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SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, October 11, 2012

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

CATHENE S. NARDOZZI, RPR - OFFICIAL COURT REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

FRANK JOYCE, VICE-PRESIDENT

ROBERT MCGOFF

PAT ROGAN
(Not present)

JOHN LOSCOMBE

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. Mr.

7 Loscombe.

8 MR. LOSCOMBE: Here.

9 MS. MARCIANO: Mr. 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 BREAKDOWN OF THE ELIGIBLE SALARIES FOR THE
16 LIQUID FUELS ACCOUNT FOR THE MONTHS OF,
17 JULY, AUGUST, AND SEPTEMBER OF 2012.

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

20 MS. KRAKE: 3-B. MINUTES OF THE
21 SCRANTON FIREMEN'S PENSION COMMISSION
22 MEETING HELD AUGUST 22, 2012.

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

25 MS. KRAKE: 3-C. MINUTES OF THE

1 COMPOSITE PENSION BOARD MEETING HELD AUGUST
2 22, 2012.

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

5 MS. KRAKE: 3-D. CHECK RECEIVED FROM
6 LUTHERWOOD IN THE AMOUNT OF \$6,000.00, WHICH
7 IS PAYMENT IN LIEU OF TAXES FOR THE CITY OF
8 SCRANTON.

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

11 MS. KRAKE: 3-E. MINUTES OF THE
12 SCRANTON-LACKAWANNA HEALTH & WELFARE
13 AUTHORITY'S REGULAR BOARD MEETING HELD
14 JUNE 21, 2012.

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

17 MS. KRAKE: 3-F. MINUTES OF THE
18 REGULAR MEETING OF THE MEMBERS OF THE
19 SCRANTON HOUSING AUTHORITY HELD SEPTEMBER
20 10, 2012.

21 MS. EVANS: Are there any comments?
22 If not, received and filed.

23 MS. KRAKE: 3-G. AGENDA OF THE
24 SCRANTON REDEVELOPMENT AUTHORITY'S REGULAR
25 MEETING HELD OCTOBER 3, 2012.

1 MS. EVANS: Are there any comments?
2 If not, received and filed. Do we have any
3 clerk's notes, Mrs. Krake?

4 MS. KRAKE: No, Mrs. Evans.

5 MS. EVANS: Thank you. Do any
6 council members have announcements at this
7 time?

8 MR. MCGOFF: Just very quickly,
9 congratulations to the Steamtown Marathon
10 Committee, another great race, both the men
11 and the women's winners were local, Matte
12 Burne, owner the Scranton Running Company,
13 finished first in the men's division and
14 Heidi Peeples won her third women's title in
15 the marathon.

16 Also, a number of city employees
17 were participants, Paul O'Hora had a
18 personal best of somewhere around 250, Jack
19 Davis was I believe, the Firemen Jack Davis
20 was under three hours. Chief Davis was a
21 little over three hours, and I know I'm
22 going to leave people out, but it was a
23 great race and a great day, and again,
24 congratulations.

25 MS. EVANS: Thank you, Councilman

1 McGoff. Is there anyone else? Councilman
2 Rogan is unable to attend tonight's meeting,
3 however, our business administrator,
4 Mr. Ryan McGowan, is in attendance this
5 evening, this is a particularly due to the
6 fact that council tonight is considering
7 emergency legislation for the passage of a
8 commuter tax, and I'll talk more about that
9 under the motions, but we thank our business
10 administrator for his participation tonight,
11 and it's important to note that this measure
12 was included in the city's recovery plan and
13 that the legislation is designed to give the
14 administration the ability to petition the
15 Court for the commuter tax.

16 The Out of the Darkness community
17 walk for suicide prevention will be held
18 this Saturday, October 13, at courthouse
19 square in downtown Scranton. Registration
20 is from 8 to 9 a.m. and the walk program
21 begins at 9 a.m. You may also register
22 online at Outofthedarkness.org.

23 Saints Peter and Paul Fall Festival
24 and Bazaar will be conducted this Sunday,
25 October 14, from noon to 5:00 p.m. in the

1 church hall located at 1309 West Locust
2 Street in Scranton. Delicious homemade
3 pierogi, halushki, kielbasa, potato
4 pancakes, clam chowder, whimpies, roast beef
5 sandwiches and hot dolls will be served and
6 takeouts are available from 11:30 a.m. to
7 1:00 p.m.

8 In addition, the festival features a
9 \$1,000 raffle, speciality baskets,
10 Portuguese delicacies, wheel of fortune, try
11 your luck give certificate stand, children's
12 corner, baked goods stand and a warm
13 welcoming autumn atmosphere. Everyone is
14 invited to this fun filled event.

15 And, oh, I have one more
16 announcement that pertains to my colleague's
17 announcement regarding the Steamtown
18 Marathon, it seems that Jeremy Evans, son of
19 Mr. Wayne Evans and nephew of Mrs. Krake,
20 came in 15th in that race, and so we
21 heartily congratulate Jeremy as well. And
22 that's it.

23 MR. MCGOFF: My apologies to the
24 Evans' family.

25 MS. EVANS: But they are not related

1 to me. And that's is.

2 MS. KRAKE: FOURTH ORDER. CITIZENS'
3 PARTICIPATION.

4 MS. EVANS: Our first speaker
5 tonight is Ron Ellman.

6 MR. ELLMAN: Good evening, Council,
7 I hate to go first. If I signed that list
8 it would have been like four or five spaces
9 from the top, I still wouldn't have been
10 first.

11 Brother McGoff, I've opposed many of
12 yours views and choices over the years and
13 I've never confronted you, and I respect you
14 being elected to that seat, and I know you
15 have every right whatsoever to your views
16 and opinions, but I find your support of the
17 University and it's policies at this time
18 very obscene. I read the article in the
19 paper.

20 I'm not trying to -- this isn't a
21 personal attack or nothing. I just -- I'm
22 trying to be diplomatic so you don't get
23 sore at me. They just can't be allowed to
24 go on year after year after year with this
25 policy that is written in stone of taking

1 over the city. I have talked to some
2 business people and nobody seems to have
3 faith in the city getting out of the dilemma
4 it's in, the financial dilemma. You know,
5 the city is defenseless against them and the
6 council is drawing a line in the sand a few
7 weeks ago and taking a stand had to be done.
8 It just. You just can't go on letting
9 these bunch of phony nonprofits get away
10 with murder like they have been.

11 You know, last week I gave an
12 examples, if you go to that nonprofit page
13 it's absolutely loaded with a bunch of
14 phonies like the doctors I mentioned last
15 week and restaurants and there is no way in
16 the world they will fit under the -- they
17 are not nonprofits, they are businesses,
18 they are making money. What was done about
19 it? Probably nothing. But that's why the
20 city doesn't have any money to fix streets
21 and pay salaries because of all of these
22 parasites that have just eaten away at the
23 base of the city and promised to do more
24 like Lackawanna College going to grow 40
25 percent and the medical school wanting five

1 neighbors for a campus, then we have
2 Dr. Belardi, Jr., an office in the hospital
3 badmouthing the city and it's policies. It
4 just doesn't make sense. He uses our
5 streets, the hospitals, the libraries, just
6 police, he probably parks his car at Nay
7 Aug, if a tree branch fell on it he would be
8 using our insurance, but he doesn't want it
9 pay for nothing.

10 Nobody wants to pay for anything,
11 they just want to use up everything we got.
12 I think if the county taxes went up a third
13 in par with us, maybe the people would just
14 feel differently out there and see, but what
15 we do have three -- over 3,000 people not
16 paying taxes and losing their houses right
17 here in the city? I got another empty house
18 in my neighborhood in the last few days. I
19 got houses that are supposed to be torn
20 down, they're not. I think mentioned the
21 real estate man told me several months ago
22 my house is probably worth 25,000 less than
23 the city appraised it for at this time and
24 it's -- when I had the fire the insurance
25 paid \$180,000 to rebuild it so it's a nice

1 house. It's nice and modern and everything
2 is new. It's just not worth nothing anymore
3 in this city. If it was in Dunmore or
4 somewhere it probably would be very
5 profitable to try to sell, but I don't want
6 to get you mad at me, but I really feel that
7 if you can't fight for this city and stand
8 up like the rest of council you should give
9 up your seat on that position immediately
10 and let someone up there that wants to fight
11 for this city and go against these
12 nonprofits have it. Thank you.

13 MR. JOYCE: Thank you, Mr. Ellman.
14 Bob Bolus.

15 MR. BOLUS: Good evening, Council.
16 Bob Bolus, Scranton.

17 MR. JOYCE: Good evening.

18 MR. LOSCOMBE: Evening.

19 MR. BOLUS: Regarding 8-c, I guess
20 it would be, the commuter tax, I think it's
21 an absolutely disgrace and a joke that this
22 council or this administration would even
23 consider imposing a tax such as this on
24 people. We are where we are in this city
25 because of the stupidity, the ignorance and

1 the inability of our leadership to manage
2 our own assets and now we want people from
3 other communities to pay the price to try
4 and bail out a city that is ran backwards
5 rather than forward or progressively.

6 Keep in mind, this city squandered 3
7 1/2 million of taxpayers' money from the
8 golf course. To this date we have never
9 heard where the interest of that money went
10 to because nobody has a clue. Remember, the
11 interest on that money was he to be paid for
12 parks and recreation. It was a perpetual
13 fund that the kids sweat and the residents
14 suffered this year with one pool and you
15 want people to pay the tax? You want people
16 to bail us out?

17 What you are doing is driving a nail
18 in the coffin of the City of Scranton. You
19 are driving us deeper in debt. You are not
20 pulling us out because you don't know how to
21 manage the assets. It's a disgrace. We
22 should hold our heads in shame. If I were
23 other community leaders, I would impose a
24 tax on every city resident in the City of
25 Scranton to go to Clarks Summit, to go to

1 the Viewmont Mall on their other end or
2 Dickson or Old Forge, make it a two-way
3 street, see how we would like it. I don't
4 think we would be pretty happy about it, but
5 they manage their assets. What we are doing
6 is just a total, total humility.

7 Scranton is a laughing stock, not
8 only Scranton residents, but nationally. I
9 have been in Florida and read about
10 Scranton. It's a hell of a thing for us to
11 have to do to go to where we are today. If
12 you pass this tonight I don't care what the
13 Courts do, or what your stupid little
14 budgets we're playing around with, this is
15 wrong. Totally, totally wrong.

16 The University, Mr. McGoff said,
17 "Oh, we can't single the University out,"
18 but he made a statement that made sense last
19 night. He said, "Everybody has to pay."

20 And if Mr. McGoff and other people
21 would pay attention we have raised that
22 issue to pass a few collectively across
23 everybody in the City of Scranton, the KOZ's
24 the nonprofits, they all pay their fair
25 share. Get creative in your thinking.

1 You're educated people. Start creating a
2 fee that passes across everybody and can be
3 used in the community, not just the specific
4 clean air fee, for example, or the garbage
5 fee that we pay. That's a taxation without
6 representation and it should have been
7 abolished. Yet you can put a fee on us for
8 the garbage when we already pay taxes for it
9 because you cannot manage your assets.

10 You destroying us. Not you or the
11 administration, you are destroying the
12 residents of the City of Scranton because we
13 are going to suffer. People aren't going to
14 come here. They are not going to shop and
15 they sure and the heck aren't going to want
16 to put a business here. Think about it.
17 Pay attention what the economy is and where
18 Scranton is.

