are looking at \$10 million out of
25 the coffers over that time if it were a

1 private concern.

2 And I can't support bankruptcy,
3 that's throwing in the towel, and I think
4 you have some really interesting points
5 there. We don't need Governor Corporate
6 moving his friends in here and policing us,
7 we probably get at least five times more, so
8 forget about it. No bankruptcy. We just
9 have to make due with what we got.

10 And on people -- when people
11 approached me about seeing me on television
12 most people are pretty decent to me, I do
13 support this council, so let there be no
14 mistake about it, it's the best we got, and
15 we can't change anything that happened in
16 the past, every politician or political
17 office has to live with the legacy of years
18 before.

19 And just a quick golden parrot, once
20 again, the PA vote law, Mrs. Ackley doesn't
21 know what the law says but she is in charge
22 of certifying the elections. Shame, shame,
23 shame, Mrs. Ackley, bawk, bawk, bawk.

24 And the PA schools now, we have a
25 buffet-style school choice for parents with

1 getting all kinds of scholarships for
2 private schools and so forth, how is that
3 ever going to cheapen it and, oh, by the
4 way, there is nothing setup for that either.

5 And a certain candidate for a high
6 office is not reporting his income tax and
7 rumor has it that he didn't pay any for the
8 last ten years, and I'll just give you a
9 little clue, it's not Barack Obama. Have a
10 good night. Bawk, bawk, bawk.

11 MS. EVANS: Thank you.

12 MR. EVANS: Good evening. Gregory
13 Evans.

14 MS. EVANS: Good evening.

15 MR. EVANS: Citizen of Scranton.
16 You have to excuse me because I am
17 unprepared with my statement here, it just
18 came about as the dialogue occurred with
19 Gary Lewis, and I have met with Gary Lewis a
20 few times and I understand that nobody wants
21 to file for bankruptcy, it's a very
22 embarrassing thing to do, and I don't know
23 if I agree with him either, but one thing I
24 do know from meeting with Mr. Lewis is that
25 he is a very intelligent person and he does

1 know the numbers as good as anybody else,
2 and that perhaps Chapter 9 isn't the
3 solution for Scranton, but I would urge
4 council if you have the time to actually
5 speak with him regarding the numbers because
6 in my conversations with him he has actually
7 taken the time to analyze the past five
8 years of budgets and audits, and for someone
9 to have that much passion to help the city I
10 think it's, you know, that gives him -- I
11 mean, the respect to actually be heard, and
12 I'm not saying that you are disrespecting --
13 disrespectful, but I just think that he may
14 be helpful for this city, so I would like to
15 see council actually discuss that with him.

16 And the second thing from that
17 discussion, also, arose there was a mention
18 about the class of the city. As far as I
19 know, where Class 2-A and there was a
20 discussion about being Class 3 now. Could
21 you elaborate on that? Was that something
22 that, Mrs. Evans, you could elaborate on or
23 is that something Attorney Hughes would
24 elaborate upon?

25 MS. EVANS: The city's population

1 has declined, which has been verified by the
2 last two census results from 2010 and the
3 year 2000. As a result, the city no longer
4 qualifies for Class 2-A status. We are the
5 only city in the Commonwealth of
6 Pennsylvania who has retained that
7 particular classification.

8 Now, on the other hand, there are
9 cities who are Third Class cities who is
10 populations have risen. They have not
11 entered a Class 2-A status because they feel
12 there is no advantage to it and, indeed,
13 most often we can see that, you know, there
14 really is no advantage for the city.

15 Now, in the case, for example, of
16 the county, the county because it has a
17 second class city within it's boundaries
18 then becomes eligible for certain funding or
19 projects. Also, having a distressed city
20 helps the county as well, but the city is
21 now at a population level where it is a
22 third class city and it goes through a
23 process following the conclusion of the
24 census many in that we had to await the
25 report of this census and then at such time

1 we had to request the certification of the
2 Governor of Pennsylvania. We did receive
3 that and that has happened only very
4 recently.

5 So as a third class city, for
6 example, it would make it much easier for
7 Scranton to implement a commuter tax.

8 MR. EVANS: So is it official now we
9 are a third class city or we still a class
10 2-A? How are we labeled now?

11 MS. EVANS: I think all defer to our
12 solicitor.

13 MR. HUGHES: By population, by
14 certification of the governor, the city
15 qualifies as a third class city, what has to
16 happen -- and there's a real question in the
17 law as to whether the city has to have a
18 Home Rule Charter to determine the type of
19 government that the city has. There is
20 three optional forms of government in a
21 third class, one is the mayor/council type,
22 the other one is a city manager and the
23 other one is just a council form of
24 government where there is a mayor but he
25 doesn't have a vote. Since the City of

1 Scranton is a Home Rule Charter city and has
2 a form of government that is permitted, it
3 would seem that you wouldn't have to have
4 it, but that's an issue that has to be
5 resolved with the state. I mean, have a new
6 Home Rule Study Commission and go through
7 that expense when we automatically qualify.

8 That I think when the Act was passed
9 that if you weren't a Home Rule Charter city
10 that then you would have to have a charter
11 determine the type of government. That's an
12 issue that I think has to be taken up with
13 DCED and the state. Right now we classify
14 the population purposes it would seem that
15 would be a third class with the
16 mayor/council form of government pending a
17 study commission.

18 It's a novel issue. It's never
19 really been decided. I mean, Scranton is
20 the only city that's a Second Class A city
21 so that the way that the law is written is
22 that we qualify right now, but do you really
23 have to go through a new government study
24 commission to determine what form of
25 government the city should have, when we

1 already have a form of government that is
2 one of the three optional form of
3 governments that a third class city does
4 have.

5 MR. EVANS: So does that mean we now
6 operate as a third class city or do we
7 continue operating as a Class 2-A city and
8 with that --

9 MR. HUGHES: It depends who you ask.

10 MR. EVANS: I'm asking you,
11 Mr. Hughes.

12 MR. HUGHES: I'm not here to answer
13 those type of questions but, you know, I
14 mean, I haven't researched it to that extent
15 and I'm not going to give a legal opinion on
16 that.

17 MR. EVANS: One last question on
18 that topic then, so the passing of the
19 commuter tax if that would pass we would
20 have to be a class three city; correct?

21 MS. EVANS: Not necessarily, no,
22 because also distressed cities are able to
23 pursue a commuter tax as well.

24 MR. EVANS: I apologize for all the
25 questions, the benefits for a Class 3 city

1 versus a Class 2-A city, because we are the
2 only -- if we are still a Class 2-A city,
3 would it be more beneficial for us as a
4 Class 2-A city to work with our state
5 legislatures and senators to kind of have
6 the laws, you know, since we're the only
7 one, to have them in our favor to meet with
8 them then.

9 MS. EVANS: Well, that is been tried
10 and tried time and time again and it doesn't
11 seem to work too well. I, myself, have
12 tried that route and you would think it
13 would make passage of legislation much
14 easier. Nevertheless, for those specific
15 topics that have been sponsored by our local
16 representatives nothing seems to have passed
17 the legislature.

18 Also, it appears it can work against
19 you because then we do have the Serafini
20 Bill that was designed specifically to
21 prevent the City of Scranton from levying a
22 commuter tax as a Class 2-A city.

23 MR. EVANS: Okay. Thank you for
24 your help.

25 MR. SLEDENZSKI: Hello, Janet.

1 MS. EVANS: Hi, Chrissy.

2 MR. SLEDENZSKI: Hi, Frank.

3 MR. JOYCE: Hey, Chrissy.

4 MR. SLEDENZSKI: Frankie, that light
5 (unintelligible) Frank, that light has been
6 blinking on and off all week down there.
7 Janet, we won last night. The city beat
8 them last night 41 to 21 last night. The
9 I'm proud of all of them. I'm proud of them
10 all. Thank you.

11 MS. EVANS: Thank you.

12 MR. SBARAGLIA: I don't want to take
13 Ancherani's spot there. Andy Sbaraglia,
14 citizen of Scranton. Fellow Scrantonians,
15 there is a lot of talk about the commuter
16 tax. It may pass, it may not pass, but the
17 question is will it be implemented fairly,
18 which I doubt. There is the problem. We
19 are not going to spend a great amount of the
20 effort taxing the poor girl that cleans up
21 there at the "U".

22 Are we going after the doctors, the
23 lawyers, the federal judges? Now, the
24 federal judges may say they're exempt
25 because technically the Federal Courthouse

1 is government. Are they exempt? Are people
2 who work there going to be exempt? The same
3 with the county, technically that doesn't
4 belong in the city, they are not working in
5 the city they are working in the county.
6 Where is the fairness of this commuter tax?
7 Before you start implementing this act and
8 everything you should be working out a
9 formula that's going to be fair should it
10 pass.

11 If it's not going to be fair all
12 it's going to do is bring on a lot of
13 lawsuits, and believe me, if it was applied
14 to me and I didn't think it was fair I
15 probably would sue, too.

16 Now, you look at some of the
17 problems in the city, I'm not going to go
18 into all of them, even though I know them,
19 just look at how many people have went down
20 to the Assessor's Office and got a reduction
21 in their taxes. You didn't say when that
22 was done nobody went down there and appealed
23 them reductions and everything else, the
24 LERTAs. All these people who got all of
25 these grants and then got reduced taxes on

1 their properties.

2 You always heard me say that at one
3 time the mall was valued at 400,000 for tax
4 purposes. You think that was a fair tax?
5 Is there fairness in the taxes within the
6 City of Scranton?

7 Now, you intend to impose other
8 taxes but if they are not fair or
9 oppressive. You talk about a sale's tax,
10 oh, they are all in favor of it. Sure they
11 are. You offer a bone to a pack of dogs
12 they are going to be in favor of it, you
13 better believe it, and this is how it is
14 with the government. Anyway you can squeeze
15 money out of the people they are all for it,
16 but that's not the way government should
17 work. Government should work for the most
18 economical method of government. This city
19 has not done that. I don't know if the
20 state has done it, I don't know if any
21 government has really done it, that's why we
22 are in the problems today.

23 I'm not going to go into all of the
24 problems that occurred within the city, you
25 would have to go all the way back to 80 --

1 oh, probably '90, '91, somewhere in that
2 neighborhood when we start really sliding.
3 A lot of it isn't caused by us, okay? A lot
4 of it was caused by the federal government
5 with their free trade agreements. It killed
6 the garment industry and that cost us a lot
7 of money. A lot of people, why did the
8 people have to move from here? The reason
9 they had to move there was no jobs. The
10 government had did a lot of damage to the
11 city.

12 Have we gotten a lot of the money
13 from the federal government to makeup for
14 them taxes? No. Have we got any money --
15 the state doesn't even want to give us too
16 much money for that tax and waste collection
17 when they went to that other system of
18 collecting the wage tax. That put us into a
19 bind here. I don't know if we finally got
20 them people to remit as soon as it comes in
21 or not or they are still on that quarterly
22 deal, but all of these things have hurt the
23 city and will continue to hurt the city.

24 But any time you put out a tax it
25 should be as fair as possible, and I mean

1 really fair. I mean, you shouldn't get all
2 of the exempts for this, that or whatever
3 because the burden is falling on the poor.
4 Poor girl that's going to be cleaning the
5 University she don't work in Scranton, she
6 is going to get hit besides the 52, and you
7 don't realize that when a person works
8 within the city you tax his labor, even
9 though you don't tax his salary other than
10 the 52 you tax his labor with all of the
11 other taxes.

12 Everything that a man does that
13 produces in this city is taxed by the
14 company. You tax that, too, with the
15 mercantile or your growth something tax, all
16 of them taxes are on people doing something
17 within the city. Is that the fairness? Are
18 we fair to the people? I don't think so. I
19 think a lot of people have finally realized
20 that we are not very fair. Thank you.

21 MS. EVANS: Thank you. Is there
22 anyone else?

23 MR. ANCHERANI: Good evening.
24 Nelson Ancherani, resident and taxpayer and
25 exercising my First Amendment Rights. The

1 speaker who advocates bankruptcy that's his
2 right just as it is my right to disagree,
3 but I have a question does he own property
4 in Scranton or does he rent? If we go into
5 bankruptcy and a receiver is appointed and
6 raises our taxes 125 percent does that
7 council speaker pay the increase in the real
8 estate taxes like I do and many, many other
9 people do? When or if he pays real estate
10 taxes maybe I'll take him seriously.

