

CITY OF SCRANTON PUBLIC HEARING

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

IN RE: FILE OF THE COUNCIL NUMBER 78
2019, APPROPRIATING FUNDS FOR THE EXPENSES OF
THE CITY GOVERNMENT FOR THE PERIOD COMMENCING
ON THE FIRST DAY OF JANUARY, 2020 TO AND
INCLUDING DECEMBER 31, 2020, BY THE ADOPTION OF
THE GENERAL CITY OPERATING BUDGET FOR THE YEAR
2020.

HELD:

Monday, November 25th, 2019

LOCATION:

Council Chambers
Scranton City Hall
340 North Washington Avenue
Scranton, Pennsylvania

MARIA McCOOL, RPR
OFFICIAL COURT REPORTER

1 MR. PERRY: Roll call, please.

2 MS. CARRERA: Mr. Perry.

3 MR. PERRY: Here.

4 MS. CARRERA: Mr. Donahue.

5 MR. DONAHUE: Here.

6 MS. CARRERA: Attorney Dempsey.

7 ATTY. DEMPSEY: Here.

8 MS. CARRERA: Mr. Gaughan.

9 MR. GAUGHAN: Here.

10 MS. CARRERA: Mr. Rogan.

11 MS. REED: The purpose of said
12 public hearing is to hear testimony and discuss
13 the following: FILE OF THE COUNCIL NUMBER 78
14 2019 APPROPRIATING FUNDS FOR THE EXPENSES OF
15 THE CITY GOVERNMENT FOR THE PERIOD COMMENCING
16 ON THE FIRST DAY OF JANUARY, 2020 TO AND
17 INCLUDING DECEMBER 31, 2020, BY THE ADOPTION OF
18 THE GENERAL CITY OPERATING BUDGET FOR THE YEAR
19 2020.

20 MR. PERRY: I just want to remind
21 speakers that you'll have five minutes today to
22 make comments on the budget. As per rules of
23 Council, if you have any questions we ask that
24 you please submit them in writing in order for
25 them to be properly answered.

1 With that being said, I know our
2 office already received questions in writing
3 that will be taken care of. And I, myself
4 tonight will be taking notes for all the
5 speakers of questions you would have; and I'll
6 do my best to translate them and get answers
7 from the administration during our public
8 caucus on December 4th. So with that said,
9 I'll call the first speaker, Fay Franus.

10 MS. FRANUS: Fay Franus, Scranton.
11 First off, I want to start with the garbage
12 fee. I know this isn't a done deal yet. But I
13 just want to voice my opinion about this. I
14 think it's outrageous. From what I understand
15 from what Mr. Rogan said last week that the fee
16 is going to be \$250 which is very good.

17 But it was very conveniently left
18 out of the newspaper saying that if you have an
19 apartment building the landlord only has to pay
20 for one unit. In other words, if you have an
21 apartment with six apartments in it, the
22 landlord only pays \$250 and all the other
23 tenants don't have to pay any garbage fee at
24 all.

25 So I live in a block where six

1 families don't even pay their garbage fees,
2 delinquent. And there's about 11 apartments in
3 my block. So those 11 families won't have to
4 pay for their garbage fee. So I would like to
5 know how you can justify -- I'll speak about
6 this in the regular meeting too because I want
7 answers on this.

8 How can you justify saying some
9 people have to pay and some others don't? And
10 you know many of these families have much
11 garbage. Another thing, the landlords, it's up
12 to the landlord and it's up to the tenant.
13 It's between them. But many landlords raise
14 their tenant's rent to make up for the garbage
15 fee that they have to pay, the City, they have
16 in years, all the years past.

17 Okay, so many of these tenants have
18 their rents raised. Are they going to get
19 their money back? I don't think so. So
20 there's another issue.

21 And then Mr. Rogan stated that how
22 we're going to make up for this. They'll never
23 make up for all the apartments in this City
24 that you're losing the garbage fee money, \$250
25 from each family. You'll never ever make it

1 up.

2 He said they're going to make it up
3 by making the businesses pay the garbage fee.
4 But the businesses don't have the City pick up
5 their garbage. They have public -- private
6 contractors. So they're paying the private
7 contractors to pick up their garbage.

8 So why would they ever have to pay
9 the \$250 fee for the City when the City is not
10 going to be picking up their garbage? That is
11 double taxation. That's double paying. I
12 mean, somebody better straighten that one out
13 too because that's -- I would think that's
14 illegal.

15 I also think it's illegal that the
16 people in single homes have to pay their
17 garbage fee but 90 percent of the other people
18 in apartments don't have to.

19 Now, Chief of Staff -- another thing
20 about this budget, it's not like the budgets of
21 years ago. You just put things -- oh, amnesty
22 for the garbage fee. What does that mean?
23 I'll ask that at 6:00. Are you going to let
24 the people that owe delinquents off of the
25 money they owe? Or how is that going to work?

1 That I want an answer to, if not in motions,
2 whatever.

3 And I could see hiring a company to
4 collect the money, in other words pay the City
5 millions of dollars and then they go and
6 collect the fee. That makes sense because the
7 City's going to be getting money, but amnesty,
8 no, no, no, no.

9 Now, Chief of Staff, we hired a
10 Mayor. We did not hire a Chief of Staff. This
11 is a distressed city. I see no reason
12 whatsoever for a Chief of Staff. I'm sure
13 Mrs. Cagnetti can handle being a Mayor without
14 a Chief of Staff. And I think if you even
15 consider this -- you can't keep on creating
16 positions or giving people what they want just
17 because they want it and put it on the
18 taxpayers to pay for it.