19 Past councils and administrations
20 have put us where we are being ignorant,
21 being political and playing the good ole'
22 boy club. Millions of dollars at Nay Aug
23 Park just squandering the residents assets.
24 You have so many assets in this city and you
25 have ignored it. I raised an issue on East

1 Mountain for a piece of land the city owns
2 and that's going to go to litigation because
3 I'm going to get the answer now and you were
4 offered over \$50,000 and it was ignored by
5 your solicitor, by your administration, you
6 need to get forceful and straighten our own
7 house out. Don't ask somebody else to come
8 in as a house cleaner and try to clean up
9 our mess, and that's the people in the
10 surrounding areas. And when you are doing
11 that actually you are telling the people
12 that work at the University of Scranton,
13 "You are going to pay a commuter tax to
14 come to Scranton to work."

15 I said put a 1 percent fee on
16 everybody, you want to put 2 percent, they
17 are not going to be happy but you are taking
18 it out on the businesses in this city who
19 now have to spend their time and money,
20 forget about what it's costing the taxpayer,
21 take a business that has to do the police
22 work, to do the dirty work in this city to
23 compute the tax and pay it. That's an
24 additional expense and burden on their part,
25 and then if they screw it up, you are

1 penalized.

2 If I were most of the counties in
3 this city I would stop doing business here
4 because this city should go bankrupt, this
5 city needs management, it may be need a
6 trustee, but the ways you guys are running
7 it and this administration you are killing
8 us. Thank you.

9 MR. JOYCE: Thank you.

10 MR. MORGAN: Good evening, Council.
11 The first thing I would like to do is I
12 would like to say that I'd like to give my
13 telephone 570-604-1212 and, you know, I'd
14 like -- I'd appreciate anybody who might
15 want to call me and give me their opinions
16 and really what I'm hoping is that on 5-C we
17 need to table that or vote it down. I am
18 totally against a commuter tax. I've come
19 to go this podium for a long -- very, very
20 long time.

21 Last week I did a Right-to-Know
22 about Section 312 and 313 in the Home Rule
23 Charter. I haven't received a response yet,
24 but I don't ever remember any investigations
25 being launched by council in all of the time

1 I have come here or any subpoenas being
2 issued to anyone.

3 Now, I could be wrong, and that's
4 why I have done the Right-to-Know because
5 the city has been literally in distress
6 since the 70's. We had a commuter tax once
7 before, I agree with everything Mr. Bolus
8 just said from the podium and I'm very
9 troubled that we are going to pick on the
10 people that are least able to defend
11 themselves, which are the working class
12 people, not only of this community but of
13 all of the our communities who come here to
14 work.

15 Now, I'm going to hope that the
16 leadership in outlying communities don't try
17 to enact a commuter tax because that's not a
18 solution to this problem. The solution to
19 this problem is to lobby the courts, hire a
20 legal team, fight it out because really I
21 think the city has been mismanaged, not just
22 the golf course money, we have sold all of
23 our assets. We have had terrible leadership
24 in this community for a long time.

25 I mean, I can't imagine how we could

1 have a Home Rule Charter and how we could
2 get where we are because, you know, everyone
3 blames the mayor for where we are and I see
4 it totally different because I see it as
5 council having the obligation to do
6 oversight and conduct investigations into
7 the city's affairs and I just have never
8 seen it happen.

9 And I agree with what Mr. Bolus also
10 said about Nay Aug Park. The one thing he
11 did miss is that the children were paying to
12 swim there. Really, to be honest with you,
13 the residents of this city get nothing for
14 their tax money. Nothing. I mean, you
15 know, somebody came up here and gave a
16 figure that there were 25,000 homes in this
17 city and allegedly people paid \$500 or less,
18 so if you compute that or calculate it
19 that's about 12 1/2 million, so how can we
20 be spending all of this money? Council
21 should have did something long ago. I mean,
22 take a calculator and multiply 500 by 25,000
23 and see what number you come up with, but
24 yet we are millions and millions, 122
25 million in debt there, allegedly somewhere

1 near 100 million in the pension fund.

2 And my other question is where was
3 the PEL if they were the supposed to oversee
4 all of this? So really what we have is a
5 total breakdown in government across the
6 very broad spectrum and the last person they
7 are worried about evidently is the working
8 core because Scranton has had a real wage
9 problem for over -- for decades, going all
10 the way back to the Scranton plan, which is
11 long before my time.

12 And what I'm saying to this council
13 is it's time to just table this, okay, and
14 it's time to table a lot of things. I think
15 council made a very serious error because
16 they introduced the second recovery plan, I
17 think it was dated the 23rd or 24th of
18 August and never held a special meeting on
19 it, and they determined that they were going
20 to go with which plan, I don't know, the
21 first recovery plan or the second one?

22 Because really all that matters here
23 as far as this government is concerned is
24 you want money. The city can't manage
25 itself and all you want is everybody who

1 cannot defend themselves, property owners,
2 wage earners, to just give you all of their
3 money so that more can be squandered and the
4 states just going to stand there and watch
5 and do nothing because they sent the PEL
6 here. I don't know what their plan was for
7 the PEL because it hasn't worked and I
8 haven't seen any -- I saw Mayor Connors'
9 administration sanctioned when they did the
10 American Anglican deal.

11 But to be honest with you this is a
12 sham because you are just beating up the
13 poor, helpless, defenseless people, the wage
14 earners, and it's been going on in this
15 community for generations and the people sit
16 at home, and like I said before, you can
17 elect all of the spaghetti dinner
18 politicians you want, but what we really
19 need are leaders, and we lack leaders across
20 the whole spectrum of the country because
21 too many people think only Democrats and
22 only Republicans have answers and they have
23 control over the political machine. Thank
24 you.

25 MS. EVANS: Thank you. Doug Miller.

1 MR. MILLER: Good evening, Council,
2 Doug Miller, Scranton.

3 MS. EVANS: Good evening.

4 MR. MILLER: I'd like to begin with
5 going back to a few comments I made last
6 week regarding the University and the
7 nonprofit discussion we have been having.
8 You know, after I had gotten done speaking
9 later on in the motions Mr. McGoff addressed
10 a few of the questions I had regarding the
11 University and, you know, with all due
12 respect I would like to respond to the
13 question I had was what has the University
14 done for the City of Scranton for decades,
15 and Mr. McGoff went on and talked about the
16 Mulberry Street corridor and the project
17 they have done over there recently and how
18 going back 20, 25 years ago it was a
19 blighted area, there were many issues over
20 there and some problems. It was a haven for
21 drug dealers and a lot of other chaos and
22 today as we travel up there we see new
23 sidewalks, street lighting, paving, and
24 other -- a whole wide variety of other
25 things.

1 But I think where we sort of mislead
2 people and we mislead people into believing
3 that that was done to better the Hill
4 Section where this was done to benefit the
5 University and their students, and I think
6 that's where there is a misconception is,
7 that we believe the University is making
8 investments to better us when, quite
9 frankly, that's not the case. They are
10 doing this to better themselves and I think
11 we need to clarify that with the public
12 because I don't feel it's fair to mislead
13 them into believing that this is going on
14 because they are trying to help us out.

15 You know, we see how they had no
16 problems spending millions of dollars on
17 purchasing properties throughout the city,
18 \$2 million for Adlin building and Jerry
19 Zaboski, I believe his name is, the
20 vice-president of the University was even
21 quoted in the paper as saying that at this
22 point in time they simply do not know what
23 they are doing with that building, and that
24 seems to be the case with a lot of the
25 buildings they purchase in the community.

1 They never have plans for them, but they
2 have no problem spending millions and
3 millions on buying them and taking them off
4 the tax rolls.

5 It's also my understanding, and I
6 believe you can correct me if I'm wrong, but
7 I believe they purchased the Farley's
8 building and yet they don't know what they
9 are doing with that building as well.
10 Another property that will be taken off the
11 tax rolls, and yet, they can't give the city
12 more than \$175,000 a year, and it just
13 truly, truly, truly upsets me knowing they
14 have no problem spending millions on
15 buildings that they have no idea what they
16 are doing with, yet they can't contribute to
17 a city that's financially in disarray.

18 And that's all I have to say on that
19 and you know where stand on them, I'm
20 totally disgusted with it, but I know we
21 have a council committed to going after them
22 and holding them accountable, they will pay
23 their fair share and we are going to
24 continue to vigorously pursue all of avenues
25 to make sure that they do because we have

1 four individuals that are committed to doing
2 so.

3 Onto the commuter tax, obviously
4 that's the issue tonight, 5-C on the agenda,
5 we are dealing with legislation that's been
6 drafted, to pretty much take this to the
7 next step which is asking Lackawanna County
8 Court for approval of this tax, and for
9 months and months we have had a lot of
10 criticism, people at the podium, the media
11 and from those outside of the city who have
12 had objections to the commuter tax, raising
13 issues that they don't find it fair to
14 penalize others outside of the city for our
15 financial problems.

16 And I think everybody knows at this
17 point in time my stance on it and I will
18 repeat it once again. I disagree. I look
19 at it from a different standpoint. I don't
20 believe we are penalizing anyone outside of
21 the city and making them suffer the
22 consequences. There is no secret, we know
23 the situation we are in, and it's the result
24 of decades of fiscal mismanagement by the
25 administration, the Doherty administration,

1 past rubber stamp councils who blindly
2 rubber stamped legislation, allowed the
3 borrowing and spending to go out of control
4 and we wonder why we are in the situation we
5 are in today.

6 And, you know, for weeks I have
7 listened to people come up here and
8 criticize this council as if they have had
9 something to do with our financial problems
10 and they are totally misinformed. If we
11 take the blinders off and if we pay
12 attention we would clearly see that in the
13 last two and a half years this council has
14 taken drastic measures to reduce the burden
15 on the taxpayers of this city. While we
16 want to come up here and we want to whine
17 and cry about a commuter tax and increases
18 in taxes, why don't we take a trip back to
19 2010. I know for some people they might
20 want to forget about that, but I don't. I
21 can recall council majority coming in and
22 drafting a 2010 budget that cut the property
23 taxes for the residents of this city by 10
24 percent or nearly 11 percent, I believe it
25 was 10.55, but, Mr. Joyce, I'm sure you

1 would correct me if I'm wrong on that,
2 nearly 11 percent tax reduction for the
3 residents of this city and yet we never hear
4 anything about that.

5 We never hear about council taking
6 steps to help businesses by cutting the
7 business privilege tax and yet we want to
8 come up here and we want to point the finger
9 at a council majority that has done
10 everything in their power to reduce the
11 burden. I don't forget it. As a matter of
12 fact, I'll continue to remind people of
13 that. It feels like there is less uproar --
14 there was less uproar back in 2007 when our
15 property taxes were raised 26 percent by
16 Mr. McGoff and his fellow rubber stampers.
17 It seems we want to forget about that.

18 You know, I think it's absolutely
19 ludicrous to criticize council, whether it's
20 the media or people at this podium or those
21 outside of the city who notoriously like to
22 tell us how they feel we should run our
23 city. Throughout the whole process, I never
24 heard an alternative. You are against the
25 commuter tax, you are against this revenue

1 enhancements, you are against that revenue
2 enhancement, but did you ever take the time
3 to do the homework and come up with a plan
4 yourself?