11 But anyway, I see a lot of new
12 people coming to council meetings, people
13 that -- maybe not tonight, but people they
14 are finally waking up. Other speakers have
15 been saying for years that more people
16 should come here and voice their concerns.
17 Anyway, it's nice seeing new people wake up.
18 I just hope they don't get discouraged by
19 the names we are and have been called by the
20 Chris Kelly's of this city over the years.

21 I just thought I would remind you
22 and everyone the names the people who speak
23 at council are called, names that are called
24 to those people who care for their city,
25 otherwise, they wouldn't waste their time

1 and energy to be here. We have been called
2 names like professionals, lawyers, mayors,
3 council persons, unnamed coward
4 editorialists, etcetera, and the list goes
5 on. And, oh, yes, we can't forget Chris
6 Kelly. My mother used to say, "Sticks and
7 stones will break your bones but names will
8 never hurt you."

9 So here are the names speakers have
10 been called over the years, 44 of them.
11 Ultrooprative, mean spirited bullies.
12 Legion of Doom, Legion of Dumb, less than
13 desirables, felons, political ankle biters,
14 greed chorus, crazies, circus, Halloweeners,
15 inane, council gallery clowns, malcontents,
16 lowlifes, clowns, terrorists, doomers,
17 snolly gasters, pathetic, cowards, idiocy,
18 ignorance, the gallery, intimidators,
19 professional doom sayers, animals, bullies,
20 bean counters, high jackers, childless,
21 freaks, board of barbarians, detractors, SCC
22 smack down, meetings like Jerry Springer,
23 mentally challenged, political terrorists,
24 feeble minded thugs, insane clown posse,
25 inane crowd posse, carbuncles, nimrods.

1 These names reflect the names that council
2 speakers were called, not the names council
3 members have been called, and don't worry,
4 new speakers, over the years you will
5 develop thick skin. Thank you.

6 MR. JOYCE: Thank you. Is there
7 anyone else who would like to address
8 council tonight?

9 MR. MARTIN: Bob Martin, 420 Adams
10 Avenue. I got a couple of continued
11 concerns. I know Jack Loscombe has been
12 talking about the engine companies and, you
13 know, you can have a ladder company, but if
14 you don't have an engine company to put the
15 water on, you know. I live at 420 Adams
16 Avenue and the average time when the alarm
17 goes in is like 15 minutes, and I know
18 that's no control of the city because
19 normally they get there within two minutes,
20 but I am just very concerned with Engine 4
21 being browned out most of the time.

22 I mean, I don't understand why can't
23 they at least have it because that is an
24 engine company that protects the downtown
25 because you got the high rise, you know, and

1 it's just -- I mean, most of the time Rescue
2 1 has to get there and I talked to somebody
3 there and they said most of the time when
4 they do get the alarm, the concern I get is
5 I live in a high rise and when the fire
6 alarm goes off most of the time that alarm
7 has to go through a -- I was told by the
8 fire company it has to go to another state,
9 okay? By the time that alarm gets to here
10 and gets to the dispatcher and the county
11 and by the time the county sends it out it's
12 like 15 minutes, and I know it's -- there
13 ain't much you can do about it.

14 You know, I even talked to somebody
15 down in security down in the Steamtown Mall,
16 they go directly into the COM Center, but
17 with the high rise up here I don't know if
18 it's just cost savings or what, but it is
19 dangerous. Most of the time it's like, you
20 know, it takes awhile and I don't
21 understand.

22 I know I have it on my Facebook and
23 I have the Scranton Firefighters and maybe
24 I'm wrong but at least 95 percent of the
25 time I think it's browned out. It's not

1 just there, you know what I mean, and I'm
2 just concerned about it.

3 Another thing I'm concerned about
4 are you familiar with, let's see, I think
5 it's Lackawanna and Mifflin. There is a lot
6 of people there making a left-hand turn
7 there that shouldn't be making a left-hand
8 turn, okay? You are not allowed to make a
9 left-hand turn because when you are coming
10 down that's a turning lane to go into the
11 mall, and I'm just concerned that there is
12 going to be a major accident because if
13 somebody is coming down and they're coming
14 there is going to be a head-on collision. I
15 would ask that you make a note or give it
16 to-- I don't know if Jack is in charge of
17 public safety, and make a note that they
18 would have a policeman down there checking
19 that because there is a lot of people making
20 left-hand turns and it's illegal. Maybe
21 they are not and they don't realize it, but,
22 I mean, it's just the arrows are right
23 there.

24 Finally, I want to talk about the
25 500 block of Mulberry Street hasn't been

1 paved. I think I might have got an answer,
2 I'm not really sure. I think they are
3 putting water lines in there or gas lines in
4 there and the reason why they are not paving
5 that road is they want to complete that
6 project because they are working on Adams
7 Avenue. I don't know if anybody knows
8 anything about that, but if that's the case
9 I can understand why it's taken so long but,
10 you know, the only problem is when you are
11 coming down Mulberry Street and you are
12 coming pretty fast you hit that concrete
13 there. I don't know if anybody can make a
14 note or send it to PennDOT to see if maybe
15 they know when that's going to be taken care
16 of. I know they are still putting lines in
17 there, but that is a concern and, like I
18 said, if somebody could check out that
19 street there at Lackawanna and Mifflin
20 because they probably could give some
21 tickets up there and, you know, I don't want
22 to see anybody get a ticket, but it's a
23 major concern with me and I just wanted to
24 let you know, okay?

25 MS. EVANS: Thank you. Is there

1 anyone else who cares to address council?
2 Mrs. Krake?

3 MS. KRAKE: Mrs. Evans, would you
4 mind if I made a brief remark?

5 MS. EVANS: Certainly. Go ahead.

6 MS. KRAKE: Thank you. Earlier
7 Mr. Jackowitz mentioned the committee we
8 were on, he and I, and several other people.
9 It was then Council President Mrs. Gatelli
10 and the mayor actually came to one of the
11 meetings and, yes, our hopes were dashed.
12 We worked very hard in hopes that there
13 would be people reaching out to the
14 nonprofits, as you have and the council
15 majority, and I would like him to know and
16 everyone to know that that was not for
17 naught. All of the research that was done
18 from that committee was preserved and, in
19 fact, once you were elected it was brought
20 to the council office and it was what
21 council worked off of when you made your
22 first trip to the nonprofits, and the most
23 recent occurrence was when Mr. Joyce we
24 resurrected, along with our office, all of
25 that information and brought it current and

1 up-to-date and I think the key difference
2 now is that where it was the mayor prior was
3 very dismissive, this time he appears to be
4 on board with council. Thank you.

5 MS. EVANS: Thank you, Mrs. Krake.
6 Councilman McGoff, comments or motions?

7 MR. MCGOFF: I was just going to ask
8 if Mr. Joyce wanted to go first, is that the
9 Recovery Plan or the amendments, so that we
10 could comment on them or would you prefer
11 that I just go more in order?

12 MR. JOYCE: I have no problem with
13 speaking first if that would be okay with
14 everybody else?

15 MR. ROGAN: That's fine with me,
16 also, and I have a couple of questions about
17 the plan I'd like to hear the presentation
18 first, some of them might be answered.

19 MR. JOYCE: Okay. So I guess it's
20 my turn now.

21 MS. EVANS: Yes.

22 MR. JOYCE: I didn't know if you
23 agreed as well. First tonight I wanted to
24 take the time to address the Recovery Plan.
25 As one knows, the amount of the tax increase

1 with the original Recovery Plan submitted by
2 Mayor Doherty has been decreased from 78
3 percent to 33 percent. If this plan is
4 adopted, the tax increases would be in the
5 amounts of 12 percent in 2013, which was a
6 court-ordered tax increase associated with
7 unfunded borrowing that was approved by
8 Scranton City Council, and subsequent tax
9 increases in 2014 and '15 would be 8.35 and
10 10.27 percent.

11 Some may ask why do we need a tax
12 increase in the first place if our services
13 are not being increased? The answer to this
14 lies within the parameters of the revised
15 Recovery Plan. First, we have a \$17 million
16 Supreme Court award to pay to the
17 firefighters and the police officers which
18 was caused by Mayor Doherty taking the
19 advice of DCED in fighting against the fire
20 and police unions for years. The debt
21 service on the Supreme Court award will cost
22 us \$1,175,000 in 2013 and \$2,350,000 for
23 years 2014 and 2015, and so on.

24 I would like to note that the amount
25 of the Supreme Court award could have been

1 much higher and cost the taxpayers much more
2 if it were not for negotiation efforts which
3 Councilwoman Evans, Councilman Loscombe and
4 I took part in these negotiations. The
5 fires and police unions chose to forego \$15
6 million of the Supreme Court award.

7 If it were not for these
8 negotiations, the amount of the debt
9 services payments that the city could have
10 been responsible for could have been almost
11 double than what they will be and tax
12 increases could have been much higher.

13 In addition to this, the MM0, the
14 minimum municipal obligations on the city's
15 pension plans will be increased by \$5.5
16 million beginning in 2013 as per a study
17 conducted by Thomas Anderson, which I
18 mentioned last week. This \$5.5 million
19 increase is a large hit to the city.

20 Third, salaries are rising. As one
21 knows, prior to Court decisions the fire and
22 police force in Scranton did not receive a
23 raise in 10 years. After Court decisions,
24 the fire and police force in Scranton were
25 award raises, which were retroactive.

1 Therefore, the cost of our fire and police
2 force is higher in -- will be higher and is
3 higher than in the years past and will
4 continue to rise in 2013, '14 and '15.
5 Other unionized workers such as DPW and
6 clerical unions will also receive raises in
7 2013, '14 and '15.

8 Fourth, health insurance costs are
9 rising. Those fire and police unions will
10 be contributing to their health insurance,
11 as well as DPW and clerical unions, along
12 with management as they have been, the cost
13 of health care is rising at a rate somewhere
14 in the range of 9 percent per year.

15 Fifth, the Scranton Parking
16 Authority, according to the operating
17 agreement, will continue to need funding
18 assistance of the city as per the operating
19 agreement in which the city guarantees their
20 full faith and credit by their taxing powers
21 to cover the Scranton Parking Authority
22 debt. Because of reckless borrowing by the
23 Scranton Parking Authority that has caused
24 the Authority to borrow more than they can
25 pay the city the on the hook for nearly \$1.5

1 million per year.

2 Sixth, beginning in mid-2014, the
3 city will be required to pay the salaries of
4 the firefighters being paid by the SAFER
5 grant at the current time, and I think
6 Mrs. Schumacher alluded to these salaries
7 not being included. It wasn't included in
8 the -- it may not have been included in the
9 version that was in the newspaper, however,
10 in the revised version it was. This expense
11 is expected to cost the city \$750,000 in
12 2014 and \$2.2 million in 2015 to keep our
13 fire department somewhat adequately staffed,
14 if you could call it that.

15 Regarding other matters some have
16 discussed that bankruptcy may be the only
17 way out. However, it is really not. After
18 conducting some research, if the city were
19 to go bankrupt and the state rejected it, a
20 receiver would be appointed who could
21 increase your taxes at will. A municipal
22 bankruptcy is not the answer to getting rid
23 of the municipal debt that Scranton has.
24 Unlike a personal bankruptcy, in a municipal
25 bankruptcy the debt simply does not just go

1 away .

2 Also, a municipal bankruptcy would
3 destroy the city's credit rating and
4 jeopardize the city's borrowing power in the
5 future for necessary tax anticipation notes
6 which are used on an annual basis to keep
7 the city afloat until tax revenues are
8 realized in the beginning of the year for
9 each year respectively.

10 In devising a Recovery Plan, it was
11 my goal, as well as the goal of the other
12 council members, to exhaust all other
13 revenue sources before homeowners were
14 affected with the tax increase. As we all
15 know, a 78 percent tax increase which was
16 originally proposed in the Recovery Plan
17 sent down by the Mayor Doherty would have
18 been a titanic blow to the taxpayers of
19 Scranton. The goal of Scranton City Council
20 members was to reduce this tax increase by
21 as much possible by exploring and
22 implementing alternative revenue sources.

23 I will now begin to explain some of
24 the initiatives that are to be adhered to in
25 the Recovery Plan. First, that will be a

1 3.5 percent increase to the real estate
2 transfer tax. This is a tax levied on all
3 real estate sales by for profit institutions
4 and home sales in the city. It is projected
5 that this will generate an extra \$185,000 in
6 2013, 2014 and 2015 for a grand total of
7 \$555,000 throughout the total of three
8 years. This was a figure that the
9 administration generated.