5 I understand we not elected
6 officials, and that's what I'm constantly
7 faced with that is that statement, we are
8 not elected officials. I understand that,
9 but at the same time when you are critical
10 and you are against something you come up
11 with a plan yourself. We didn't have that.
12 So in the future if we are going to come
13 forward and we are going to be against the
14 commuter tax or anything else come forward
15 with a plan yourself. What do you suggest
16 we do? If we don't implement the commute
17 tax that's \$12 million of revenue we lose
18 out over three years, where do you suggest
19 we come up with \$12 million?

20 We have financial obligations.
21 Unfortunately, the administration has caused
22 us to be in the situation, so I'm asking
23 tonight without a commuter tax where do you
24 come up with the \$12 million and I'd like
25 somebody to come forward and tell me how you

1 plan on doing.

2 MS. EVANS: Thank you, Mr. Miller.

3 MR. MILLER: Thank you, and to
4 council, keep doing what you are doing, stay
5 the course and don't be sidetracked by the
6 criticism. Thank you.

7 MS. EVANS: Is there anyone else who
8 cares to address council?

9 MS. SCHUMACHER: Good evening,
10 Council. Marie Schumacher, city resident
11 and taxpayer. I'd like to pick up a little
12 bit from where I left off last week.
13 Mr. Joyce, you said you would find out about
14 the new parking -- when the new parking
15 meter evaluation was to begin and when is
16 that and how long will it last?

17 MR. JOYCE: Mr. McGowan, you can
18 correct me if I'm wrong, IPS was the bidder
19 chosen; correct?

20 MR. MCGOWAN: Yes. We were working
21 through a contract right now.

22 MS. SCHUMACHER: So it's going to be
23 this winter?

24 MR. JOYCE: Are we looking at this
25 winter?

1 MR. MCGOWAN: Roughly, probably at
2 this point.

3 MS. SCHUMACHER: What's the duration
4 of the trial?

5 MR. MCGOWAN: 60 days.

6 MS. SCHUMACHER: Okay. And then I
7 asked last week, too, how close we are to
8 the our ceiling under the Unit Debt Act.
9 You, now, it's really tragic that here we
10 are in October, and I believe I read in the
11 paper this week that we are not going to
12 have an audit until the end of November. I
13 mean, how can we calculate what our
14 borrowing base is or our how much debt we
15 have without the audit? So what did you
16 find out about how close we are including
17 the borrowing for this year?

18 MR. JOYCE: I'm still looking into
19 it that.

20 MS. SCHUMACHER: I did some
21 calculations, I came on the city alone to
22 within \$10 million, so I could be wrong, but
23 if I had the tools to work with that we
24 should have had months ago I would have it,
25 but I just think -- I don't know. I just

1 don't know if we are at the point where we
2 should about bankrupt now or bankrupt later.
3 We just -- if something falls out I don't
4 know where we stand, but I guess we will
5 wait and see.

6 And just a general question, now
7 that the process of converting from a two
8 way to a class three municipality has been
9 underway for several months, is someone able
10 to report on when this process should be
11 completed?

12 MS. EVANS: I don't have any
13 information for you.

14 MS. SCHUMACHER: Have you received
15 the status of all of the loans made through
16 OECD --

17 MS. EVANS: Not yet.

18 MS. SCHUMACHER: -- that was
19 requested last year. Okay. Here is one
20 that disturbs me, so I'll just read this,
21 this is from September 6. Mrs. Evans, you
22 said, "Again, with my colleagues' agreement
23 I would like a letter to sent to Ms. Aebli
24 requesting responses unanswered questions
25 contained in our August 28 letter. When as

1 the last payment made on that loan," we are
2 talking about the 408 Cedar Avenue property,
3 "what was the balance on the loan prior to
4 the sale of the property, and who would be
5 legally responsible for payment in full?
6 Include an additional question, please,
7 Mrs. Krake, will OECD take legal action to
8 recover the remaining balance on that loan."

9 It's my understanding maybe only
10 \$20,000 roughly was paid on that what I
11 believe was a quarter million. Do you have
12 the -- Ms. Aebli is usually pretty prompt,
13 do you have the letter that responds --

14 MS. EVANS: She did respond, I don't
15 have it with me this evening. I can report
16 on it next week for you or actually show you
17 the letter, but all of the questions were
18 not answered. I believe that she indicated
19 the property was sold during was it the
20 county --

21 MS. SCHUMACHER: Yeah, the sheriff's
22 sale.

23 MS. EVANS: Yes. And that the
24 amount of money the city realized from that
25 sale I believe was \$8,000, but as you

1 indicated I wanted to know who remains
2 responsible for that loan. Well, we are
3 calling it a loan, I believe she is calling
4 it a grant and --

5 MS. SCHUMACHER: It was grant money
6 but we loaned it.

7 MS. EVANS: Yes, and I agree with
8 you, so I still had several questions and we
9 sent those to her, I believe, and I haven't
10 gone through my mail this evening, but prior
11 to that I didn't receive a second response
12 to those additional questions.

13 MS. SCHUMACHER: Maybe you could
14 send out another because I think that's
15 important, as are the other loans that may
16 be delinquent or late payers.

17 MS. EVANS: Yes.

18 MS. SCHUMACHER: I know things are
19 bad, but -- and then, of course, again, it's
20 no surprise I have been saying we shouldn't
21 be trying to balance our budget with 5-C, it
22 is taxation without representation. I think
23 it's immoral and I just would encourage you
24 to not -- to not pass this and especially as
25 an emergency. I mean, we have known this

1 was coming since the revised recovery plan
2 was passed and this was part of it, so I
3 don't how we can consider this an emergency
4 tonight when you have one -- I think people
5 have the right to know how their council
6 people that they voted for would vote on
7 this and Mr. Rogan is missing tonight and I
8 think he should -- we should have at two
9 readings, if not three, to allow people to
10 respond.

11 And then I have on other question
12 which is on going back to the I guess it was
13 three weeks ago, the 20th of September when
14 the solicitor expounded on what the City of
15 Scranton and the Scranton Redevelopment did
16 in adopting the University plan and
17 admitting that there were stately homes that
18 were in that area and it was adopted as a
19 blighted area even though there were -- I'll
20 follow up and finish with this, but even
21 though there were decent homes that were
22 still paying taxes in that area.

23 Now, Mr. Hughes has also said that
24 he wants to go after all of the variances,
25 but I remember back -- well, I think it was

1 right after this council was elected,
2 Mrs. Evans, you and Mr. Hughes negotiated
3 something with the University of the
4 Scranton and I don't remember precisely, it
5 was having to do with those dorms though
6 that increased the payment in lieu of taxes
7 from I believe 110 to 175 from the
8 University, why didn't the council act at
9 that time if council had the authority to
10 turn down that variance? Why wasn't the
11 variance turned for those dormitories
12 challenged back then because those are
13 really the only major buildings they have
14 that are used for the University?

15 MR. HUGHES: If I could, I want to
16 go home and watch the debate, but I'll be
17 very blunt and quick. Council had nothing
18 to do with the variance. There is an appeal
19 period that council did not go to that
20 hearing, so that it did not have any
21 standing to challenge the variance, the
22 variance was already granted by the zoning
23 board. Council has no control over that of
24 the zoning board is an independent agency.
25 Council has no control over that.

1 However, what I stated, and it has
2 been so misinterpreted, I mean, I just love
3 people from out of the area and out of the
4 state, experts commenting on what I said
5 when they never even knew what I said, what
6 I said is that council should oppose every
7 use variance, not every variance. We want
8 to see every variance that's coming through,
9 but the opposition should be to a use
10 variance so you can't put a seven-story
11 dormitory in a R-2 zone where the limit of
12 any building is only 40 feet and that
13 dormitory never should have been built on
14 the northerly side of Mulberry Street. It
15 was a use variance. That use is not
16 permitted. Use variances are an extreme
17 exception under the zoning law.

18 MS. SCHUMACHER: But, Counsel, in
19 second order -- or third order, I'm sorry,
20 we get all of the these read including the
21 agenda of what the board is going to do and
22 I don't understand why.

23 MR. HUGHES: And I said at this time
24 now what we'll do is if there is a use
25 variance when we get everything I'll go in

1 and I'll oppose a use variance. It
2 shouldn't be granted. Any use variance to
3 any nonprofit, no matter who it is, should
4 be denied. They should not allowed to
5 expand where the use is not permitted in
6 that zone. The University of Scranton has
7 outgrown its zone.

8 MS. SCHUMACHER: I understand that.

9 MR. HUGHES: And now to go on the
10 northerly side of Mulberry Street and even
11 put a parking lot in there, that's not
12 permitted in an R-2 zone. The city should
13 oppose it until the University of Scranton
14 comes in and says, "We should be the
15 champion to go out for the city and get all
16 of the nonprofits to contribute \$2 million."

17 They should be the one that should
18 be spearheading the whole deal. They are
19 biggest ones. They have a quarter of a
20 billion dollar budget. They have a bigger
21 budget than the city, the county and the
22 school district combined and probably
23 multiplied by one and a half.

24 MS. SCHUMACHER: One last question,
25 because the Commonwealth Medical College do

1 they have an institutional footprint, too?

2 MR. HUGHES: I don't know.

3 MS. SCHUMACHER: I think that might
4 be --

5 MR. HUGHES: They might be in an
6 institutional district because where they
7 were that was on school district property I
8 believe where it was built.

9 MS. SCHUMACHER: But they are also
10 expanding, so I think we should --

11 MR. HUGHES: The same would apply to
12 them.

13 MS. SCHUMACHER: -- find that out.
14 Thank you.

15 MS. EVANS: Thank you. Is there
16 anyone else?

17 MR. SLEDENZSKI: Janet.

18 MS. EVANS: Hi, Chris.

19 MR. SLEDENZSKI: Jack, welcome back,
20 Buddy.

21 MR. LOSCOMBE: Chrissy.

22 MR. SLEDENZSKI: I missed you all
23 week, Jackie.

24 MR. LOSCOMBE: You would have had
25 the bell on the West Side if you suited up

1 that night.

2 MR. SLEDENZSKI: They played
3 pathetic, they blew the game. Frank, they
4 blew it.

5 MR. LOSCOMBE: Two tough teams,
6 Buddy.

7 MR. SLEDENZSKI: For you two, I have
8 two sheets.

9 MR. JOYCE: Thanks, Chrissy.

10 MR. SLEDENZSKI: Well, I'll tell
11 you, Jack, that' sit. Three games left,
12 boys, one games. We're going win all this
13 year. West is going all the way this year.
14 Thank you very much.

15 MS. EVANS: Thank you, Chris. Is
16 there anyone else?

17 MS. KRAKE: 5-A. MOTIONS.

18 MS. EVANS: Councilman McGoff, do
19 you have any comments or motions?

20 MR. MCGOFF: I will wait until the
21 legislation to comment on those. Thank you.

22 MS. EVANS: Councilman Loscombe, do
23 you have any comments or motions?

24 MR. LOSCOMBE: Just a couple
25 briefly, and I will comment on the

1 legislation when it comes up for that, but,
2 first of all, I understand that the person
3 that was responsible for the arson fire in
4 West Side was convicted today, and I would
5 like to send my heartfelt thank you, and I
6 know it's from every citizen in Scranton to
7 our police and firefighters who responded to
8 that horrific scene that evening the
9 resulted in the death of two young children.
10 The hard work the police and firefighters
11 did not only at the scene, what they had to
12 remember from what they seen there, their
13 representation in Court to rehash the whole
14 scenario with their continuing
15 investigations and arson fire is really one
16 of the hardest to prosecute. So, you know,
17 all of the diligent hard work on behalf of
18 the prosecutors, firefighters and the police
19 that were involved in this I think all
20 citizens deserve to give them a thank you
21 for the resultant sentence.

22 Also, I have a letter from the
23 Keyser Valley Community Center -- Keyser
24 Valley Citizens' Association, I'm sorry, and
25 it's addressed to me, Councilman Jack

1 Loscombe.

2 "Dear Councilman Loscombe and city
3 council members, my name is Bill McDonald of
4 West Scranton and I write to you as
5 vice-president of the Keyser Valley
6 Citizens' Association. The Keyser Valley
7 Citizens' Association has recently become
8 aware of the documented fact that the only
9 West Scranton firehouse on Luzerne Street
10 has been closed during the past three months
11 of July, August, and September an alarming
12 82 percent of the time or 77 out of 92 days.

13 Our organization has been aware of
14 the station closings as we individually
15 drive by since the neighbor next door to the
16 station notifies passerby with a large sign
17 on their fence. We had no idea of the
18 magnitude of closings until we inquired.

19 We invite you and the public to a
20 West Scranton fire safety meeting on
21 Wednesday, October 17, at the Keyser Valley
22 Community Center at 7:00 p.m. to discuss
23 this very important concern. We would
24 invite Fire Chief Davis and Mayor Doherty to
25 address this situation and answer citizens

1 questions. As a neighborhood association,
2 we do not want to wait until something bad
3 happens before we address this situation.
4 Sincerely, Bill McDonald, vice-president of
5 the Keyser Valley Citizens' Association."

6 So I know there has been a lot of
7 people in the west side questioning the
8 closings, the amount of closings and stuff
9 like that, just as happened up in the East
10 Mountain, and this station on Luzerne Street
11 covers quite a wide area from the Taylor
12 line all the way up to Newtown Ransom, up
13 the old sanatorium way, there is lot of
14 areas on that west mountain where there are
15 no hydrants, there is it no water for
16 protection.

17 So is it does -- you know, I think
18 we have been very fortunate citywide that we
19 haven't had a major disaster and everyone
20 knows how I have been preaching about this
21 for quite some time now. I think our major
22 problem was to turn back over 3 1/2 million
23 for the SAFER grant which would have kept
24 these stations open. I don't know if there
25 is lack of communication at the top or what

1 the problem was, but it was a very, very bad
2 decision that can place -- that has placed a
3 lot of lives at risk.

4 Fortunately, it hasn't come to that
5 yet but, unfortunately, it may and then it's
6 too late and now the people in Keyser Valley
7 are coming together. They are coming
8 together next Wednesday at 7:00 p.m. and are
9 inviting anyone from the west side area to
10 attend this meeting, voice their concerns
11 and to, like I said, they are inviting Fire
12 Chief Davis and Mayor Doherty and I will be
13 there as chairman of the Public Safety
14 Committee on this board to represent us and
15 anyone else is also welcome to come.

16 But this is a serious issue and it's
17 tough and we are getting into the winter
18 heating season now, which is even worse.
19 The holiday season people start turning
20 their furnaces on and stuff, and again, as I
21 stated before, with the closure of these
22 stations people in other sections of town
23 who currently have their truck in the
24 station might feel comforted. However,
25 probably 80 percent of the time now more so

1 than before their company is responding to
2 another part of town, so the jeopardy is
3 throughout the whole city.

4 It's a sad state of affairs, but the
5 money was in place to open all these
6 stations and it was given back, just like we
7 could have had more police officers on the
8 street with COM-D funding but somebody
9 missed the ball there, we would have 15 for
10 the price of two, now we are paying for six
11 to have six. It doesn't make sense. Who is
12 going to be at fault when something happens?
13 Who is going to get the blame? Where is all
14 of the yelling going to come from.

15 To make matters even worse, I think
16 everyone knows here if you have a home and
17 you leave it empty for a period of time it
18 starts to deteriorate. Well, we could only
19 imagine with the amount of time that these
20 fire stations have been closed the
21 deterioration that has been taking effect in
22 these buildings. I actually went through
23 three stations on the west side today, and I
24 have to tell you, I'm appalled. Because of
25 the amount of time they are closed when a

1 home is occupied the way it's setup the
2 firefighters that man that station 24 hours
3 a day, seven days a week maintain that
4 house. They do all of the house cleaning,
5 they by their own supplies, they keep
6 everything up-to-date, it's their own house.
7 They're a tenant in a city property
8 basically.

9 What the city has done now is thrown
10 that tenant out for three or four weeks at
11 time. Do you know what happens when your
12 house is closed up for three to four weeks
13 at a time? Not only the deterioration from
14 the elements, the invasion of rodents. You
15 would not believe what I happened to see in
16 each of these stations. Right now they are
17 unfit for humanity. They should be
18 condemned. I have seen the city condemn
19 homes that were in better shape than what
20 these fire stations are right now.

21 The men aren't there to maintain
22 them, they are the city's property, and the
23 city has not maintained them. Not only are
24 they having problems with rats and mice. I
25 mean, they moved the crew from Engine 9,

1 which was actually Engine 8's crew because
2 they have been keeping Engine 9 stationed
3 with one company and closing the one up on
4 Market Street, closing the one on Luzerne
5 Street, keeping engine -- moving Engine 8 to
6 Engine 9's station on Main Avenue centrally
7 located on the West Side.

8 Well, I believe it was yesterday's
9 shift one of the firefighters happened to be
10 sitting on the chair and he had a guest
11 crawl all over him right out of the chair.
12 Then they happened to see a rat and they
13 found more and more. They went over to
14 Engine 7, I got photos, Folks, you would not
15 believe it. So the answer today was to send
16 the crew from Engine 9 up to Engine 8, work
17 out of Engine 8.

18 So right now whole West Side is
19 covered from Market Street so if you live
20 down near the Taylor border you are praying
21 for who gets their first, Engine 2 from
22 South Side or Engine 8 from Market Street.
23 But the ironic thing is when they went to
24 open Engine 8 station they found a couple of
25 dead rodents. It's a problem.

1 You know, they could say it's the
2 budget, they could say whatever, but I don't
3 think anyone should have to stay in a
4 property that's unfit for habitation like
5 that and I don't believe it is the
6 responsibility of those firefighters
7 actually who operate out of those stations
8 because they are out of there. To come back
9 one day and find five weeks worth of mess.

10 It appears that the buildings
11 themselves have been left go structurally,
12 maintenance wise as I far as I can remember.
13 There is leaks in ceilings. I mean, you
14 know what happens there, look, they are
15 closing schools because of that, the mold
16 developing. I don't know what the answer
17 is. I think we should have a very fast
18 meeting with the administration, get an
19 inspection agency in there and get a
20 professional cleaning agency in these
21 buildings and get them fit to let our men
22 return and work out of them and if they are
23 going to keep them closed they have to have
24 somebody maintain these buildings.

25 But I happened to see a lot of

1 structural deficiencies, which I did take
2 pictures, so I think an engineer has to look
3 at these buildings, too. Engine 9 is
4 settling quite a bit and not only the mouse
5 and rat problem, but I think this is a lot
6 of structural problems over there.

7 Definitely, you know, we are
8 fighting budgetary battles every day, but
9 these are firehouses to protect the
10 firefighters, to protect you and the
11 equipment, and we have doors that the
12 strings are broken. I believe it's rescue
13 where there is one spring and it's ready to
14 go, the other one is gone. Now, what's
15 going to happen, right now they can probably
16 fix that for \$200, what's going to happen by
17 letting it go when that door comes down on
18 that \$500,000 rescue truck? Or it comes
19 down on one of the men working there.

20 The problem is we can resolve these
21 problems for dollars and they are letting
22 them go to where they become costly. I
23 don't know what the answer is, but I think
24 we should have some kind of an emergency
25 meeting, I'll discuss it with my colleagues

1 later, with the administration, with the
2 firefighters and do whatever we can to get
3 these buildings up to shape so they could
4 occupy them when they have to protect the
5 residents they serve.

6 Not only that, there is several
7 pieces of equipment that are still down that
8 need repairs, we have to address that, as
9 well as a number of the police vehicles. We
10 are letting our public safety departments
11 and fleets by the wayside. It's been a
12 history for the last 10, 12 years. I don't
13 know what it is. There hasn't been anything
14 in the budget for increases up until the
15 Supreme Court ruling for police and fire
16 budgets, for payments, and it appears there
17 hasn't been a penny in the budget to repair
18 any of the structures. I'm even talking
19 cosmetic repairs. For the most part on the
20 interiors the firefighters have historically
21 taken care of the buildings themselves,
22 painted them, did repairs, stuff like that,
23 but they cannot touch the exteriors, they
24 cannot do the structural stuff and they
25 cannot maintain these buildings when they

1 are gone from there for long periods of
2 time.

3 I just wanted to let everybody know
4 the state of what's going on here. And
5 again, you know, the administration could
6 turn around and say, well, We don't have
7 money because of the Supreme Court ruling.
8 We don't have money because of the budget
9 cuts."

10 And again, the Supreme Court ruling
11 was ruled by majority of the Supreme Court
12 justices who obviously felt that the city
13 had acted in bad faith for over ten years
14 when all they are requesting, the police and
15 firefighters, was a minimum cost of living
16 increase and I guess the Supreme Court was
17 so exasperated with what they witnessed
18 through the proceedings that that's when
19 they slapped the \$34 million award on the
20 city.

21 And for the administration to turn
22 around and blame the police and firefighters
23 for those costs, the police and firefighters
24 know where the costs came from, the
25 inactivity of the city to fairly negotiate

1 all of this time. They let it go to the
2 Supreme Court and in spite of all of that
3 the police and firefighters sat down and
4 negotiated with us, with the administration
5 and reduced that award by over \$15 million,
6 and I think that's applaudable. Many people
7 say, "Oh, they shouldn't have taken
8 anything."

9 But, you know, ten years without a
10 basic cost of living increase and now to
11 live in the conditions and work in the
12 conditions they are, OSHA would have those
13 buildings condemned, but I don't know how
14 our License and Inspection Department right
15 now can leave those buildings open in the
16 condition they are in when I have seen them
17 condemn properties in this city for much,
18 much less. I think it's a sin, it's ashamed,
19 and we definitely have to sit down
20 immediately and resolve this issue because
21 it's a safety issue for the public that are
22 being protected on that side on for the
23 gentlemen and ladies that work in these
24 departments, and I guess that's all I have
25 to say on that. Thank you.

1 MS. EVANS: Thank you. And,
2 Councilman Joyce, do you have any comments
3 or motions tonight?

4 MR. JOYCE: Yes, I do. As one knows
5 on tonight's agenda there is a legislation
6 for a commuter tax on residents -- or an
7 income tax. In the recovery plan that was
8 drafted by the administration and Scranton
9 City Council, the commuter tax is an
10 integral part of the plan's implementation.

11 In 2013, according to PEL, the
12 Pennsylvania Economy League, the commuter
13 tax is expected to generate \$2.5 million in
14 revenue for the City of Scranton. In the
15 following years 2014 and 2015, the commuter
16 tax is expected to generate \$4 million in
17 revenue for the City of Scranton.