10 Secondly, there will be health care
11 savings and reform with the adoption of the
12 new fire and police union contracts. The
13 fire and police personnel will now be
14 contributing an additional 3 percent of
15 their health insurance plans.

16 In addition to this, with the
17 ratification of additional contracts, the
18 city will be asking other unions as well as
19 administrative employees to increase their
20 health care contributions. This is
21 projected to result in the savings of
22 \$315,000 in 2013, \$350,000 in 2014 and
23 \$625,000 in 2015 for a grand total of \$1.29
24 million throughout the course of three
25 years.

1 Third, there will be an amusement
2 tax levied. The amusement tax will be
3 levied primarily on concert and show tickets
4 and will be equal to 10 percent of the base
5 value of the ticket. This is not a tax that
6 will be levied against health and fitness
7 clubs and will be primarily levied on
8 concerts and shows only as is done in other
9 Pennsylvania cities.

10 This tax is permissible under the
11 local tax enabling act, which is Act 511 of
12 1965. It is projected that this tax will
13 generate an extra \$200,000 in revenue in
14 2013, an extra \$250,000 in revenue in 2014
15 and 2015 for a grand total of \$700,000
16 throughout the total of the three years.

17 Fourth, a commuter tax will be
18 pending court approval pursuant to Section
19 123-C-3 of Act 47. The City of Scranton may
20 implement -- according to this section, the
21 City of Scranton may implement an increase
22 of its nonresident income tax immediately
23 upon adoption of the revised Recovery Plan
24 the city shall petition the Lackawanna Court
25 of Common Pleas to implement such a tax.

1 This tax is projected to generate an extra
2 \$4 million n revenue per year beginning in
3 2013 and continuing in 2014 and '15 for a
4 grand total of \$12 million in revenue
5 throughout the total of three years.

6 The amount of revenue that the
7 commuter is to generate was confirmed
8 through a study conducted by the Institute
9 for Public Policy Development.

10 Fifth, a PILOT program will be put
11 into place as agreed by Mayor Doherty.
12 Under the PILOT program, Mayor Doherty will
13 be asking nonprofits to contribute .25
14 percent of their operating revenue to the
15 City of Scranton in 2013, which is projected
16 to generate \$1.3 million. .33 percent of
17 their operating to the City of Scranton in
18 2014, which will generate \$1.95 million, and
19 .5 percent of their operating revenue in
20 2015 which will generate \$2.4 million.

21 The total amount of revenue that is
22 projected to generate throughout the total
23 of the three years is \$5.65 million. The
24 projection of the revenue figures calculated
25 were done so by researching the tax returns

1 of the sixth largest nonprofit entities in
2 the City of Scranton in regard to their
3 revenue generation. Mayor Doherty is
4 agreeable to the concept of engaging in this
5 practice as per the request of city council
6 members.

7 Sixth, there will be an increase in
8 license and permits fees by a small amount.
9 In 2012, the city shall begin an RFP process
10 to select a consultant to review and make
11 recommendations regarding the city's license
12 and permit fee structure. The review shall
13 recognize any limits imposed on these fees
14 by applicable state law. The city shall
15 also review the feasibility of increased
16 penalties or nonpayment or rather for
17 nonpayment for no less than federal tax
18 standard.

19 PEL estimates that the city will
20 save approximately \$185,000 in 2013, and
21 subsequently the same in 2014 and 2015 for
22 license and permit fees -- rather, from the
23 licensing and permit fees consultant's
24 review and recommendations. This is
25 projected to generate \$555,000 in revenue

1 throughout the course of the three years the
2 city shall apply for a grant under Act --
3 under the Act 47 program to assist in the
4 payment of the license and permit fee study,
5 so this study will be of little cost to the
6 city.

7 Seven. There will be an increase to
8 the best privilege and mercantile tax to the
9 2010 levels before they were reduced. The
10 business privilege and mercantile taxes will
11 be set at one mill. The projected revenue
12 generation from this increase is projected
13 to generate an extra \$500,000 in revenue
14 beginning in 2013 and continuing in 2014 and
15 '15 for a grand total of \$1.5 million in
16 revenue throughout the course of three
17 years.

18 Eight, there will be market based
19 revenue opportunities explored. In 2012,
20 the city shall pursue an RFP process to
21 select a commissioned broker to help
22 identify potential city assets available for
23 a market based revenue opportunity program,
24 assist with the establishment of a policy
25 framework and approved opportunities to

1 begin in January of 2013. PEL is projecting
2 that the city can receive approximately 1
3 percent of the general fund revenues from a
4 fully realized MBRO program. The
5 projections of revenue estimate that yearly
6 revenues from an MBRO program will gradually
7 increase to 1 percent of the general fund
8 revenues once an MBRO program is fully
9 implemented by 2015.

10 Market based revenue opportunities
11 have been used by many municipalities in
12 Pennsylvania and around the country to
13 produce revenue from advertising, service
14 concessions, marking and sponsorship
15 opportunities. The city's location as a
16 regional destination in the core community
17 and increasing tourist destination and a
18 regular venue for business meetings makes an
19 MBRO effort an important alternative to
20 local fees and taxes.

21 It is projected by PEL that the city
22 will realize \$353,421 from an MBRO program
23 in 2013; \$530,490 in 2014, and \$707,818 in
24 2015 for a grand total of \$1,591,729
25 throughout the course of three years.

1 Ninth, there will be departmental
2 reductions made starting in 2013. In 2013,
3 it is projected that this will save
4 \$500,000. In 2014, it is projected that is
5 will save \$1.2 million. In 2015 it is
6 projected that this will save \$1.6 million.

7 The mayor, in conversation, the
8 mayor stated that he will be asking
9 department heads to reduce expenditures by
10 no less than 10 percent to save the city
11 money in order to realize these savings.
12 The total amount of savings this is expected
13 to generate as per the administration is
14 \$3.3 million over the course of three years.

15 Ten, there will be a parking meter
16 enhancement program implemented in 2013.
17 This is projected to generate an additional
18 \$700,000 in revenue. In 2014, this is
19 projected to generate an additional \$1
20 million in revenue, and in 2015 this is
21 expected to generate an additional \$1.3
22 million in revenue for a grand total of \$3
23 million in revenue generation throughout the
24 course of three years.

25 Projections were agreed to by Mayor

1 Doherty for this program and were obtained
2 by a study conducted by StreetSmart
3 Technologies based on minimal capture rates.
4 An RFP has finally been placed for the
5 parking meter system and proposals will be
6 opened on Friday, August 24, at 10 p.m. in
7 Scranton City Council chambers.

8 Eleven, there will be a countywide
9 sales tax pending legislature approval of 1
10 percent. This is projected to generate \$5.5
11 million in 2014 and 2015 for a grand total
12 of \$11 million in revenue generation
13 throughout the two years. The revenue
14 generated by this tax is expected to offset
15 the increase in pension contributions
16 required by the city for these two years.

17 As one can see, there are a number
18 of challenges that the city faces in the
19 upcoming three years. With health care
20 costs rising, salaries rising, a large
21 Supreme Court award, coupled by a Parking
22 Authority that has cost the cities million
23 -- or cost the city millions of dollars and
24 an increase in pension costs, the city faces
25 numerous challenges.

1 Members of city council have tried
2 every alternative possible to lower the 78
3 percent tax increase that was sent down in
4 the original Recovery Plan by Mayor Doherty.
5 Though a 33 percent tax increase spread out
6 over three years is not the desire of
7 anyone, all alternative revenue sources were
8 explored and will be implemented throughout
9 the next three years to help hold the line
10 on taxes as best they could be held.

11 That's all I have to say as far as
12 the Recovery Plan tonight. In some other
13 news, we have received a number of the
14 checks from the Single Tax Office over the
15 past week. The total of the checks received
16 from the Single Tax Office is \$176,000. A
17 breakdown of the checks received from the
18 Tax Office is as follows: \$4,000 in
19 delinquent real estate taxes, \$35,000 in
20 earned income taxes, \$25,000 in current real
21 estate taxes, \$21,000 in business privilege
22 and mercantile taxes, and \$91,000 in local
23 service taxes.

24 While we are on the topic of
25 revenue, since last week's meeting, we did

1 receive six deposits for current wage tax
2 over the last week from Berkheimer. These
3 deposits were in the amounts of \$146,519.65
4 and \$108,696.70 made on July 25, \$41,379.28
5 made on July 26, \$40,673.19 made on July 27,
6 \$109,786.73 made on July 30, and \$41,072.44
7 made on July 31.the summation of the receipt
8 from Berkheimer was \$488,127.99.

9 Also to report regarding the RE-RE
10 account, Scranton City Council has received
11 notification from city controller Roseann
12 Novembrino that there is been no payments or
13 vouchers made from the UDAG repayment
14 account, known as the RE-RE account.

15 With this in mind, Mrs. Krake,
16 please send a request to Ms. Aebli inquiring
17 how much money is currently in the account.

18 And to conclude tonight, I do have a
19 few citizens' requests. Residents on the
20 1400 block of Linden Street have informed me
21 of a home that appears to be in violation of
22 various city codes, and I do have some
23 pictures that I'll forward to you, Mrs.
24 Krake. There is an unoccupied home located
25 at 1431 Linden Street. Residents report

1 overgrown grass and weeds on the property
2 and that the property is becoming an eyesore
3 for neighboring residents. In addition,
4 residents report that people have been
5 entering and exiting this vacant dilapidated
6 home.

7 Mrs. Krake, please contact Director
8 Seitzinger and ask him to handle the
9 situation in the best way he sees fit. I
10 also want to just reiterate that I'll give
11 you some of these photos after the meeting
12 so you can send those over to him.

13 And, also, I did in accordance with
14 Ms. Schumacher's request, did we receive the
15 list back of who received the parking tax
16 bills?

17 MS. KRAKE: No, we did not.

18 MR. JOYCE: If we could please
19 contact the LIPS Department and ask them for
20 that list it would be much appreciated, and
21 that's all I have.

22 MR. ROGAN: Mr. Joyce, I would add,
23 I heard from a city employee, actually today
24 who I spoke to on the phone, that bills have
25 not been sent out regarding the parking tax.

1 MR. JOYCE: Really? Wow.

2 MR. ROGAN: So I guess we'll wait
3 and see if we get a response again.

4 MR. JOYCE: Right, because a few
5 weeks ago, well, actually I believe it was
6 two weeks ago, our business administrator
7 did say that the bills would be sent out and
8 they were being sent out.

9 MR. ROGAN: Well, hopefully he stays
10 true to his word, but I'll guess we'll see.

11 MR. JOYCE: I guess we'll see. And
12 that's it.

13 MS. EVANS: And thank you,
14 Councilman Joyce. Councilman McGoff, do you
15 have any comments or motions?

16 MR. MCGOFF: Yes. Thank you.
17 First, just dealing with the Recovery Plan
18 since that is the issue of the evening, in
19 my many years of coaching I've devised any
20 number of plans and never has any plan
21 worked perfectly. I think that what we are
22 presented with is an idea that allows us to
23 move forward, some of the ideas I'm sure
24 will work greatly. I'm sure there are
25 probably some of them that may not work, but

1 it does -- it is a plan and it's a plan that
2 allows for the possibility of revision as we
3 move forward. If things don't work, they
4 can be revised and hopefully, you know,
5 through the things that are in the plan it
6 does allow us to bring some resolution to
7 this situation. It provides a credible tax
8 increase, obviously nobody likes to hear tax
9 increase, but it is lower than what was
10 expected or originally proposed.

11 Also, I'd like to remind people that
12 the City of Scranton of the three taxing
13 bodies we are the lowest taxing body, at
14 least according to my real estate taxes, the
15 school district represents something like 54
16 percent of it the county was 26 percent and
17 the city was 20 percent, and while I'm not
18 advocating that everyone should pay more
19 taxes because we are the lowest, you know,
20 there are other avenues if we are looking to
21 reduce our overall tax bills that are
22 avenues or other places to look besides just
23 the city.

24 But there are alternative revenues
25 and expenditures, reductions included in the

1 plan, supplemented by potential revenue
2 sources, I think all of these things provide
3 for a plan to move forward.

4 And, you know, for the longest time
5 I have been asking or, you know, suggested
6 that Mrs. Evans and the mayor get together
7 and discuss this and I would publically like
8 to applaud Mrs. Evans and the mayor for
9 sitting down and working out, you know,
10 these amendments to the Recovery Plan so
11 that we have something to act upon, and
12 thank you.

13 But the bad news, the plan doesn't
14 necessarily deal with some our short-term
15 problems. At a meeting today with PEL and
16 business administrator and others, I asked
17 Mr. McGowan, I said, "How much money are we
18 going to need to cover expenses until the
19 end of the year?"

20 And he quickly answered, "Twenty
21 million dollars."

22 That's a whole lot of money to come
23 up with in, you know, to come up with in
24 five months. Mrs. Evans and the mayor
25 stepped up and did their part, I'm hoping --

1 I'm not hoping, I want to see other people
2 step up and do their part now. We need to
3 look at the lending community again. They
4 said they wanted to see a Recovery Plan,
5 here it is, now act upon what you said. I
6 think that, you know, we have been lobbying
7 with the banks for, you know, many months
8 now, it's now time for the banks to step
9 forward and do something.

10 We are looking at \$9.85 million in
11 unfunded borrowing, \$6 million in debt
12 refinancing that the banks need to consider
13 and they should consider now that we have
14 down our part or hat there is a Recovery
15 Plan.

16 We need to state the step up. Yes,
17 they promised \$2 million or two and a
18 quarter million dollars in various ways, but
19 think they need to do more as well. I think
20 that they need to step up and work on a
21 commuter tax. They need to step up and get
22 to work on a sales tax. Those are two
23 things that are desperately needed for this
24 plan to work and they can't be done without
25 state approval, so the state legislature I

1 think needs to and our local representatives
2 need to step up to the plate and lobby so
3 that these things are legitimized over the
4 next -- within the next year so that they
5 are part of this plan.

6 I think we do need the tax exempts
7 to step up. I know we have been talking,
8 you know, it's been talked about for years
9 and in a time of crisis I think these
10 successful businesses do need to do more and
11 hopefully in the next year they will realize
12 that, you know, that they benefit from the
13 success of the city and they will do their
14 part to make this a workable plan.

15 As far as the idea of bankruptcy
16 that was brought up, I have said before I
17 just don't see that as any type of option,
18 especially in the short-term. Declaring
19 bankruptcy does nothing to improve revenue.
20 Yes, it may cut down on expenditures, but it
21 does absolutely nothing to benefit us in
22 this short-term and it takes out of our
23 hands, out of the hands of the citizens of
24 Scranton and the government of Scranton, it
25 takes out of our hands the ability to deal

1 with our problems.

2 I think an adoption of this Recovery
3 Plan, maybe with some changes, is the best
4 step forward for dealing with the problems
5 that we face and in the both in the
6 short-term and in the long-term but we still
7 need help. We still need help from a lot of
8 people and hopefully people will recognize
9 that they benefit from the success of the
10 city and we become invested in bringing this
11 plan to fruition. And that's all.

12 MS. EVANS: Thank you. Councilman
13 Rogan, comments or motions?

14 MR. ROGAN: Yes. A few other issues
15 before I address the Recovery Plan, and
16 these will be quick, with council's approval
17 I would like to send a Right-to-Know request
18 to the Scranton Parking Authority asking if
19 any of the free parking passes have been
20 handed out to city employees over the last
21 30 days, and that we also copy Wells Fargo
22 on this request. Is that okay with
23 everyone?

24 MR. JOYCE: That's fine with me.

25 MS. EVANS: Yes. Did you make that

1 in the form of a motion?

2 MR. ROGAN: Just a request. Just a
3 request. It seems that everyone supports
4 it.

5 Next, please send a letter to Mayor
6 Doherty asking if the Obama/Biden campaign
7 was billed for vice-president Biden's July 4
8 visit to Scranton. I know that the mayor
9 had said, I believe it was in the Scranton
10 Times, that he was going to bill the
11 campaign for the costs associated with it.
12 And if so, please ask the council members
13 receive a copy of the bill and payment if it
14 was sent in.

15 Third, please send a letter to the
16 DPW asking that potholes on the 3,000 block
17 of Division Street are repaired, I have the
18 exact address I just don't want to announce
19 it, and the resident states he called DPW
20 over eight times since May and they have
21 still not been repaired.

22 And Mr. Joyce took care of the 1430
23 Linden debacle, and I just wanted to mention
24 I believe we all received a letter, the one
25 thing that stood out to me was they

1 mentioned the owner of the property, and
2 it's owned by Anthony Terrioni of Dalton,
3 and by looking through this property there
4 are a very large number of properties owned
5 by this gentleman throughout the city and
6 the county and I hope that this isn't a
7 pattern with this gentleman that all of
8 these properties are in the type of
9 condition that this one here is. Hopefully
10 the DPW will get out there and get it
11 boarded up and Licensing and Inspections
12 will do what they have to do as well.

13 And I thank Mr. Joyce for his
14 presentation, many of my questions were
15 answered. I do have a few more. The first,
16 if the city fails to receive the commuter
17 tax, what would be the plan, the backup
18 plan? I know there is a backup in place if
19 we don't receive the sales tax; correct?

20 MR. JOYCE: Yes. Unfortunately, if
21 the city did not receive the commuter tax we
22 would be \$4 million short.

23 MR. ROGAN: 12 over the three-year
24 period; correct?

25 MR. JOYCE: And 12 over the

1 three-year period, so if we didn't receive
2 the commuter tax, we would have a sizable
3 hole to fill and we would have to find that
4 revenue somewhere and, unfortunately, it may
5 have to be in the form of a tax increase.

6 MR. ROGAN: Okay. The amusement
7 tax, now, you mentioned that's not levied on
8 fitness facilities, which was one of the
9 concerns I brought up when it was first
10 mentioned, would it apply to movie theatres,
11 things of that nature or is it strictly
12 concert-type venues?

13 MR. JOYCE: It would be strictly
14 concert-type venues initially.

15 MR. ROGAN: Okay, and then --

16 MR. JOYCE: And shows such as plays,
17 perhaps at the Masonic Temple.

18 MR. ROGAN: And so that was -- was
19 it \$200,000 for the amusement tax
20 approximately, right, 250 --

21 MR. JOYCE: Correct.

22 MR. ROGAN: So I guess that's based
23 on \$2 million in ticket sales in the city
24 each year?

25 MR. JOYCE: Correct. Most of that

1 would come from the Toyota Pavilion.

2 MR. ROGAN: We could take the Toyota
3 Pavilion even though it's not exclusively in
4 the city?

5 MR. JOYCE: I'd have to defer to our
6 solicitor for an explanation, whether it's
7 exclusively in the city because it was my
8 understanding in the meetings that we had
9 with the mayor it was our understanding that
10 the Toyota Pavilion was located in Scranton.

11 MR. ROGAN: And I may be incorrect
12 that it is entirely located in the city.

13 MR. HUGHES: I'm very familiar with
14 Montage, I was on the original board of
15 directors when Montage was incorporated and
16 developed into a ski resort. The lodge
17 itself, and I believe the Pavilion, is
18 locate within the City of Scranton. The
19 grant for the road was a City of Scranton
20 UDAG grant which Congressman McDade obtained
21 for the city at the time because the road
22 starts in Scranton and ends in Scranton, but
23 virtually 95 percent of the road is
24 constructed in Moosic.

25 So it's my understanding that the

1 area that if you get -- put an entertainment
2 tax on, the lift tickets at Montage, the
3 Toyota Pavilion, they are all located
4 physically within the confines of the City
5 of Scranton, but to get to Montage you have
6 to go through Moosic and that UDAG grant, I
7 believe it was a four or six million dollar
8 grant to construct that road, that was all
9 part of the financing. The City of Scranton
10 had like a third position that,
11 unfortunately, when Montage was conveyed to
12 the county the UDAG was in the third or
13 fourth financial position and it was not
14 honored by the county. So I think the
15 answer to your question is, yes.

16 MR. ROGAN: Thank you, Attorney
17 Hughes and, you know, I always assumed -- I
18 thought it was split actually, but thank you
19 for clarifying that. And so that --

20 MR. HUGHES: I don't know exactly
21 where the line is and what's there, but it's
22 my understanding that it is, and I do know
23 that where the road is and the ski lodge in
24 that area there that is in the City of
25 Scranton.

1 MR. ROGAN: And that clarifies, you
2 know, my concern. I was thinking I know
3 there some small venues within the city
4 limits at the Cultural Center when you come
5 up to Montage I could see how that number is
6 very realistic.

7 Are there any supporting events
8 included in that or -- for instance, I know
9 you mentioned the baseball stadium we can't
10 tax.

11 MS. EVANS: I don't believe it's
12 going to include any --

13 MR. JOYCE: No, it wouldn't affect
14 any of the --

15 MS. EVANS: -- any of the high school
16 events.

17 MR. JOYCE: -- high schools or
18 anything of that nature.

19 MR. ROGAN: I know.

20 MR. MCGOFF: Not high school, but
21 there are other entities that use, for
22 example, Memorial Stadium for things so --

23 MR. ROGAN: I guess we will look
24 into that more as well. The sales tax, a
25 couple of people mentioned it, and I am glad

1 that there is a backup, a fallback position
2 if the sales tax does not come to fruition
3 because I for one don't believe it will.
4 Senator Blake claims he has a lot of support
5 for it, but we have to keep in mind that
6 Senator Blake is a freshman senator in the
7 minority party in one chamber of the state
8 house, but it would also have to pass -- or
9 in the state senate rather, and then it
10 would also have to pass the state house and
11 be signed into law by a governor who made a
12 "No new taxes" pledge. So I don't think
13 that that tax will be implemented any time
14 soon, but I do see there is a fallback
15 position on that.

16 And I do oppose the idea of a sale's
17 tax. I don't think this will go through, I
18 mentioned the last two weeks it will hurt
19 businesses, and I firmly believe that it
20 would. I use the example of purchasing a
21 car when -- my car vehicle that I purchased
22 within the city is approximately \$20,000, by
23 traveling to Tunkhannock in Wyoming County
24 it may be \$30 in gas I would save \$170.

25 I know Councilman McGoff mentioned

1 last week that there is a provision within
2 the law that would still require you to pay
3 the tax, but that's also the case for
4 on-line shopping in the State of
5 Pennsylvania. If anyone has ever purchased
6 anything off Amazon.com you will notice that
7 you don't pay at the point of sale our 6
8 percent sales tax, but you are required at
9 the end of the year to pay 6 percent sales
10 tax, and there are numerous people across
11 the state that are unaware, and they are not
12 -- many of them are not trying to defraud
13 the state out of money, they are just
14 completely unaware that, "I paid for it at
15 the point of sale," they don't know they
16 were required to pay at the end of the year.
17 They are getting tax bills from the state
18 for large sums of money, and that is one
19 thing that I worry about with this law as
20 well if it were able to pass, which again, I
21 don't think Senator Blake carries the clout
22 in Harrisburg to get it through.

23 And maybe, I know Mr. McGoff you
24 were in on the meetings, what exemptions are
25 there to the sales tax, is it the same as

1 the state tax sales, clothing, food?

2 MR. MCGOFF: Yes.

3 MR. ROGAN: Okay.

4 MR. MCGOFF: It would not tax
5 anything new. The things that are taxed now
6 under the -- I forget what the -- whatever
7 the tax law is would come under this.

8 MR. ROGAN: So the state 6 percent
9 would just become 7 percent and Lackawanna
10 County --

11 MR. MCGOFF: Yes.

12 MR. ROGAN: -- only on those items?

13 MR. MCGOFF: Yes.

14 MR. ROGAN: The next question I
15 have, and I'll say this, I think everybody
16 on this board and everybody that lives in
17 the city agrees that we need to increase
18 payments in lieu of taxes from nonprofits,
19 the question is how will the city be able to
20 increase them by \$1.3 million, 1.95 and 2.4
21 million over 2012 levels? I know that
22 Mr. Joyce mentioned, you know, .25 percent
23 of the revenue Mayor Doherty would be asking
24 for it, but when it comes to the nonprofits
25 at the end of the day they don't have to

1 give the city a dime, and that's what the
2 very frustrating. I know that Mr. Joyce and
3 Mrs. Evans tried very hard unsuccessfully to
4 get more money out of the nonprofits, but at
5 the end of the day they have no legal
6 requirement to do so. I don't agree with
7 it, but that is the current state of the
8 nonprofits in the State of Pennsylvania.

9 You know, the University of Scranton
10 gives a very small amount, but in reality
11 they could say, "We are not giving you
12 anything like many other non profits have."