18 In order for the City of Scranton to
19 implement this tax, it is required that the
20 City of Scranton gains Court approval every
21 year while the tax is implemented. Scranton
22 City Council has been advised by the
23 administration that it is important that
24 legislation is passed quickly since budget
25 season is fast approaching and the

1 administration needs to get a court date
2 since the increase in the tax need court
3 approval before implementation.

4 In order for the city to implement
5 the tax before January of 2013, this
6 legislation needs to be passed now. It was
7 anticipated that the legislation would go
8 through three readings, however, it has
9 taken the law department time to draft the
10 appropriate legislation. The commuter tax
11 is an important part of the recovery plan.
12 Without it, we would need to fill a \$2.5
13 million hole for next year, which would
14 likely come in the form of a tax increase.

15 Secondly tonight, Scranton City
16 Council received correspondence from Tax
17 Collector Bill Courtright regarding the
18 Scranton Single Tax Office collections and
19 distributions for the period ending on
20 September 30, 2012.

21 First, in regard to the real estate
22 tax collection for this year so far the tax
23 office has collected \$11,852,412.28 in
24 current real estate taxes. In the same
25 period last year, the tax office collected

1 \$10,965,343.96.

2 With this in mind, there has been an
3 overall increase in real estate tax
4 collections of approximately \$887,068.32
5 thus far. This is an increase in
6 collections of approximately 8.1 percent for
7 the same period last year.

8 Secondly, in regard to the
9 delinquent real estate tax collections for
10 the same period last year so far the tax
11 office has collected -- or for this period
12 this year the tax office has collected
13 \$476,031.45. In the same period last year,
14 the tax office collected \$550,938.74.

15 With in this mind, there has been an
16 overall decrease in delinquent real estate
17 collections of \$74,907.29 thus far. This is
18 a decrease in collections of approximately
19 13.6 percent in the same period last year.

20 Third, in regard to the local
21 service tax for this year so far the tax
22 office has collected \$1,143,385.82. In the
23 same period last year, the tax office
24 collected \$1,376,145.74.

25 With this in mind, there has been an

1 overall decrease in the local service tax
2 collection of \$232,759.92 thus far. This is
3 a decrease in collections of approximately
4 16.9 percent from the same period last year.

5 Further, in regard to the business
6 privilege and mercantile taxes, for this
7 year so far the tax office has collected
8 \$1,746,933.69. In the same period last year
9 the tax office collected \$1,497,417.

10 With this in mind, there has been an
11 overall increase of \$249,516.69 in business
12 privilege and mercantile collections. This
13 is an increase in collections of
14 approximately 16.7 percent from the same
15 period last year.

16 Also to report, the Scranton Single
17 Tax Office has collected \$6,134,771.71 this
18 year in earned income taxes. As far as
19 offering comparison to the amount of taxes
20 collected last year, it would not be
21 comparing apples to apples or oranges to
22 oranges since Berkheimer took over the
23 collection of 2012 earned income taxes. The
24 \$6,134,771.71 collected by the Single Tax
25 Office this year is primarily fourth quarter

1 earned income tax receipts from 2011 that
2 were paid this year.

3 Overall, the Scranton Single Tax
4 Office in regard to the real estate tax, the
5 delinquent real estate tax from 2011, the
6 local service tax, the business privilege
7 and mercantile tax, and the business
8 privilege and mercantile tax, the Scranton
9 Single Tax Office has collected a total of
10 \$15,218,763.24. In the same period for
11 these taxes last year, the Scranton Single
12 Tax Office had collected \$14,389,845.44 in
13 these taxes.

14 This is an approximate increase in
15 overall tax collections of 5.8 percent in
16 the same period last year for the tax
17 office.

18 Third, Northeast Revenue has
19 submitted two reports to Scranton City
20 Council regarding the delinquent tax
21 collections for the period ending on
22 9-30-2012. As one may or may not know,
23 Northeast Revenue collects and distributes
24 delinquent real estate tax collection for
25 the City of Scranton with the exception of

1 the 2011 real estate delinquent real estate
2 tax collections which, of course, are
3 collected by the Single Tax Office.

4 Also, as one may or may not know,
5 the revenue collected by Northeast Revenue
6 is not all distributed to the City of
7 Scranton. Northeast Revenue distributes all
8 delinquent tax collections for the years
9 2004 '5 and '6 directly to Pennstar Bank.
10 This is a due to the Scranton Redevelopment
11 Authorities default on the loan taken out
12 previously to cover the advanced sale of
13 delinquent taxes which must be paid back.

14 For the years of 2004, '5 and '6 for
15 the period ending on 9-30-2012, Northeast
16 Revenue collected and distributed \$13,977.52
17 to Pennstar Bank. This includes \$2,829.97
18 in delinquent taxes from 2004, \$4,213.25 in
19 delinquent taxes from 2005 and \$5,704.32 in
20 delinquent taxes from 2006.

21 For all other years, with the
22 exception of 2011, for the period ending on
23 9-30-2012, Northeast Revenue collected and
24 distributed \$79,619.23 to the City of
25 Scranton. The majority of these tax

1 collections came from the years 2010, 2007
2 and 1998. As one may or may not know, with
3 the scope of work currently going on in the
4 Business Administrator's office regarding
5 the unfunded borrowing and other pressing
6 matters, the administration has been behind
7 on audit issues. Scranton City Council has
8 received an update from Rossi & Rossi
9 regarding the audit status at the present
10 time. A summary of the contents of the
11 Rossi & Rossi's letter is as follows:

12 In Rossi & Rossi's January 26
13 letter, the original letter that they sent,
14 Rossi & Rossi stated in this order to issue
15 the December 31, 2011, audited financial
16 statements by May 31, 2012, the outline of
17 the 2011 audit timetable contained in the
18 letter had to be adhered to. Because Rossi
19 & Rossi have not received the information on
20 a timely basis, the completion of the audit
21 and financial statements has been delayed.

22 Rossi & Rossi further provided a
23 list of open items required to be completed
24 that have been not yet been completed as of
25 October 3, 2012.

1 As of the March 31, 2012, the
2 following were to be completed that are
3 still not yet completed: Finalized fixed
4 asset schedules and entries necessary to
5 report activity for GASB 34 conversion
6 including an infrastructure reporting,
7 actuarial calculation of the GASB 45
8 post-employment benefits.

9 In addition to the aforementioned,
10 that were memos from Rossi & Rossi that were
11 still open as per the date of their letter
12 to the city. The memos that were open as of
13 the date of the letter were as follows: The
14 April 25 memo on special city's fund
15 demolition, the April 25 memo on special
16 city's fund fire loss security account, the
17 April 25 memo on special city's fund
18 inactive accounts.

19 In the letter Rossi & Rossi asked
20 our business administrator, Ryan McGowan, to
21 provide expected completion dates for the
22 open items because Rossi & Rossi needs to
23 coordinate requests for attorney letters
24 responses near the issuance of the audit
25 report.

1 After receipt of the open items and
2 audit testing is completed Rossi & Rossi
3 will issue a completed financial -- or
4 complete financial statements and present a
5 draft of the full financial statements for
6 the city to review and complete with
7 management discussion analysis section of
8 the audit report.

9 The financial statements, according
10 to Rossi & Rossi could not be issued until
11 they have received attorneys' responses to
12 audit requests letters, the required city's
13 management discussion analysis of the
14 financial statement, and the city's
15 representation letter and exit conference is
16 held.

17 With this in mind, Mrs. Krake,
18 please follow up with Ryan McGowan and ask
19 him for a timeline of when the open items
20 can be expected to be completed. And that's
21 all.

22 MS. EVANS: Thank you. Good
23 evening. Included on tonight's agenda are
24 two loans from the Scranton Office of
25 Economic and Community Development to city

1 businesses. Both loans are in the amount
2 \$150,000 and provide a term of 15 years as
3 well as a 2.5 percent interest rate. The
4 recipients of the loans are Freckles and
5 Frills, a DayCare facility in South
6 Scranton, and 520 Madison Avenue Associates,
7 LLC, a bed and breakfast in East Scranton.
8 The latter project was denied a loan in
9 April 2012 by city council due to delinquent
10 taxes owned on the property, which were
11 later paid.

12 It is to council's credit that it
13 discovered tax delinquencies and declined
14 approval of OECD loans or state grants to
15 Mulberry Lofts and 520 Madison Avenue
16 Associates until taxes owed to the city,
17 school district and county were paid in
18 full.

19 Since OECD submitted legislation to
20 city council for loans to individuals or
21 groups that were tax delinquent in 2011 and
22 2012, city council requests proof of paid
23 taxes for all proposed OECD loans.

24 Therefore, Mrs. Krake, please send a
25 letter to Ms. Aebli requesting that a copy

1 of paid receipts for taxes is attached to
2 legislation that is submitted to Scranton
3 City Council by the office of Economic and
4 Community Development for any and all loans
5 and grants provided and/or facilitated by
6 the Scranton OECD.

7 Also, included in council's agenda
8 this evening is a return to the table in
9 Seventh Order of clerical union contract.
10 The legislation was previously tabled
11 because city council and the union were
12 involved in litigation. Fortunately, the
13 litigation has been dropped and council is
14 now able to take it's final vote.

15 Additionally, the mayor sent
16 emergency legislation to city council
17 regarding the increase in earned income tax
18 for nonresident to work in Scranton. It is
19 necessary to move the legislation by
20 emergency in order that the city would
21 receive a Court date in 2012.

22 Further, the commuter tax is
23 contained in the city's revised recovery
24 plan which was previously approved in August
25 2012. This legislation allows for the

1 administration to petition the Court for
2 permission to enact a tax in 2013.

3 I just want to add to that, the city
4 anticipates a commuter tax lasting no longer
5 than a three-year period and as was said
6 earlier each year the city must petition the
7 Court once again for the continuation of the
8 commuter tax.

9 Next, throughout the week Council
10 Solicitor Hughes and I continue to discuss
11 the status of the local nonprofits and at
12 this time I call upon Attorney Hughes for
13 his comments and advice.

14 MR. HUGHES: I think it was two
15 Saturdays ago I went up to the DeNaple's
16 Center at the University of Scranton. I
17 went to Chick-fil-A it was quarter to three
18 in the afternoon. The area in there was
19 jammed with people. I had to wait in line
20 to buy a Chick-fil-A, both to get the
21 Chick-fil-A and also to pay for it.

22 I looked around, as I said, it was
23 about quarter to three in the afternoon.
24 There were substantial number of students
25 and other people there. I went into the

1 book store, actually my wife and I did, and
2 she purchased something in there as a baby
3 gift with the University of Scranton logo on
4 it, and after that we have done some
5 investigation.

6 We have determined that the
7 Chick-fil-A is operated by a franchisee. I
8 would believe the same is so for the
9 operation of the Quizno's, the Starbucks,
10 the other area there where they sell pizza,
11 I don't see a franchise on that. I have
12 done further investigation and it is -- I
13 have been informed that the book store is
14 not owned by the University of Scranton,
15 that is leased out, it's a leased operation.