13 That does concern me how those
14 numbers can be realized. Maybe the mayor
15 carries some clout with these organizations
16 that council doesn't, I don't know, I really
17 hope that he does, but I guess that will
18 remain to be seen. If it doesn't, the
19 numbers of the 1.3 and 1.95 and 2.4 million
20 would be just be pie in the sky if the mayor
21 can't deliver on those numbers because
22 ultimately he is going to be the one who is
23 administering any law that is passed through
24 city council.

25 Next, the market based revenue

1 opportunity, I think this is a great idea
2 and I have mentioned it before, but we are
3 not going to be putting billboards on city
4 hall and things of that nature; right?

5 MR. JOYCE: No. It wouldn't be my
6 assumption that that would be recommended
7 for the study.

8 MR. ROGAN: I would gladly put a
9 small one on my car. The spending cuts of
10 \$500,000, \$1.2 million and \$1.6 million, are
11 they itemized or will they be made each
12 budget year. For instance, at the end of
13 this year would we be responsible for the
14 \$500,000 cut or would it be itemized in the
15 plan? I don't think I saw anything
16 itemized.

17 MR. JOYCE: It would be something
18 that would be -- that wouldn't be itemized.

19 MR. ROGAN: So it would be at the
20 end of the year when we create the budget or
21 the mayor, whoever creates the budget, would
22 be mandated into at least those cuts?

23 MR. JOYCE: Correct.

24 MR. ROGAN: And the cuts, they can
25 be basically anything? Could be personnel,

1 could be salaries, could be, you know,
2 savings on not buying drinking water; is
3 that correct?

4 MS. EVANS: Yes.

5 MR. JOYCE: Correct.

6 MR. ROGAN: You know, in summary, by
7 reading through it and going through Mr.
8 Joyce's presentation the plan increase taxes
9 and fees by approximately \$26 million over a
10 three-year period. But only \$3 million is
11 cut over that same year period, and this is
12 on paper. How will it actually pan out
13 depends on a lot of other factors, the state
14 being one of them, the state house and state
15 senate and the governor, Court approval for
16 a commuter tax, so I do have lingering
17 questions whether these numbers are real or
18 not.

19 In addition, the plan relies on the
20 Doherty administration to implement all of
21 these items. I'm hopeful he will only be
22 mayor for one more year, that may not be the
23 case, he may be the mayor for another five
24 years, so I will keep an open mind. I do
25 look forward to hearing, and I am very happy

1 that this will be voted on in three weeks,
2 for three separate readings, instead of
3 being voted on and rammed through in one
4 night. I will maintain my open mind,
5 hearing from residents their thoughts. I
6 have concerns, I think everyone I spoke to
7 has concerns, and I do look forward to
8 hearing from everyone over the next few
9 weeks. And that is all I have for tonight.
10 Thank you.

11 MS. EVANS: Thank you. Good
12 evening. I wish to discuss three major
13 accomplishments that will have significant
14 and positive impacts on our city and
15 taxpayers. First is the successful
16 negotiation of the police and fire contracts
17 after 11 years of costly Court battles and
18 labor unrest. This contract not only
19 provides labor peace and stability to the
20 city, its residents and its public safety
21 employees, but also saves the taxpayers over
22 \$15 million.

23 Because salaries were set by the
24 Courts through 2014 for police and fire,
25 neither the mayor nor city council could

1 change them. However, the new contract
2 provides modest increases of 1.75 percent in
3 2015, '16 and '17, the years in which the
4 mayor and council have input and health care
5 contributions of 3.5 percent when there have
6 been none.

7 What could not be achieved from 2010
8 through -- excuse me, 2002 through 2011 was
9 accomplished in four meetings in May 2012.
10 I thank Councilman Loscombe and Joyce for
11 joining the mayor and me in these
12 negotiations.

13 Second is the progress made toward
14 accountability and new management at the
15 Scranton Parking Authority. Solicitor
16 Hughes and I worked for the last three
17 months with bond insurers and attorneys to
18 help make this possible. The people have
19 seen the replacement of a trustee,
20 management salary cuts, the resignation of
21 Attorney Paul Kelly and now a filing in
22 Lackawanna County Court for receivership.

23 This complicated process required
24 time, hard work and patience. Historic
25 action doesn't happen overnight as much as

1 some folks and even our Councilman Rogan
2 think it should. Solicitor Hughes taught me
3 that valuable lesson. As the process moves
4 forward, it will continue to demand our hard
5 work, time and patience.

6 Years before this council was
7 seated, I took a firm stand alone in
8 opposition to the Parking Authority. With
9 time and experience I recognized that in
10 order to affect crucial changes I needed a
11 council to stand with me and a solicitor
12 with the skills set, knowledge and integrity
13 to guide us down the proper path.

14 Solicitor Hughes took a big broom to
15 the SPA and made a once impossible goal more
16 than possible. We are all in his debt and I
17 ask that council members will trust his
18 advice throughout the days ahead. He knows
19 what can be done, what cannot be done and
20 how best to make it happen.

21 In that spirit, I asked Attorney
22 Hughes to review the operating agreement
23 between the City and the Scranton Parking
24 Authority and to draft legislation to
25 terminate that agreement, if inappropriate.

1 Third is the revised Recovery Plan.
2 Because city council stood its ground
3 justified recommendations with valid figures
4 and met with the administration time and
5 time again. We seem to have a revised
6 Recovery Plan that will spread the financial
7 burden of our city among all who live or
8 work within our boundaries, use our
9 buildings, hospitals, parks, infrastructure,
10 DPW and public safety services and devour
11 taxable city property.

12 Further, if tax exempts refuse fair
13 share contributions their eligible
14 properties should be taxed.

15 The elderly, poor and blue collar
16 workers of Scranton can no longer shoulder
17 the weight for all of those who fail to
18 contribute financially to Scranton but enjoy
19 our services.

20 Further, the RFP or request for
21 proposals for a parking meter program was
22 advertised in the Scranton Times on July
23 28th and 29th. Also, council awaits
24 progress on the parking tax collections in
25 the near future.

1 As you know, ladies and gentlemen,
2 Mayor Doherty proposed a 78 percent tax
3 increase, but members of this council have
4 cut that to 33 percent and wiped out the
5 garbage fee increase to help our Scranton
6 taxpayers. While the county raised 38
7 percent -- raised taxes 38 percent in one
8 year, the city will levy the increase over
9 three years, and believe me, I understand
10 that even a 33 percent increase is a
11 hardship for some of you, but Mayor
12 Doherty's unbridled spending, DCED's use of
13 our city as a guinea pig in the Supreme
14 Court, and Pel's nearly decade long
15 blessings of the Doherty administration's
16 budgets and financial shell games put all of
17 us in this position.

18 I thank Councilman Joyce for his
19 constant work and cooperation with the
20 development of the amendments to the
21 Recovery Plan. Together, we held the line
22 and did our very best for our city and our
23 taxpayers.

24 I also wish to respond to PEL's
25 comments in the July 29 edition of the

1 Scranton Times. Mr. Cross says that
2 Scranton is not unique in its financial
3 problems. I beg to differ. Scranton didn't
4 award raises to police and fire for ten
5 years, where else in Pennsylvania can that
6 be said? Scranton was the only Pennsylvania
7 city used by DCED as its test case for Act
8 47 in the Supreme Court, which cost Scranton
9 a \$32 million award to public safety unions?

10 Further, PEL silently blessed the
11 private, very private, financial shell games
12 of the Doherty administration for nearly a
13 decade. I, for one, believe this does make
14 Scranton unique.

15 On a related notes, city council and
16 its solicitor have been trying actively for
17 weeks to secure financing from a Harrisburg
18 firm and a Wall Street firm. At this time,
19 I defer to Attorney Hughes to update the
20 public on our efforts.

21 MR. HUGHES: Council, madam
22 president, I would say one thing regarding
23 the operating agreement between the city and
24 the Parking Authority. As I stated last
25 week, it's a very convoluted type of

1 agreements that go back and forth with the
2 Authority owning the parking garages,
3 leasing them to the city and the city in
4 turn having an operating agreement with the
5 Parking Authority. I don't believe anything
6 has to be done right now based on the fact
7 that Wells Fargo has filed their litigation
8 against the Parking Authority, I think we
9 see how that plays out, but in accordance
10 with the operating agreement it was our
11 recommendation going back almost two months
12 that the Authority should voluntarily turn
13 over the Authority and have a receiver
14 appointed by the insurance, the bond
15 insurance companies, you know, they have
16 done nothing on that.

17 I think we just have to wait and see
18 how this plays out now as to what action the
19 Authority takes to the litigation that's
20 involved. If they don't acquiesce and have
21 a receiver appointed, in accordance with the
22 operating agreement the city can terminate
23 that on 60 days written notice, so I always
24 like to use the Meineke ad, "Sooner or later
25 we are going to get you," and in the event

1 that the Parking Authority puts up a fight
2 and does not agree to have a receiver
3 appointed, so that there will be a new day
4 for the Parking Authority and that board
5 will be just there in name only, we are
6 going to get them under the operating
7 agreement.

8 It might take another 60 days, but
9 hopefully let's see how this plays out and
10 maybe they have come to their senses and we
11 will have a receiver appointed and a
12 management company come in and take over the
13 operation of the Authority, put its finances
14 in order, reduce the liability of the city
15 and look into selling some of the parking
16 garages, so I just want to make a comment on
17 that. I don't think anything has to be
18 done. I think that right now everything is
19 proceeding, you know, according to the way
20 that we thought it would proceed with the
21 filing of the lawsuit of Wells Fargo Bank,
22 which is the new trustee, and the only
23 reason you have a new trustee and you have
24 this actions is because of the fact that the
25 Parking Authority had an event of default

1 when council didn't pay the million dollars,
2 that got the attention of the insurance
3 companies and they are coming in and making
4 good on everything that they said they
5 would.

6 I don't want to take too much time
7 here, but it's very important from the
8 standpoint that when -- there was a
9 presentation made to council about two
10 months ago on the financing and the
11 legislation here for M & T to do a private
12 placement of the City of Scranton's bond
13 issue of approximately \$16 million.
14 Mr. Koscelansky, who was an attorney for
15 Stevens & Lee and is bond counsel, and
16 Mr. Michael Vend, who was with Financial
17 Solutions, which is an arm of the law firm
18 of Stevens & Lee, Financial Solutions is
19 part of the law firm of Stevens & Lee, even
20 though they are financial advisors, they
21 have the same address, they are intricately
22 involved and it looks like that Stevens &
23 Lee probably controls Financial Solutions.

24 I asked Mr. Vend at this meeting, I
25 was very concerned of a conflict of interest

1 as Financial Solutions being the financial
2 advisor to the city and Stevens & Lee, who
3 has control of Financial Solutions being the
4 bond counsel, as to whether or not there was
5 a conflict of interest. Mr. Vend stated
6 that there was not. I asked him if a no
7 conflict letter existed regarding that, he
8 said it did and he would submit it to me,
9 and in the last two months I never received
10 a no conflict letter.

11 When M & T terminated the private
12 offering the city bonds, which link the
13 \$9.85 million of the unfunded debt, which
14 had been approved by the Court, and
15 council's legislation to increase real
16 estate taxes next year to pay that, when
17 they linked that with the \$6 million for a
18 total of the \$15.85 million I contacted
19 Mr. Koscelanski and I said, "There should be
20 no reason M & T could separate this because
21 it does not depend on a Recovery Plan, the
22 \$9.95 million and there was no reason for a
23 Recovery Plan on that, that was already done
24 by Court approval, council's legislation in
25 accordance with the Court order to raise

1 taxes to provide that -- to provide the
2 funding of it so it did not depend on a
3 Recovery Plan."

4 And I was informed that that
5 wouldn't happen, it was all in one kit and
6 caboodle, it all had to be put together and
7 the city had to have a Recovery Plan.

8 I discussed with Mrs. Evans that
9 there is other sources of funding based on
10 my experience that do not involve commercial
11 banks. We stated that, you know, all of the
12 banks were in unison that they would not
13 provide any funding to the city without a
14 revised Recovery Plan, and Mrs. Evans and I
15 discussed that and she authorized me to
16 proceed. I told her that I thought that we
17 should look for sources of funding outside
18 of commercial banks, the local banks, and
19 look to other sources of funding, private
20 placement and investment banking, hedge
21 funds and things like that, and that I would
22 recommend Mr. Michael Judge of Case-Con,
23 Inc., who has been involved in the
24 investment banking business for over 25
25 years, has done many deals for the City of

1 Scranton previously. Currently on the
2 county's bond issue he was the financial
3 advisor, he has been involved in all types
4 of governmental, private and public
5 financing in at least -- within the
6 Northeastern United States and Pennsylvania,
7 New York, New Jersey, Connecticut,
8 Massachusetts, Florida, and ver
9 knowledgeable in this type of the funding.

10 Over the past two or three weeks,
11 actually, the past month he did have
12 substantial interest in a Wall Street firm
13 that would put together the financing of
14 probably \$9.85 million, and we talked about
15 another tax anticipation note that would
16 include probably six to seven, maybe eight
17 million dollars which would be secured by
18 the earned income tax.

19 There was a firm on Wall Street that
20 was interested, they have their tax
21 attorneys looking at it, everybody is
22 concerned about the bankruptcy and what
23 would happen if the city went bankrupt and
24 what the position would be so that they can
25 be paid, especially on a tax anticipation

1 note it would be secured by this year's
2 earned income taxes.

3 I believe that they still might have
4 an interest, but they are very -- they
5 really don't have an interest at this point,
6 at which time, I remember I was on vacation
7 about three weeks ago and Mike called me,
8 called my office and I got in touch with
9 him, he did have a firm, he did have a hedge
10 fund that was very knowledgeable in this,
11 they provided funding and financing to the
12 City of Harrisburg. I authorized -- I told
13 him to proceed with that so hopefully we
14 could have a source of funding outside of
15 the banks in the event that a Recovery Plan
16 was not put together, and all of this
17 financing is not contingent on a Recovery
18 Plan.

19 He notified me early this week that
20 the firm that he is dealing with that has
21 provided the financing to the City of
22 Harrisburg that they were told that he did
23 not have any standing to represent the city
24 because Financial Solutions is the financial
25 advisor to the city and Stevens & Lee is the

1 bond counsel, and they had to deal with
2 them.

3 At which point I had Mrs. Krake, I
4 requested Mrs. Krake, to see if there was
5 any ordinances or any type of legislation
6 appointing them as financial advisor or bond
7 counsel to the city on the M & T financing.
8 There is absolutely nothing that has ever
9 been passed by council appointing Financial
10 Solutions as the city's financial advisor or
11 Stevens & Lee as the bond counsel.

12 In the past, in fact, ironically
13 about 12 years ago Case-Con was appointed by
14 an ordinance as the city's financial advisor
15 to proceed with funding on a city bond
16 issue. But anyway, what I am looking at now
17 is that it's my opinion that what we should
18 do, that I should be authorized by council
19 to draft legislation next week for next
20 week's meeting to appoint Case-Con as the
21 financial advisor to the City of Scranton so
22 that they can proceed in also dealing this
23 these people, this hedge fund that provided
24 financing for Harrisburg. They are familiar
25 with the situation for distressed cities,

1 bankruptcy and provide the funding and they
2 have provided funding to Harrisburg so that
3 if he can -- if Mr. Judge can get them
4 interested, that the more people we have
5 that would be available to provide funding,
6 you know, the better the rate. We'd have
7 competition, and I don't think we should
8 just rely on the commercial banks, and M &
9 T, I have no idea if M & T is interested
10 anymore, so that if the Recovery Plan goes
11 through the city is going to need financing
12 and we could obtain financing even if the
13 Recovery Plan is not adopted -- I mean,
14 suppose something happens with the Recovery
15 Plan, which I don't envision, but we could
16 have financing outside of the Recovery Plan
17 or with the Recovery Plan.

18 And depending on the we put it out,
19 see if we can give the city a better rate
20 for the amount of the bond, we could save
21 substantial money and you might be able to
22 put together some form of tax anticipation
23 note. Of course, as time goes on there is
24 less and less monies to come in on a tax
25 anticipation note, but I'm requesting that

1 council authorize me to proceed and discuss
2 it with Mr. Judge and to put together an
3 ordinance where Case-Con, Inc., would be
4 appointed as the city's financial advisor.

5 MS. EVANS: Thank you, Attorney
6 Hughes. Is council in agreement?

7 MR. JOYCE: I'm in agreement.

8 MR. ROGAN: That was to put it on
9 for a vote; right?

10 MS. EVANS: Yes.

11 MR. HUGHES: I'm just looking to put
12 an ordinance together and send it to
13 council.

14 MR. ROGAN: Yeah, absolutely.

15 MS. EVANS: We are authorizing you
16 to draft the legislation. Thank you.

17 MR. HUGHES: Thank you.

18 MS. EVANS: Before -- very shortly
19 before tonight's city council meeting, I was
20 informed by City Clerk Nancy Krake that
21 council and the mayor, I think perhaps the
22 BA, received a letter from the Pennsylvania
23 Economy League and in that letter PEL
24 rejects the city's revised Recovery Plan. I
25 have not had time to read the letter in its

1 entirety because I received it right before
2 I walked through this door.

3 I feel that by rejecting this plan
4 and insisting that all of their changes be
5 made, it seems we are going to be looking
6 at, if PEL has its way, we are going to be
7 looking at a far larger tax increase, but
8 more than that PEL's rejection of this plan
9 bespeaks its decision to file bankruptcy,
10 and yet I believe it was just this morning
11 at a PEL meeting, the representative from
12 DCED said that their office was very pleased
13 by the cooperation between the mayor and the
14 council and the consensus that was reached
15 by August 1 and so we are receiving it
16 appears mixed messages.

17 Now, if the amended revised Recovery
18 Plan is adopted I do expect Secretary C.
19 Alan Walker to keep his word that DCED will
20 secure financing for our city and Mayor
21 Doherty to uphold his word that banks will
22 lend to Scranton when it produces a Recovery
23 Plan. I place very little value on the
24 opinion and the rejection of the revised
25 Recovery Plan by the Pennsylvania Economy

1 League.

2 I have said this many times, ladies
3 and gentlemen, but it bears repeating, they
4 have nothing more than a demonstrated record
5 of failure in the City of Scranton. In
6 2012, today is August 2, 2012, we are myriad
7 far more deeply in debt than we were in 1992
8 when they first stepped foot into our city.

9 They do not live here, they're
10 appointed by DCED, their solution throughout
11 every Recovery Plan to the financial woes of
12 Scranton has been significant tax increases.
13 Increases to fees. Period. Nothing more,
14 nothing less.

15 And so having spoken very quickly
16 with our solicitor this evening immediately
17 prior to the meeting, we have decided that
18 city council is going to move forward with
19 the joint revised Recovery Plan that was
20 developed by the administration and Scranton
21 City Council. We are going to proceed
22 despite what the Pennsylvania Economy League
23 is saying and if the Pennsylvania Economy
24 League then wishes to throw this huge
25 roadblock in front of this city and end it's

1 future then, as I said earlier, the
2 Pennsylvania Economy League seems to have
3 made the decision for the city that it will
4 enter bankruptcy, and I am not quite sure
5 members of the legislature and the governor
6 of Pennsylvania are going to be very pleased
7 that the Pennsylvania Economy League appears
8 hell bent on hurdling the city into
9 bankruptcy.

10 We have seen the actions taken in
11 Harrisburg, I've followed that closely for
12 the last year, the state will intervene at
13 that point and there will be nothing that
14 this council or Mayor Doherty can do to stop
15 them, and for all of the discussion about
16 commuter tax, sales taxes, you won't have to
17 worry about any of that because the
18 responsibility will be placed squarely on
19 your shoulders, and it won't be a 78 percent
20 tax increase, believe me, that will look
21 inviting in comparison.

22 MR. HUGHES: Mrs. Evans, if I could
23 just comment on what you said there because
24 we did discuss it, I think the folly of the
25 Pennsylvania Economy League in their plan,

1 advised you and council I think we should
2 proceed, I think we should adopt the plan, I
3 think that it shows the public, it shows
4 Harrisburg that the mayor and the council
5 are working together in putting that plan
6 together, and as Mr. McGoff said it's not
7 perfect, but I think it's a much better plan
8 than the plan that PEL had previously
9 proposed and I think we have to proceed and
10 let DCED do what they do, but no matter what
11 we are going to adopt the revised Recovery
12 Plan.

13 MS. EVANS: And I think --

14 MR. HUGHES: That's my
15 recommendation. I mean, I don't have a vote
16 but that's my recommendation as we proceed,
17 forget about PEL and just proceed on the
18 course that we are.

19 MS. EVANS: Yes, because it seems
20 like then we are left with three options,
21 this revised Recovery Plan or allowing PEL
22 to take over and generate whatever tax
23 increase they see fit to fill their holes in
24 their plan plus what they have already
25 proposed or the city can attempt to file for

1 bankruptcy and the state will take over.

2 MR. MCGOFF: Mrs. Evans?

3 MS. EVANS: Yes.

4 MR. MCGOFF: Will we receive copies
5 of that this evening?

6 MS. EVANS: I will have Mrs. Krake
7 make copies. I just had it -- obviously it
8 was delivered to our office right before the
9 council meeting and she handed it to me as I
10 was coming in and I was reading it while the
11 meeting was ongoing.

12 MR. MCGOFF: Does it include --
13 I'm sure that it includes their reasons for
14 rejecting --

15 MS. EVANS: Oh, yes, it's a lengthy
16 letter.

17 MR. MCGOFF: Thank you. Anyway, I
18 ask people of Scranton to seriously consider
19 these alternatives and if council's plan and
20 the mayor's plan is not suitable to you then
21 what are your suggestions, knowing what we
22 have presented to you concerning bankruptcy
23 and state takeovers? And we will conduct a
24 public hearing next week and I, too, look
25 forward to hearing public input.

1 Finally, for the sake of time, I'm
2 just going to submit the citizens' requests
3 that I have to our office, and I want the
4 people to know who sent me the information
5 regarding the seven-unit apartment building
6 on South Main Avenue and the condemned house
7 on Linden Street, that's already been in
8 process, those letters have been sent. And
9 that's it. Thank you.

10 MS. KRAKE: 5-B. AMENDING THE
11 REVISED RECOVERY PLAN FOR THE CITY OF
12 SCRANTON PURSUANT TO THE FINANCIALLY
13 DISTRESSED
14 MUNICIPALITIES ACT; AND AUTHORIZING THE
15 MAYOR OF THE CITY OF SCRANTON TO ISSUE AN
16 ORDER DIRECTING THE IMPLEMENTATION OF THE
17 REVISED RECOVERY PLAN DATED AUGUST 1, 2012
18 ATTACHED HERETO AS EXHIBIT "A" IN ACCORDANCE
19 WITH THE PROVISIONS OF SECTION 245 OF THE
20 FINANCIALLY DISTRESSED MUNICIPALITIES ACT.

21 MS. EVANS: At this time I'll
22 entertain a motion that Item 5-B be
23 introduced into its proper committee.

24 MR. JOYCE: So moved.

25 MR. MCGOFF: Second.

1 MS. EVANS: On the question?

2 MR. MCGOFF: Yes, could I -- and
3 again, I spoke on it before but just very
4 briefly some of the things that have come
5 up, the only hard revenue that we as a city
6 have is taxes. The only thing we can
7 predict accurately is basically real estate
8 taxes. We know what the assessed value of
9 the properties is, we have a millage and we
10 can determine that. Everything else is an
11 estimate and that's what the Recovery Plan
12 has basically are estimates.

13 You may disagree with some of the
14 estimates, but I think we are hopefully
15 optimistic that some of these things can be
16 realized, that all of these things can be
17 realized. The alternative is, and Mr. Rogan
18 brought it up before when he asked the
19 question to Mr. Joyce, you know, Plan B is
20 raise taxes, and I think we've worked on --
21 or a plan has been worked on that has some
22 legitimacy and I think that it's a good
23 decision to move forward with it, yes, maybe
24 it needs no be tweaked a little bit, but to
25 abandon it because we don't like some of the

1 estimates would be, you know, a greater
2 mistake.

3 Also, just a brief comment, all
4 along I have been somewhat supportive of
5 PEL, attended meetings with them and all,
6 but all along PEL has said that they
7 would -- they were awaiting for a
8 cooperative agreement between the mayor and
9 the council and now when it's presented to
10 them it's being rejected. Now, I do want to
11 see the reasons for that, you know, before
12 making further comments, but it does seem
13 that PEL is somewhat back peddling on what
14 they have said, you know, moving forward.

15 Hopefully DCED is -- you know, the
16 comments made this morning that they were
17 pleased are more truthful or and that DCED
18 will have some input for approving this.