16 Based on my experience I would -- it
17 would be my educated opinion or guess, I was
18 going to say, that there was probably a base
19 lease rent plus a percentage override to the
20 University of Scranton for these leased
21 operations. There is also a small mini-mart
22 there. I say a mini-mart, you know, in the
23 area where like a convenience store, it
24 sells soda and other items. I do not know
25 if that's a leased operation, but I think

1 one thing that should be done is that all of
2 these operators of all of these stores if
3 they are leased operations, if they are
4 franchisees and they lease the space from
5 the University of the Scranton they should
6 be paying mercantile taxes to the City of
7 Scranton.

8 I think that the Single Tax Office,
9 I think a letter would be in place in order
10 to have Mrs. Krake write to the Single Tax
11 Office to determine if any of these
12 businesses, and they are businesses, in the
13 DeNaple's Center are paying -- are filing
14 their tax returns to the city, if they are
15 paying the required taxes, and I also think
16 that they should look at it and get a copy
17 of the leases to see exactly what the leases
18 say. I would be extremely naive to think
19 that these spaces are leased for a small
20 consideration. There aren't too many
21 restaurants in downtown Scranton on a
22 Saturday afternoon at 2:30 or 3:00 that are
23 jammed with people, tables full and people
24 buying, you know, Quiznos, buying hoagies,
25 you know, chicken sandwiches, pizza.

1 I think this a big money making
2 operation. I think it should be looked into
3 by the Single Tax Office. Maybe they have
4 been paying their, you know, their business
5 taxes, but at least we'll find out and if
6 they are not, I think a Single Tax Office
7 should go up there, take a look at every one
8 of those businesses and if they haven't been
9 paying their taxes make sure they pay the
10 taxes and they should probably also get a
11 copy of the lease to see exactly if there a
12 percentage override on their gross sales to
13 the University of Scranton.

14 MS. EVANS: Thank you, Solicitor
15 Hughes.

16 MR. MCGOFF: May I?

17 MS. EVANS: Yes.

18 MR. MCGOFF: And just to answer part
19 of that, in the economic impact the
20 University of Scranton sent to us, it did
21 indicate that Aramark, which is the
22 cafeteria and Follet, which is the book
23 store, pay local services tax and mercantile
24 tax. I don't know if -- it doesn't include
25 any of the other franchise situations.

1 MS. EVANS: Thank you.

2 MR. HUGHES: I would state that
3 Aramark is not the franchisee for
4 Chick-fil-A.

5 MR. MCGOFF: No, I'm saying that,
6 that's the cafeteria.

7 MR. HUGHES: I think it should be
8 looked into it and see what is.

9 MR. MCGOFF: Absolutely.

10 MR. HUGHES: And certainly if that's
11 being run on a lease basis that section
12 should not be exempt from real estate taxes.
13 Any nonprofit that has -- even the Scranton
14 Parking Authority, even though the Scranton
15 Parking Authority is exempt from real estate
16 taxes, the areas that they have leased out
17 for commercial operations are taxable and
18 they pay a real estate tax on that.

19 Now, it's a pass through tax because
20 it's assessed by the Assessor's Office and
21 to the Scranton Parking Authority in
22 accordance with their leases they then pass
23 that through to the tenant to pay their pro
24 rata share of the real estate taxes. If it
25 applies to the Scranton Parking Authority

1 the same should apply to the University of
2 Scranton on the first floor of the DeNaple's
3 Center. That should be taxed. And, you
4 know, in fact, I think the Scranton Parking
5 Authority has a better exemption than with
6 the University of Scranton.

7 That's my opinion. I think that it
8 should be looked into and certainly if there
9 is businesses operating up there that are
10 independent businesses under the lease
11 agreements they should be paying their taxes
12 to the city. They certainly put enough of
13 businesses out of business up there --

14 MS. EVANS: Yes.

15 MR. HUGHES: -- small restaurants and
16 everything else that no longer exist, that
17 they should be taxed. And I think the area
18 the county should look into taxing, you
19 know, the first floor of that center for
20 real estate tax purposes.

21 MS. EVANS: Mrs. Krake, on behalf of
22 Scranton City Council, if you could draft
23 that letter please to the Single Tax Office
24 and I ask that you would speak with
25 Solicitor Hughes, I know that you were out

1 of room temporarily when he was discussing
2 this matter, so that we can be certain to
3 include all the points made by our
4 solicitor.

5 MS. KRAKE: Yes.

6 MS. EVANS: Thank you. Finally,
7 Mrs. Krake, please provide council members
8 at your earliest convenience with copies of
9 the city's noise ordinance. Because of the
10 number of citizens' complaints we have
11 received concerning boom cars, we should
12 review the ordinance to be certain it
13 addresses the nightly disturbance, and if
14 so, then we can forward it to the police
15 department for enforcement. If it is not,
16 if the language doesn't specifically address
17 this problem then I think council should
18 look toward amending it.

19 Also, I will forward citizens'
20 requests submitted by e-mail to our office
21 for notification to the appropriate
22 department heads, and that's it.

23 MS. KRAKE: 5-B AMENDING FILE OF THE
24 COUNCIL NO. 46, 2012, AN ORDINANCE ENTITLED
25 "AMENDING FILE OF THE COUNCIL

1 NO. 33, 2012 ENTITLED "ESTABLISHING A NO
2 PARKING ZONE IN THE 900 BLOCK OF NORTH
3 WASHINGTON AVENUE (S.R. 3023) ON THE WESTERN
4 MOST SIDE OF SAID STREET PURSUANT TO THE
5 HIGHWAY OCCUPANCY PERMIT APPLICATION OF THE
6 COMMONWEALTH MEDICAL COLLEGE FROM SR 3023
7 SEGMENT 0090 OFFSET 1000 TO SR 3023 SEGMENT
8 0090 OFFSET 1219 FOR A DISTANCE OF TWO
9 HUNDRED NINETEEN (219) FEET" TO CORRECT THE
10 INCORRECTLY IDENTIFIED SEGMENT NUMBERS OF SR
11 3023" TO CORRECT THE INCORRECTLY IDENTIFIED
12 OFFSET NUMBERS FOR THE NO PARKING ZONE.

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

16 MR. MCGOFF: So moved.

17 MR. JOYCE: Second.

18 MS. EVANS: On the question? All
19 those in favor of introduction signify by
20 saying aye.

21 MR. MCGOFF: Aye.

22 MR. LOSCOMBE: Aye.

23 MR. JOYCE: Aye.

24 MS. EVANS: Aye. Opposed? The ayes
25 have it and so moved.

1 MS. KRAKE: 5-C. AMENDING FILE OF
2 THE COUNCIL NO. 11, 1976, ENTITLED "AN
3 ORDINANCE (AS AMENDED) ENACTING, IMPOSING A
4 TAX FOR GENERAL REVENUE PURPOSES IN THE
5 AMOUNT OF TWO PERCENT (2%) ON EARNED INCOME
6 AND NET PROFITS ON PERSONS, INDIVIDUALS,
7 ASSOCIATIONS AND BUSINESSES WHO ARE
8 RESIDENTS OF THE CITY OF SCRANTON, OR
9 NON-RESIDENTS OF THE CITY OF SCRANTON, FOR
10 WORK DONE, SERVICES PERFORMED OR BUSINESS
11 CONDUCTED WITHIN THE CITY OF SCRANTON,
12 REQUIRING THE FILING OF RETURNS BY TAXPAYERS
13 SUBJECT TO THE TAX; REQUIRING EMPLOYERS
14 TO COLLECT THE TAX AT SOURCE; PROVIDING FOR
15 THE ADMINISTRATION, COLLECTION AND
16 ENFORCEMENT OF THE SAID TAX; AND IMPOSING
17 PENALTIES FOR THE VIOLATIONS", BY IMPOSING
18 THE WAGE TAX AT TWO AND FOUR TENTHS PERCENT
19 (2.4%) ON EARNED INCOME FOR THE YEAR 2013
20 FOR RESIDENTS, AND AUTHORIZING THE CITY
21 SOLICITOR TO PETITION THE COURT OF COMMON
22 PLEAS OF LACKAWANNA COUNTY TO INCREASE THE
23 NONRESIDENT EARNED INCOME TAX FROM ONE
24 PERCENT (1% TO TWO PERCENT (2% EMERGENCY
25 CERTIFICATE ATTACHED.

1 MS. EVANS: At this time I'll
2 entertain a motion that Item 5-C be
3 introduced into its proper committee.

4 MR. MCGOFF: So moved.

5 MR. LOSCOMBE: Second.

6 MS. EVANS: On the question? All
7 those in favor of introduction signify by
8 saying aye.

9 MR. MCGOFF: Aye.

10 MR. LOSCOMBE: Aye.

11 MR. JOYCE: Aye.

12 MS. EVANS: Aye. Opposed? The ayes
13 have it and so moved.

14 MS. KRAKE: 5-D. AUTHORIZING THE
15 MAYOR AND OTHER APPROPRIATE CITY OFFICIALS
16 FOR THE CITY OF SCRANTON TO ENTER INTO A
17 LOAN AGREEMENT AND MAKE A LOAN FROM THE
18 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM,
19 PROJECT NO. 150.35 IN AN AMOUNT NOT TO
20 EXCEED \$150,000.00 TO 520 MADISON AVENUE
21 ASSOCIATES, LLC TO ASSIST AN ELIGIBLE
22 PROJECT.

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

1 MR. MCGOFF: So moved.

2 MR. JOYCE: Second.

3 MS. EVANS: On the question? All
4 those in favor of introduction signify by
5 saying aye.

6 MR. MCGOFF: Aye.

7 MR. LOSCOMBE: Aye.

8 MR. JOYCE: Aye.

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

11 MS. KRAKE: 5-E. AUTHORIZING THE
12 MAYOR AND OTHER APPROPRIATE CITY OFFICIALS
13 FOR THE CITY OF SCRANTON TO ENTER INTO A
14 LOAN AGREEMENT AND MAKE A LOAN FROM THE
15 COMMUNITY DEVELOPMENT BLOCK GRANT LOAN
16 PROGRAM, PROJECT NO. 150.34 IN AN AMOUNT NOT
17 TO EXCEED \$150,000.00 TO FRECKLES AND
18 FRILLS, INC. TO ASSIST AN ELIGIBLE PROJECT.

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

22 MR. MCGOFF: So moved.

23 MR. JOYCE: Second.

24 MS. EVANS: On the question?

25 MR. MCGOFF: Yes, I'd like a brief

1 comment, where Freckles and Frills is moving
2 to is the former St. John's Parish Center.
3 They purchased it and I believe in 2010, so
4 what they are doing is they are taking a
5 piece of property that was off the tax
6 rolls, they have done amazing renovations to
7 it, and are placing it back on the tax rolls
8 and it's really a remarkable job that they
9 have done with that Parish Center to put it
10 into a very functional child care center.

11 MS. EVANS: Thank you. Is there
12 anyone else on the question? All those in
13 favor of introduction signify by saying aye.

14 MR. MCGOFF: Aye.

15 MR. LOSCOMBE: Aye.

16 MR. JOYCE: Aye.

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

19 MR. JOYCE: I make a motion to
20 suspend the rules to move Item 5-C to Sixth
21 and Seventh Order to be considered for final
22 passage based on the attached emergency
23 certificate.

24 MR. LOSCOMBE: Second.

25 MS. EVANS: On the question? All

1 those in favor signify by saying aye.

2 MR. MCGOFF: Aye.

3 MR. LOSCOMBE: Aye.

4 MR. JOYCE: Aye.

5 MS. EVANS: Aye. Opposed? The ayes
6 have it and so moved.

7 At this time, would anyone like to
8 address council on the emergency
9 legislation?

10 MS. SCHUMACHER: I'll just reiterate
11 what I said before, I don't think this is an
12 emergency at all. The recovery plan was
13 passed, well, many weeks ago and this is
14 known that had to be here, we have done it
15 before a decade ago or almost two decades
16 ago and this should have been on the agenda
17 before and it should have had three orders.
18 I'm really disappointed that this council
19 has probably set a record for ramming
20 ordinances through with three readings in
21 one night and it's very disappointing.
22 Thank you.

23 MR. MILLER: Good evening, Council.
24 Doug Miller. Just to basically reiterate
25 what I said earlier, this is a piece of

1 legislation that we have had ample time to
2 discuss and, you know, I definitely take
3 issue with the comment that this council has
4 an issue of ramming ordinances when, in
5 fact, a recovery plan that we have been
6 discussing for months now we have all had
7 the time to come forward and raise any
8 objections we have had to the commuter tax
9 or any other part of the recovery plan.

10 We need the revenue, as I stated.
11 We face challenges financially and we are
12 coming up with all kinds of alternatives to
13 alleviate the burden, and as we were made
14 aware tonight, we remove the commuter tax
15 council is faced with the difficult decision
16 of having to raise taxes on property owners,
17 something we do not want to see happen.

18 So I commend you for the actions you
19 have taken and continue to stay the course
20 and stand up for the taxpayers, you have
21 been unfairly criticized and I take offense
22 to that. Thank you.

23 MR. LOSCOMBE: Thank you.

24 MR. MORGAN: The comment I have here
25 tonight is that in my opinion I find the

1 recovery plan to basically be bluntly
2 possibly illegal because council pushed a
3 revised recovery plan forward without a
4 hearing, and there two different dates for
5 these recovery plans. And the other thing
6 is, we had a commuter tax once before, it
7 didn't do anything for us, and like I said
8 previously, we are just exploiting people
9 who can't defend themselves here and we are
10 fleecing people for a government which
11 doesn't know how to control its spending and
12 doesn't know how to live by the Home Rule
13 Charter, and I just find it amazing that we
14 are going to ram this through council in
15 three readings in one day, because for a
16 council that talked about transparency and
17 caring about the city and the residents, I
18 find that to be not true. It's easy to tax
19 people out of the homes.

20 This city -- people are wondering
21 what the answer was, the answer was
22 bankruptcy. The answer was tough. It was
23 to ask the Court to intervene and allow the
24 city to reorganize and try to take some of
25 the burden off the taxpayers and, you know,

1 all of this other stuff is just ridiculous.
2 Thank you.

3 MS. EVANS: Thank you. I'll just
4 briefly comment that in addition to what I
5 stated under motions, I do agree that the
6 legislation should have been presented two,
7 three, possibly four weeks ago. However, it
8 was in the process of being developed for
9 that time period and it was reviewed and
10 tweaked by several entities, one of which is
11 the Department of Community and Economic
12 Development, so it was not possible to have
13 it on the agenda until this evening and, of
14 course, as we all know from the arguments
15 made for the unfunded debt borrowing, it is
16 very difficult to get a Court date in the
17 Lackawanna County Court system within the
18 time period that's prescribed for the
19 revised recovery plan.

20 Should we fail to move tonight and
21 allow it to go through, pass the legislation
22 in it's traditional readings, then we are
23 risking failure to obtain a Court date in
24 2012 and moving this issue into 2013.

25 And, finally, I do say that I take

1 umbrage with the comments made against this
2 council and ramming legislation through. I
3 think if one looked at the percentage of the
4 emergency legislation that's been passed
5 since 2010 versus what is passed according
6 to the traditional three readings, you would
7 see a very, very minute percentage. But
8 more importantly, the city has been in a
9 state of the emergency and we are all well
10 aware of that. We are also aware of the
11 repercussions of not addressing those
12 emergencies and the severe repercussions of
13 bankruptcy.

14 And so whenever council has
15 entertained emergency legislation it is
16 legislation that was sent to us by the
17 administration and the reasons to pass it
18 rapidly were sound and urgent and if we want
19 to meet the crises that we are in these
20 steps are necessary. Mrs. Krake?

21 MS. KRAKE: SIXTH ORDER. 6-A,
22 FORMERLY 5-C - READING BY TITLE - FILE OF
23 COUNCIL NO. 62 -2012 - AN ORDINANCE -
24 AMENDING FILE OF THE COUNCIL NO. 11, 1976,
25 ENTITLED "AN ORDINANCE (AS AMENDED)

1 ENACTING, IMPOSING A TAX FOR GENERAL REVENUE
2 PURPOSES IN THE AMOUNT OF TWO PERCENT (2%)
3 ON EARNED INCOME AND NET PROFITS ON PERSONS,
4 INDIVIDUALS, ASSOCIATIONS AND BUSINESSES WHO
5 ARE RESIDENTS OF THE CITY OF SCRANTON, OR
6 NON-RESIDENTS OF THE CITY OF SCRANTON, FOR
7 WORK DONE, SERVICES PERFORMED OR BUSINESS
8 CONDUCTED WITHIN THE CITY OF SCRANTON,
9 REQUIRING THE FILING OF RETURNS BY TAXPAYERS
10 SUBJECT TO THE TAX; REQUIRING EMPLOYERS
11 TO COLLECT THE TAX AT SOURCE; PROVIDING FOR
12 THE ADMINISTRATION, COLLECTION AND
13 ENFORCEMENT OF THE SAID TAX; AND IMPOSING
14 PENALTIES FOR THE VIOLATIONS", BY IMPOSING
15 THE WAGE TAX AT TWO AND FOUR TENTHS PERCENT
16 (2.4%) ON EARNED INCOME FOR THE YEAR 2013
17 FOR RESIDENTS, AND AUTHORIZING THE CITY
18 SOLICITOR TO PETITION THE COURT OF COMMON
19 PLEAS OF LACKAWANNA COUNTY TO INCREASE THE
20 NONRESIDENT EARNED INCOME TAX FROM ONE
21 PERCENT(1%) TO TWO PERCENT (2%). (EMERGENCY
22 CERTIFICATE ATTACHED)

23 MS. EVANS: You've heard reading by
24 title of Item 6-A, what is your pleasure?

25 MR. JOYCE: I move that Item 6-A

1 pass reading by title.

2 MR. MCGOFF: Second.

3 MS. EVANS: On the question?

4 MR. MCGOFF: Yes, I'll comment at
5 this point in time. Many of the things that
6 were included in the recovery plan,
7 including this, the commuter tax, were
8 things that I don't think any members of the
9 council particularly wanted. They were
10 things that were forced upon us in order to
11 meet the needs of providing services in this
12 city, and services not only for residents of
13 the City of Scranton, but also services for
14 the people who do business in the City of
15 Scranton.

16 Those people who come into the city,
17 work in the city, shop in the city, eat in
18 the city, they are all benefiting from the
19 services that we provide. Fire, police, all
20 infrastructure. And while it's -- again,
21 while it's not something that was
22 particularly wanted I believe it's something
23 that is needed, and I think it's something
24 that we need to do at this time in order to
25 take care of the services that this city

1 provides and I support this as I support the
2 other parts of the recovery plan.

3 And the last thing that I want to
4 say is that this isn't final even though we
5 vote on it tonight -- well, two things I'll
6 say. We have known that this is -- was
7 going to be before us from the time that the
8 recovery plan was adopted, so there was
9 ample opportunity to discuss and to deal
10 with the ramifications of this legislation
11 and I don't think it's something, yes, we
12 are voting on it in one night, but I think
13 that we have had ample opportunity to look
14 at it.

15 And again, I'm supportive of it and
16 hopefully when it goes to Court that the
17 judge or judges see that it is an emergency,
18 that it is something that needs to be done
19 in order to rectify the problems, the
20 financial problems, that the City of
21 Scranton is having.

22 Just because we vote on it tonight
23 it does not finalize the issue. We still
24 need to go before the Court and have them
25 approve this legislation, so it's far from

1 done, but tonight I do approve of what we
2 are doing with this tonight.

3 MS. EVANS: Thank you. And just to
4 repeat what I said earlier, basically the
5 legislation enables the administration to
6 petition the Court of Lackawanna County for
7 a date for a hearing during which the
8 administration will present it's need for
9 the commuter tax. So, as Mr. McGoff said,
10 this certainly isn't a new issue and council
11 is doing what it can to help the city
12 survive to help the taxpayers of Scranton
13 and to abide by the timeline set by the
14 Pennsylvania Economy League and the State
15 Department of Community and Economic
16 Development for the implementation of
17 provisions in the revised recovery plan.

18 MR. LOSCOMBE: If I could just add
19 quickly, I agree with my colleagues on their
20 comments and their statements here of. I
21 don't think it's something that we all feel
22 palatable including, but it was part of the
23 package, the package to save our city that
24 we were elected to save. It was part of the
25 recovery plan and it has to be brought to

1 Court every year for the next three years
2 and I believe all of us have friends and
3 relatives that live out of the area that
4 will be affected by this. We all have
5 fellow colleagues, elected officials and
6 friends in many of the townships and the
7 boroughs surrounding Scranton that will be
8 affected by this. I understand some of
9 their concerns and, you know, they have the
10 right to raise the issues and the concerns
11 for their constituents, but we were elected
12 here to represent the City of Scranton.

13 And, you know, as hear comments, you
14 read in the paper no one has been watching
15 where the money has been going for years and
16 years and that's where I think we are
17 different. We are watching. We have only
18 had a little over two years at the helm, but
19 I think you are starting to see the positive
20 impact of someone actually watching and
21 looking at every detail. It hurts when you
22 hear comments that, you know, it's just
23 going into the black hole and that. I think
24 we have passed a number of bits of
25 legislation that ensure us the ability to

1 make sure that these monies are going to
2 where they should be going and not
3 disappearing as has been done in the past.

4 I know my colleagues will be as
5 diligent in watching this and having this
6 recovery plan succeed because we are all a
7 part of it. You know, we own it, we voted
8 for it. I do ask our neighbors surrounding
9 Scranton to bear with us. A stronger
10 Scranton will be a whole stronger area, and
11 again, this isn't in our favor to do this,
12 but it's all part of the package to bring us
13 back on sound footing and I believe that we
14 will be approving this this evening. Thank
15 you.

16 MR. JOYCE: And if I could just add
17 I'd like to echo some of Mr. McGoff's
18 comments. As an elected official you are
19 sitting up here and you are faced with many
20 tough decisions such as raising taxes,
21 commuter taxes, we have the real estate
22 transfer tax in the recovery plan as well,
23 and I don't think anyone wants to raise
24 taxes on someone or impose a commuter tax.
25 However, the city is in a such dire

1 financial position right now that these
2 things are necessary to avoid bankruptcy,
3 and if bankruptcy happens the tax increases
4 will be as astronomical if a receiver is
5 appointed to just take over the operation of
6 the City of Scranton, and I don't want to
7 see that happen.