19 MS. EVANS: And PEL does compliment
20 us on the joint efforts, but it wants
21 several pages worth of changes to the plan
22 to occur and short of those changes they are
23 not going to approve it, and I can say back
24 to PEL that those changes aren't going to
25 occur and that, you know, Mr. McGoff is

1 right in that real estate taxes are the most
2 reliable prediction of revenue, but to a
3 point. We can see that, you know, the city
4 does not collect 100 percent per year.
5 There are many, many, many delinquencies,
6 but more than that, any money who thinks a
7 78 percent tax increase guarantee the city's
8 recovery needs his head examined because
9 there are many people in this city who
10 simply can't pay it. It's not like, well,
11 if I cut out cigarettes maybe I can pay it.
12 No, what it says is you are going to lose
13 your house or you need to cut out paying
14 your utilities, buying food then maybe,
15 maybe you can pay it.

16 And, you know, this type of response
17 from PEL is very disappointing, but
18 certainly not shocking to me. I don't think
19 it should shock anyone of you and I think if
20 anything needs to change in this city it's
21 PEL. They don't belong here anymore and
22 they should have been replaced with another
23 overseer long ago. They have done more
24 injury to the city than they have helped it.
25 I am hard pressed to think of even one

1 instance in which they have helped our city.

2 MR. ROGAN: I would just say that I
3 haven't seen it, I don't think any of us
4 have seen the PEL letter, but I think I know
5 the reasons why. And believe me, I am no
6 apologist for PEL, I never have been, I
7 think they should be, as many up here also
8 agree, should be kicked out and the elected
9 officials in Scranton should handle our own
10 affairs, but through the questions I asked
11 there are questions about the plan.

12 If the commuter isn't realized
13 that's \$12 million. The sales tax, if
14 that's not realized it's \$11 million over
15 three years which would be offset by a 40
16 percent tax increase, which when you
17 compound that on top of the 32 brings it
18 nearly to 70 percent. If you then added in
19 the \$12 million missing from the commuter
20 tax and the 1.3, 1.95 and 2.4 million that
21 will may be very difficult to realize and we
22 probably won't realize, unfortunately,
23 without legislative change again from
24 Harrisburg from the nonprofits, the
25 nonprofits -

1 MS. EVANS: Actually if I could just
2 interject, I'm sorry to interrupt, more and
3 more cities have been taking the nonprofits
4 to Court challenging their tax exempt status
5 and they have been successful in
6 Pennsylvania.

7 MR. ROGAN: And I hope we are.

8 MS. EVANS: And the state
9 legislature has been tightening up on their
10 eligibility, so it looks like the city is in
11 a better position now than in previous years
12 to pursue taxation if necessary.

13 MR. ROGAN: And I hope that can
14 happen, and as I said earlier, especially
15 hearing now that PEL has rejected the plan
16 and has sent a letter to the city much more
17 will be said by many parties over, you know,
18 the next few weeks.

19 But, you know, looking through some
20 of it, it does seem like pie in the sky and
21 the part about the PILOTS I really -- they
22 are not going to voluntarily come to the
23 table is what I'm saying, and I don't think
24 anyone thinks they will.

25 MS. EVANS: What would your

1 suggestions be then for replacing all of
2 this?

3 MR. ROGAN: Well, for one, one of
4 the things I have advocated for, and you
5 know what I'm going to say, is privatizing
6 the DPW.

7 MS. EVANS: Which you can't do
8 because they're --

9 MR. ROGAN: It can be done after
10 2014 when the contract expires.

11 MS. EVANS: Right, at this point --

12 MR. ROGAN: And this is a three-year
13 plan.

14 MS. EVANS: Right. At this point
15 you cannot touch that and the city needs
16 money now, next year, the following year,
17 you can't touch that unless you want to
18 repeat Mr. Doherty's pattern and land us
19 back in the Court system for contract
20 violations.

21 MR. ROGAN: And I'm saying let the
22 contract play out. This is a three-year
23 proposal, so there is no difference between
24 allocating \$5.5 million for a 1 percent
25 sales tax, which is never going to happen,

1 than putting in a change two years down the
2 line after the contracts expire. I would
3 love to do it today, I know we can't, we all
4 know that.

5 MS. EVANS: But in the interim --

6 MR. ROGAN: In the interim the
7 garbage fee should pay for the cost of
8 collecting garbage in the city which would
9 then offset the increase in real estate
10 taxes because property owners pay real
11 estate taxes and a garbage fee. People who
12 do not own property only pay a garbage fee,
13 and I'm not advocating for jacking up these
14 fees to astronomical levels, but the fee --

15 MS. EVANS: You are going to have
16 to.

17 MR. ROGAN: The fee should sustain
18 the program. That's the actual cost of
19 collecting garbage in the city. If you
20 determine how much it cost for each person,
21 that's how much the fee should be and then
22 when you looked at that number versus
23 privatization, privatization looks like a
24 very appealing option, which I know right
25 now I'm probably the only person that

1 supports that on this board.

2 MS. EVANS: Well, I don't know about
3 that, but I did have -- this is -- I'll just
4 say it quickly conversations with people
5 residing in Reading where garbage was
6 privatized, they are paying \$386, I believe,
7 per year. I know that my son who resides in
8 a rural area in Pennsylvania is paying \$3
9 per bag per week and that runs into quite a
10 bit of money.

11 MR. ROGAN: Yep, and again, I stated
12 in my suggestions that the first step, I
13 have said it a million times at council, the
14 first step is determining how much it's
15 going to cost, and obviously there is time
16 before it could be done, and also an
17 efficiency study at the DPW and in the event
18 that, you know, that's not agreeable, I
19 think there should be further cuts in the
20 Department of Public Works, which I hope
21 will happen through the budget.

22 Again, I'll say more about this next
23 week, I think we all will, I do want to read
24 that letter to see what PEL's suggestions
25 are.

1 MS. EVANS: But I think what you
2 have to keep in mind is if you are saying
3 that this is pie in sky and it can't work
4 you have to take those figures for 2012,
5 '13, '14 and in some cases '15, and that is
6 -- we are talking multi-millions of dollars
7 and I just don't see how increasing a
8 garbage fee is going to substitute for that.

9 MR. ROGAN: No, and it wouldn't be
10 just one item and, you know, a lot of the
11 ideas that I have, unfortunately, I wasn't
12 able to present because it never -- the
13 council meeting of five members of council
14 and the mayor never happened.

15 MS. EVANS: But you did submit them
16 to Mr. Joyce and we discussed them with the
17 administration.

18 MR. ROGAN: And none of them were
19 included, so that's where my vote stands.

20 MS. EVANS: Well, another one was
21 the privatization of the Sewer Authority.

22 MR. ROGAN: Initially a study,
23 again.

24 MS. EVANS: Yeah, a study and a
25 study is going to be conducted at the cost

1 of the Sewer Authority. However, you should
2 recognize that in terms of the privatization
3 of the Sewer Authority of the Sewer
4 Authority it's going to require --

5 MR. JOYCE: Dunmore.

6 MS. EVANS: -- the approvals of the
7 mayor, the Borough of Dunmore and the
8 Scranton Sewer Authority board to agree to
9 dissolve itself, so if you want to visit the
10 mayor, all of Dunmore council, and the
11 Scranton Sewer Authority board and get their
12 approval we'll be very happy to put that
13 into the Recovery Plan, but short of that
14 that idea doesn't work.

15 MR. ROGAN: Again, I wasn't privy to
16 the conversations that happened at the
17 meeting, how deeply that idea was explored I
18 don't know. I do think that when we have
19 the mayor in a point to negotiate with us,
20 you know, I do agree with some of the things
21 that are in here, some that were taken out,
22 you know, on paper it's better than the
23 mayor's plan. Absolutely. In reality, I
24 don't know if it is.

25 MS. EVANS: Well, then I think what

1 you should be prepared to do if you are
2 going to be voting in opposition is to
3 present plan that covers all of this -- that
4 conversation all of the finances --

5 MR. ROGAN: Mrs. Evans --

6 MS. EVANS: -- for each of the years.

7 MR. ROGAN: -- we all know that's not
8 going to happen. You have three votes on
9 this board to pass anything you want.

10 MS. EVANS: But, you know, I sat
11 alone for many years, and Mr. McGoff can
12 attest to that, and I didn't sit back and
13 say, "Well, Mr. McGoff, I know you have the
14 votes so I'm not going to bother."

15 I did the work.

16 MR. ROGAN: That's not true. In
17 2000-- the year before we took over I
18 remember having a conversation then you
19 said, you know, the Gatelli regime is going
20 to pass through the budget and creating your
21 own would just be a waste of time.

22 MR. EVANS: And that was for the
23 first time, because when this council
24 assumed office we were going to open and
25 amend the budget and make the changes then.

1 And again, I did the work for that.

2 Now, it's all too easy, it's nothing
3 more than like egregious grandstanding to
4 say, "Here's a big pie in the sky idea and
5 here's another one," and then when I say to
6 you, "Well, you don't like this," where this
7 might be --

8 MR. ROGAN: Well, I wasn't part of
9 the negotiations, so you don't even know
10 what my ideas were. What was asked of
11 council, of all of us, was to submit
12 suggestions to Mr. Joyce. I was the only
13 member who submitted suggestions that had
14 them passed out to all five members of
15 council. I was the only one. Nobody else
16 did that.

17 MS. EVANS: But what I'm saying now
18 is that's insufficient because --

19 MR. ROGAN: That's what you asked
20 for.

21 MS. EVANS: -- no. Mr. Joyce also --

22 MR. ROGAN: That's what you asked
23 for.

24 MS. EVANS: Mr. Joyce also requested
25 figures to back all of it up.

1 MR. ROGAN: And Mr. McGowan was out
2 of town for 10 days.

3 MS. EVANS: And Mr. McGowan doesn't
4 have the figures either. That's the truth.
5 Mr. McGowan went on vacation twice this
6 summer.

7 MR. ROGAN: Well, we need a new
8 business administrator.

9 MS. EVANS: The city didn't stop
10 dead because of it, so if you want, you
11 know, if you want to vote this down you
12 can't do it empty handed. Come back with a
13 plan.

14 MR. ROGAN: We can do it and then
15 all five members of council can sit down --

16 MS. EVANS: No, come back with a
17 plan, Mr. Rogan.

18 MR. ROGAN: No. The five people
19 should sit down --

20 MS. EVANS: Well, of course not,
21 because you know --

22 MR. ROGAN: You know that you have
23 the votes.

24 MS. EVANS: You know that you can't
25 support what you say. That's why.

1 MR. ROGAN: I'm not saying that will
2 not be a tax increase in any plan, I'm not
3 saying that, I'm not making that claim. I'm
4 saying that I do not believe that much of
5 what is in this plan will come to fruition
6 and that's what many residents and voters --

7 MS. EVANS: And so I'm asking you to
8 come up with a your plan that will come to
9 fruition.

10 MR. ROGAN: Sure. Let's vote it
11 down tonight and have all five of us --

12 MS. EVANS: No, let's have --

13 MR. ROGAN: -- lock ourselves in
14 that room until we come up with a plan.

15 MS. EVANS: No, because let's have
16 you come up with a plan. You are doing all
17 of the talking about it, now produce your
18 plan, Mr. Rogan.

19 MR. ROGAN: Mrs. Evans, we know that
20 this plan is going to be passed in the next
21 three weeks.

22 MS. EVANS: Is there anyone else on
23 the question? No, that's not the answer,
24 this plan will be passed in three weeks.

25 MR. ROGAN: It's going to. It's

1 going to be passed 4-1 the next three
2 weeks regardless of what happens.

3 MS. EVANS: Well, then I guess I
4 should have spent all of my time on council
5 from 2004 to 2010 with that same attitude.

6 MR. ROGAN: For much of you did, and
7 I agree --

8 MS. EVANS: Oh, no I didn't.

9 MR. ROGAN: And that's why I agreed
10 to run with you.

11 MS. EVANS: No, no, I didn't. When
12 I said, no, because many times I said, yes,
13 when I said, no, I had an alternative and I
14 had budgets ready. Granted, no one wanted
15 see them and I was mocked and laughed at and
16 accused of calling people criminals or
17 having criminal involvement at the tax
18 office and you name it, but I had -- I did
19 my work.