8 So, as Mr. McGoff said, I do support
9 this and I will be voting, yes, for this
10 tonight.

11 MS. EVANS: Just quickly and lastly,
12 I'll add to piggyback a little bit on what
13 you said, Mr. McGoff, not only do we provide
14 the services, but our city hosts the county
15 seat. If you want to get married you are
16 coming in Scranton for a marriage license,
17 because we also include the Register of
18 Wills, the Recorder of Deeds, the Social
19 Security Office, the Federal Courthouse
20 building, the major hospitals, the major
21 colleges and universities, the social
22 services agencies and so from the time, you
23 know, that you are born right through your
24 demise you are coming into Scranton for its
25 services.

1 And the truth of the matter is that
2 those buildings are tax exempt properties so
3 over 30 percent of our property is
4 nontaxable and I think when everyone is
5 using the services of this city, whether it
6 be the roads and enjoying, you know, being
7 able to get into the hospital because the
8 roads have been plowed, enjoying fire and
9 police protection while you are within our
10 city limits, that is certainly -- you know
11 these are important services and they are
12 services that aren't offered by many of the
13 areas outside of the City of Scranton. They
14 don't have paid police and fire departments
15 and as a result, they are ill-equipped to
16 take those types of entities that I
17 described within their boundaries because
18 they cannot provide adequate protection for
19 them and service to them.

20 And so it's important I think that
21 everyone consider these factors and to
22 remember as well that it's but one of many
23 new revenue generators. This one, however,
24 is the one that has a time limit attached to
25 it and it's not a tax that is imposed

1 endlessly, and hopefully if the city is able
2 to get back on its feet more quickly than
3 anyone anticipates there won't be a need for
4 three years of a commuter tax.

5 And that's it. All those in favor
6 signify by saying aye.

7 MR. MCGOFF: Aye.

8 MR. LOSCOMBE: Aye.

9 MR. JOYCE: Aye.

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

12 MR. JOYCE: I make a motion to take
13 File of Council No. 4, 2012, from the table
14 and place it into Seventh Order for final
15 consideration.

16 MS. EVANS: We have a motion --

17 MR. MCGOFF: Second.

18 MS. EVANS: Thank you. On the
19 question? All those in favor signify by
20 saying aye.

21 MR. MCGOFF: Aye.

22 MR. LOSCOMBE: Aye.

23 MR. JOYCE: Aye.

24 MS. EVANS: Aye. Opposed? The ayes
25 have it and so moved.

1 MR. JOYCE: I make a motion to amend
2 Item 7-A as per the following --

3 MS. KRAKE: Excuse me, I think I
4 have to read it first, Councilman Joyce.

5 MR. JOYCE: Oh, very well. Go
6 ahead.

7 MS. KRAKE: Thank you. 7-A.
8 FOR CONSIDERATION BY THE COMMITTEE ON RULES
9 - FOR ADOPTION - RESOLUTION NO. 4, 2012
10 -(PREVIOUSLY TABLED) AUTHORIZING THE MAYOR
11 AND OTHER APPROPRIATE OFFICIALS OF THE CITY
12 OF SCRANTON TO EXECUTE AND ENTER INTO A
13 COLLECTIVE BARGAINING AGREEMENT WITH THE
14 INTERNATIONAL ASSOCIATION OF MACHINISTS AND
15 AEROSPACE WORKERS LOCAL NO. 2462 (CLERICAL
16 UNION).

17 MR. JOYCE: I make a motion to amend
18 Item 7-A as per the following, and this is a
19 letter of agreement dated October 1, 2012:

20 This letter will serve as an
21 agreement between the union, Local Lodge
22 2462, District I, IAM and AW, and the City
23 Council of the City of Scranton of the
24 following:

25 (A.) In order to resolve the

1 current appeal of the city council of a
2 decision of the arbitrator on the IAM and
3 AW's grievance regarding the positions of
4 the executive assistant and confidential
5 secretary in the Office of City Council of
6 the City of Scranton working in the Office
7 of City Council of the City of Scranton, are
8 positions included in the CBA.

9 The IAM and AW, city council and the
10 City of Scranton agree as follows:

11 Effective January 1, 2013, these two
12 positions are permanent positions within the
13 bargaining unit covered by the CBA and will
14 be considered a separate classification
15 within the CBA. These positions will fall
16 under the jurisdiction of city council and
17 city clerk as defined in the Administrative
18 Code, Article II, Section 6-4C, appointments
19 and removal of employees. The city council
20 and the city clerk will be responsible for
21 the appointments and removal of the
22 employees under the jurisdiction of the
23 Office of City Council City Clerk.

24 (B.) The positions of executive
25 assistant and confidential secretary in the

1 Office of the City Council of the City of
2 Scranton will be subject to all provisions
3 of the CBA, including the just cause
4 provision and the grievance and arbitration
5 position between the two parties with the
6 exception of Article 25 seniority.

7 It is further understood that
8 whenever management rights is referred to in
9 the CBA with reference to the separate
10 classification (executive assistant and
11 confidential secretary in the Office of
12 Council of the City of Scranton) it will
13 revert to the jurisdiction of City Council
14 and City Clerk.

15 (C.) The people who currently hold
16 these positions will carry their seniority
17 for the purposes of vacation, sick,
18 personal, and retirement benefits with that
19 position.

20 (D.) Pay scale of these positions
21 in the Office of City Council of the City of
22 Scranton will be defined as executive
23 assistant at \$16.42 per hour and
24 confidential secretary at \$15,17 per hour.

25 (E.) Both parties agree that if

1 either party deems it necessary to discuss
2 and define the duties of these positions in
3 detail the other will do so in a reasonable
4 amount of the time after such request is
5 made by either party.

6 (F.) The provision of this
7 agreement will commence January 1, 2013.
8 This agreement between all identified
9 parties is contingent upon the newly created
10 two clerical union positions as identified
11 as rental registration assistance/housing
12 inspector, and financial analyst department
13 of business administrator being added to the
14 2013 City of Scranton budget as adopted by
15 the mayor and city council.

16 (G.) City Council agrees that it
17 will withdraw its appeal to the Commonwealth
18 Court, case No. 1118 CV 2012 in writing to
19 that Court by October 12, 2012.

20 (H.) This agreement will be
21 enforceable through a grievance and
22 arbitration provisions of the CBA.

23 MS. EVANS: We have a motion on the
24 floor to amend, do we have a second?

25 MR. MCGOFF: Second.

1 MS. EVANS: On the question?

2 MR. MCGOFF: Just one clarification,
3 if one of these positions should be vacated
4 would it be filled from within the union or
5 can it be filled by the person from outside
6 of the union? I wasn't sure how that read.

7 MS. EVANS: Well, you know,
8 according to the Home Rule Charter the
9 hiring still lies in the hands of the city
10 council and the city clerk and I believe the
11 letter of agreement is stating that as well,
12 but those positions must be union positions,
13 but they now have a separate classification.

14 MR. MCGOFF: Right. That part I
15 understood, I just didn't know when it would
16 be replaced, if somebody left there, would
17 it have to be someone who was already in the
18 union to take that position?

19 MR. HUGHES: The answer is no.

20 MR. MCGOFF: Okay.

21 MR. HUGHES: Council -- this
22 specifically recognizes that council has the
23 right to hire, fire and discipline the
24 employees within their office.

25 MR. MCGOFF: And once they were

1 appointed then they would become members of
2 the union.

3 MR. HUGHES: Correct.

4 MR. MCGOFF: Thank you.

5 MS. EVANS: Is there anyone else?

6 All those in favor of the motion to amend
7 Item 7-a signify by saying aye.

8 MR. MCGOFF: Aye.

9 MR. LOSCOMBE: Aye.

10 MR. JOYCE: Aye.

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

13 As chairperson for the Committee on
14 Rules, I recommend final passage of Item
15 7-A, as amended.

16 MR. MCGOFF: Second.

17 MS. EVANS: On the question? Roll
18 call, please.

19 MS. MARCIANO: Mr. McGoff.

20 MR. MCGOFF: Yes.

21 MS. MARCIANO: Mr. Loscombe.

22 MR. LOSCOMBE: Yes.

23 MS. MARCIANO: Mr. Joyce.

24 MR. JOYCE: Yes.

25 MS. MARCIANO: Mrs. Evans.

1 MS. EVANS: Yes. I hereby declare
2 Item 7-A, as amended, legally and lawfully
3 adopted.

4 MS. KRAKE: 7-B, FORMERLY 6-A, FOR
5 CONSIDERATION BY THE COMMITTEE ON FINANCE -
6 FOR ADOPTION - FILE OF COUNCIL NO. 62 -2012
7 - AN ORDINANCE - AMENDING FILE OF THE
8 COUNCIL NO. 11, 1976, ENTITLED "AN ORDINANCE
9 (AS AMENDED) ENACTING, IMPOSING A TAX FOR
10 GENERAL REVENUE PURPOSES IN THE AMOUNT OF
11 TWO PERCENT (2%) ON EARNED INCOME AND NET
12 PROFITS ON PERSONS, INDIVIDUALS,
13 ASSOCIATIONS AND BUSINESSES WHO ARE
14 RESIDENTS OF THE CITY OF SCRANTON, OR
15 NON-RESIDENTS OF THE CITY OF SCRANTON, FOR
16 WORK DONE, SERVICES PERFORMED OR BUSINESS
17 CONDUCTED WITHIN THE CITY OF SCRANTON,
18 REQUIRING THE FILING OF RETURNS BY TAXPAYERS
19 SUBJECT TO THE TAX; REQUIRING EMPLOYERS
20 TO COLLECT THE TAX AT SOURCE; PROVIDING FOR
21 THE ADMINISTRATION, COLLECTION AND
22 ENFORCEMENT OF THE SAID TAX; AND IMPOSING
23 PENALTIES FOR THE VIOLATIONS", BY IMPOSING
24 THE WAGE TAX AT TWO AND FOUR TENTHS PERCENT
25 (2.4%) ON EARNED INCOME FOR THE YEAR 2013

1 FOR RESIDENTS, AND AUTHORIZING THE CITY
2 SOLICITOR TO PETITION THE COURT OF COMMON
3 PLEAS OF LACKAWANNA COUNTY TO INCREASE THE
4 NONRESIDENT EARNED INCOME TAX FROM ONE
5 PERCENT(1%) TO TWO PERCENT (2%).(EMERGENCY
6 CERTIFICATE ATTACHED)

7 MS. EVANS: What is the
8 recommendation of the Chair for the
9 Committee on Finance?

10 MR. JOYCE: As Chairperson for the
11 Committee on Finance, I recommend final
12 passage of Item 7-B.

13 MR. MCGOFF: Second.

14 MS. EVANS: On the question? Roll
15 call, please?

16 MS. MARCIANO: Mr. McGoff.

17 MR. MCGOFF: Yes.

18 MS. MARCIANO: Mr. Loscombe.

19 MR. LOSCOMBE: Yes.

20 MS. MARCIANO: Mr. Joyce.

21 MR. JOYCE: Yes.

22 MS. MARCIANO: Mrs. Evans.

23 MS. EVANS: Yes. I hereby declare
24 Item 7-B legally and lawfully adopted. If
25 there is no further business --

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MR. MCGOFF: Before we adjourn I wish our colleague well and hope that he recovers quickly.

MS. EVANS: Thank you, Mr. McGoff.

MR. JOYCE: Yes.

MS. EVANS: If there is no further business, I'll entertain a motion to adjourn.

MR. JOYCE: Motion to adjourn.

MS. EVANS: This meeting is adjourned.

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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