20 MR. ROGAN: Mrs. Evans, you are
21 saying the same thing I said I said all
22 along --

23 MS. EVANS: And I could back it up.
24 It was voted down, no one wanted to hear it
25 sometimes, but I did that work.

1 MR. ROGAN: Mrs. Evans --

2 MS. EVANS: Do the work. If you
3 will let me finish --

4 MR. MCGOFF: Can we move to a vote,
5 please?

6 MS. EVANS: Yes.

7 MR. ROGAN: I have one more --

8 MS. EVANS: We are going to vote.

9 MR. ROGAN: So you are going to cut
10 me off just like you did last week.

11 MS. EVANS: Well, we can continue
12 with this.

13 MR. ROGAN: I just have one comment,
14 and it's the same thing that I have been
15 saying since this whole debacle started, the
16 Recovery Plan needed to be created by all
17 five members of council and the mayor, not
18 two members of the mayor. That's all I have
19 to say.

20 MS. EVANS: And the mayor, when you
21 have five members and you know this very
22 well, when you have five members you are
23 going to have an open meeting and the mayor
24 is not going to attend that. We also had a
25 letter from DCED, C. Alan Walker, excusing

1 the mayor from doing that.

2 MR. ROGAN: And I replied --

3 MS. EVANS: Now, let's stop the
4 grandstanding. You know the mayor wasn't
5 going to come, so where does that leave us?

6 MR. ROGAN: Mrs. Evans, wasn't it
7 you that advocated for the mayor to come to
8 council for almost a decade, rightly so?
9 Rightly so?

10 MS. EVANS: Oh, yes, I have.

11 MR. ROGAN: Rightly so.

12 MS. EVANS: And I have recognized
13 that he is never coming, and I could sit
14 back like you and say, "I'm not going to do
15 anything because the mayor won't come."

16 But I can't --

17 MR. ROGAN: It's not because the
18 mayor won't come --

19 MS. EVANS: -- because the city is
20 relying on action, not empty words --

21 MR. ROGAN: There is five members on
22 this body --

23 MS. EVANS: -- actions. Enough.

24 MR. ROGAN: -- not two.

25 MS. EVANS: And now a vote, please.

1 MR. MCGOFF: We are off the question
2 right now.

3 MS. EVANS: All those in favor of
4 introduction signify by saying aye.

5 MR. MCGOFF: Aye.

6 MR. JOYCE: Aye.

7 MS. EVANS: Aye. Opposed?

8 MR. ROGAN: No.

9 MS. EVANS: There we have it. The
10 ayes have it and so moved.

11 MS. KRAKE: SIXTH ORDER. 6-A. NO
12 BUSINESS AT THIS TIME.

13 SEVENTH ORDER. 7-A. FOR
14 CONSIDERATION BY THE COMMITTEE ON FINANCE -
15 RESOLUTION NO. 31, 2012 - ACCEPTING A
16 DONATION OF ONE HUNDRED (\$100.00) DOLLARS
17 FROM BEN WEITSMAN & SON OF SCRANTON, LLC
18 PRESENTED TO THE CITY OF SCRANTON FIRE
19 DEPARTMENT.

20 MS. EVANS: What is the
21 recommendation of the Chair for the
22 Committee on Finance?

23 MR. JOYCE: As Chairperson for the
24 Committee on Finance, I recommend final
25 passage of Item 7-A.

1 MR. ROGAN: Second.

2 MS. EVANS: On the question? Roll
3 call, please?

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Yes.

6 MS. MARCIANO: Mr. Rogan.

7 MR. ROGAN: Yes.

8 MS. MARCIANO: Mr. Joyce.

9 MR. JOYCE: Yes.

10 MS. MARCIANO: Mrs. Evans.

11 MS. EVANS: Yes. I hereby declare
12 Item 7-A legally and lawfully adopted.

13 MS. KRAKE: 7-B. FOR CONSIDERATION
14 BY THE COMMITTEE ON COMMUNITY DEVELOPMENT -
15 RESOLUTION NO. 32, 2012 - AUTHORIZING --

16 MS. EVANS: Just a minute. We are
17 trying to proceed with the voting portion of
18 this meeting, I would appreciate silence.

19 MS. KRAKE: RESOLUTION NO. 32, 20102
20 - AUTHORIZING THE MAYOR AND OTHER
21 APPROPRIATE OFFICIALS OF THE CITY OF
22 SCRANTON TO ENTER INTO A COOPERATION
23 AGREEMENT IN CONNECTION WITH THE
24 REHABILITATION OF THE FORMER NORTH SCRANTON
25 JUNIOR HIGH SCHOOL LOCATED AT 1539 NORTH

1 MAIN AVENUE, SCRANTON, PA BY GOODWILL
2 INDUSTRIES OF NORTHEAST PENNSYLVANIA, INC.

3 MR. ROGAN: I make a motion to amend
4 Item 7-B per the following: In the fifth
5 "whereas" clause by deleting "grantor and
6 adding "city"; and in the attached
7 cooperation agreement, page five at the end,
8 Section 6-G, adding the following sentence:

9 "This right to audit shall commence
10 upon the execution of their cooperation
11 agreement and shall continue in full force
12 and effect until the issuance of a final
13 closeout audit by the Office of Budget, OB,
14 that the Corporation and Subgrantee have
15 fully complied with the grant agreement and
16 the Office of Budget, OB; issues a final
17 closeout audit that the city is not liable
18 for any ineligibility reimbursement."

19 MS. EVANS: We have a motion on the
20 floor, is there a second?

21 MR. MCGOFF: I'll second it.

22 MS. EVANS: On the question?

23 MR. ROGAN: Yes. I spoke to
24 Mrs. Krake and explained this is Attorney
25 Hughes' suggestions, on the first one it's

1 just a legal matter, language matter I
2 should say, the second one does give the
3 city a little more oversight on the grant.

4 MS. EVANS: Anyone else on the
5 question? All those in favor of the motion
6 to amend Item 7-B signify by saying aye.

7 MR. MCGOFF: Aye.

8 MR. ROGAN: Aye.

9 MR. JOYCE: Aye.

10 MS. EVANS: Aye. Opposed? The ayes
11 have it and so moved.

12 What is the recommendation of the
13 Chair for the Committee on Community
14 Development?

15 MR. JOYCE: As Chair for the
16 Committee on Community Development, I
17 recommend final passage of Item 7-B, as
18 amended.

19 MR. MCGOFF: Second.

20 MS. EVANS: On the question? Roll
21 call, please?

22 MS. MARCIANO: Mr. McGoff.

23 MR. MCGOFF: Yes.

24 MS. MARCIANO: Mr. Rogan.

25 MR. ROGAN: Yes.

1 MS. MARCIANO: Mr. Joyce.

2 MR. JOYCE: Yes.

3 MS. MARCIANO: Mrs. Evans.

4 MS. EVANS: Yes. I hereby declare
5 Item 7-B, as amended, legally and lawfully
6 adopted.

7 MS. KRAKE: 7-C. FOR CONSIDERATION
8 BY THE COMMITTEE ON COMMUNITY DEVELOPMENT -
9 RESOLUTION NO. 33, 2012 - AUTHORIZING THE
10 MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE
11 CITY OF SCRANTON TO ENTER INTO A MORTGAGE
12 ASSUMPTION AGREEMENT AND TO EXECUTE ANY AND
13 ALL DOCUMENTS NECESSARY TO EFFECTUATE THE
14 ASSUMPTION OF MORTGAGE BETWEEN NORTH
15 SCRANTON PARTNERSHIP, L.P. AND GOODWILL
16 INDUSTRIES OF NORTHEASTERN PENNSYLVANIA AND
17 THE FURTHER ASSUMPTION OR ASSIGNMENT OF THE
18 MORTGAGE BETWEEN GOODWILL AND 1539 NORTH
19 MAIN LP.

20 MS. EVANS: What is the
21 recommendation of the Chair for the
22 Committee on Community Development?

23 MR. ROGAN: As Chair for the
24 Committee on Community Development, I
25 recommend final passage of Item 7-C.

1 MR. MCGOFF: Second.

2 MS. EVANS: On the question? Roll
3 call, please?

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Yes.

6 MS. MARCIANO: Mr. Rogan.

7 MR. ROGAN: Yes.

8 MS. MARCIANO: Mr. Joyce.

9 MR. JOYCE: Yes.

10 MS. MARCIANO: Mrs. Evans.

11 MS. EVANS: Yes. I hereby declare
12 Item 7-C legally and lawfully adopted.

13 MS. KRAKE: 7-D. FOR CONSIDERATION
14 BY THE COMMITTEE ON FINANCE - RESOLUTION
15 NO. 34, 2012 - A RESOLUTION DEMANDING
16 SCRANTON PARKING AUTHORITY IMMEDIATELY REMIT
17 ALL EXCESS FUNDS FROM THE RESERVE BOND
18 ACCOUNT UP TO \$1,023,000.00.

19 MR. JOYCE: I make a motion to amend
20 Item 7-D by deleting the summary title which
21 reads as follows: "A Resolution demanding
22 that the Scranton Parking Authority
23 immediately remit all excess funds from the
24 reserve bond account up to \$1,023,000," and
25 inserting, "Resolution demanding the

1 Scranton Parking Authority to reimburse the
2 City of Scranton the sum of \$1,035,948.50
3 from excess funds in the Scranton Parking
4 Authority's debt service reserve fund for
5 the June 1, 2012, bond repayment made by the
6 City of Scranton and authorizing the
7 solicitor to file suit against the SPA for
8 \$1,035,948.50."

9 MR. ROGAN: Second.

10 MS. EVANS: On the question? All
11 those in favor of the motion to amend Item
12 7-D signify by saying aye.

13 MR. ROGAN: Aye.

14 MR. JOYCE: Aye.

15 MS. EVANS: Aye. Opposed?

16 MR. MCGOFF: No.

17 MS. EVANS: The ayes have it and so
18 moved.

19 What is the recommendation of the
20 Chair for the Committee on Finance?

21 MR. JOYCE: As Chair for the
22 Committee on Finance, I recommend final
23 passage of Item 7-D.

24 MS. EVANS: As amended.

25 MR. JOYCE: As amended.

1 MR. ROGAN: Second.

2 MS. EVANS: On the question?

3 MR. MCGOFF: I just -- I approved of
4 the original resolution, but I can't approve
5 of the change.

6 MR. ROGAN: I would say I strongly
7 support this measure and Mrs. Evans
8 mentioned under motions that time and
9 experience brought us to the right path, but
10 I have to ask why are we voting to undo the
11 previous vote to bail them out, which I was
12 the loan person against?

13 MS. EVANS: If we had not done so,
14 I'm sure Attorney Hughes can comment on this
15 if he wished to, none of this would have
16 happened and, in fact, Mr. Rogan, the
17 attorneys for a number of these entities
18 were concerned about comments you had been
19 making through the weeks and you very nearly
20 blew the receivership, and Attorney Hughes
21 had to say, "He is young. He doesn't know
22 better."

23
24 MR. ROGAN: Do you know what would
25 make it easier? Making a phone call to your

1 fellow colleague with the information.

2 MS. EVANS: Exactly.

3 MR. ROGAN: Well, I opposed it.
4 Everybody in the world knew where I stood on
5 this issue and where I still stand. I'm
6 glad we're in agreement now.

7 MS. EVANS: And we had to keep this
8 situation completely under covers, and
9 knowing the path that you often take during
10 council meetings it seemed like quite the
11 risk to hand that type of information over,
12 but when you had our attorney and you had
13 council members advising as we went along
14 then sometimes you might want to think
15 before you speak.

16 MR. ROGAN: Well, Mrs. Evans, I'm
17 not one to keep things under wraps, but if I
18 do receive something that is marked not for
19 public release, I have also keep that word,
20 and you know that to be true.

21 MS. EVANS: I'm not one to try to
22 grand stand, I do the work. Now, on the
23 vote. Can we have a roll call, please?

24 MS. MARCIANO: Mr. McGoff.

25 MR. MCGOFF: No.

1 MS. MARCIANO: Mr. Rogan.

2 MR. ROGAN: Yes.

3 MS. MARCIANO: Mr. Joyce.

4 MR. JOYCE: Yes.

5 MS. MARCIANO: Mrs. Evans.

6 MS. EVANS: Yes. I hereby declare
7 Item 7-D, as amended, legally and lawfully
8 adopted.

9 If there is no further comments and
10 no further business tonight, I'll entertain
11 a motion to adjourn.

12 MR. JOYCE: Motion to adjourn.

13 MS. EVANS: This meeting is
14 adjourned.

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes of testimony taken by me at the hearing of the above-captioned matter and that the foregoing is a true and correct transcript of the same to the best of my ability.

CATHENE S. NARDOZZI, RPR
OFFICIAL COURT REPORTER