19 You just can't keep doing this. So
20 I don't know what you're going to do with this
21 budget. And I also think that the police and
22 firemen's contract, somebody should look at
23 that for the budget. That should be online.
24 But yet it isn't. Why isn't it? It's public
25 record.

1 You know, they said they weren't
2 going to go over \$400,000 in the budget last
3 year. They went to \$800,000. So they didn't
4 live up to their end of the contract. But we
5 lived up to our end. They're getting what we
6 told them we were going to do and we did.

7 But they're not living up to their
8 end. What are the consequences if they don't
9 live up to their end of the deal? Another
10 thing in the budget, 39 percent healthcare
11 increase the taxpayers are going to pay? The
12 taxpayers are going to pay to increase their
13 healthcare 39 percent, nice.

14 That should be looked at as well.
15 There's so many things that should be looked
16 at. But I'll let Marie and other people talk
17 and I'll talk again. But please consider
18 these -- that 250, the tenants not paying is
19 absolutely unfair to everybody else. It
20 shouldn't be happening.

21 MR. PERRY: Thank you. Our next
22 speaker is Norma Jeffries.

23 MS. JEFFRIES: Good evening, Norma
24 Jeffries, Scranton resident. And I'm not sure
25 if I'm out of order here. But I'm sure you'll

1 let me know. I was planning on speaking at the
2 6:00 about KNS Engineering. And one of the
3 things that I was reading as I looked at the
4 letter was that they suggested that we add to
5 the personnel staff because there's 1.5 people
6 that are employed by the staff to put up the
7 street signs.

8 So I was wondering if the budget for
9 2020 included personnel staff. I tried to pull
10 it up online but my computer just wasn't acting
11 right. So I wasn't able to look and see if
12 that additional personnel to handle the
13 replacement of the street signs and the traffic
14 if that was included in the 2020 budget.
15 That's all I have.

16 MR. PERRY: Okay, so just to be
17 clear, we'll look into and ask the
18 administration if there's been budget
19 arrangement for the increase of staff in order
20 to implement the signing program.

21 MR. GAUGHAN: As far as I could tell
22 there is not.

23 MS. JEFFRIES: I'll speak later on
24 it then.

25 MR. GAUGHAN: Okay.

1 MR. PERRY: Our next speaker is
2 Marie Schumacher.

3 MS. SCHUMACHER: Marie Schumacher,
4 first, I'll vent a little bit. I notice one of
5 our issues is the value of our real estate land
6 is down 2.0 roughly, 2.2 million and the
7 investments 9.9 million all through the boards.

8 And again, this body -- this City
9 has a right to sit in on all of those meetings.
10 And the failure of you people to not make sure
11 that somebody is down there for every one of
12 those hearings to see if you agree, it's going
13 to keep going because unless there's a
14 reassessment, a general reassessment which will
15 take some time, but we really need to get on
16 board with that.

17 Okay. Now, I'd like to know what
18 happens to the local taxes because thank you,
19 President Trump, the stock market has been
20 going up and up and so we have a healthier
21 pension fund. And there is a threshold of
22 funding for the pension board at which time we
23 can no longer collect a triple LST, local
24 service tax.

25 So if we should reach that next

1 year, what is the -- what is going to take that
2 to fill that hole? I think we need to know
3 that. And then again, on the revenue from the
4 permits, it just seems to me that the fees, the
5 revenue should be coming up a whole lot more
6 than they are now that former Mayor Courtright
7 is not having his hand -- he's taken his hand
8 out of the cooky jar. So I would think that we
9 would have higher permit revenue.

10 Next, Chief of Staff in the Mayor's
11 office, I would certainly take that out.
12 Number one, we have a strong mayor and this
13 just -- save a few minutes for later. It would
14 be helpful if this board as their last action
15 this year set up a review of our Home Rule
16 Charter. It's long overdue.

17 And the way it is now, it's a strong
18 Mayor. And we should not have to need a Chief
19 of Staff for the Mayor's office. And I think
20 it's insulting to the incoming Mayor,
21 especially since she's a woman. I mean, to me
22 what that says is, oh, sorry, sweetie, you
23 can't do it by yourself. You're going to need
24 help. We'll get you a nice man in here who
25 will help you. And I don't think she needs

1 that. I don't think any woman who's trying her
2 best needs that.

3 And what is the debt plan? Have we
4 come up with any -- we're paying our debt I
5 understand that. But aren't we supposed to be
6 doing according to the Exit Plan -- what's the
7 status of that? Oh, you can't. I'm sorry.
8 It's a hearing you can't -- and I'm somewhat
9 concerned.

10 I'd like to hear a lot more about
11 the program to sell the delinquent trash fees
12 and also more information on who is proposed to
13 have amnesty out of that same list.

14 And then I would like to know I
15 couldn't find it. And I must admit I read
16 wrong -- I missed the legal notice last
17 Wednesday, which is highly unusual for me. But
18 I managed to do it. And then I looked this
19 morning and I go, oh, my gosh, 5:15 tonight. I
20 haven't even pulled it up.

21 So, you know, I got the little guy
22 off to school and then I hit it a little bit
23 and I didn't get too far. But I didn't find --
24 and it may be in there. But I didn't find what
25 the other postemployment benefit trust fund,

1 how that is going to be funded. So I would
2 like to know that.

3 And then it does make a nice
4 statement about stormwater management programs
5 are a threat to our budget. It shouldn't be at
6 this point in time. I'll finish up some more
7 later maybe. Thank you.

8 MR. PERRY: Thank you. That's all
9 the names on the sign-in sheet. Is there
10 anybody else who would like to address Council
11 during this hearing?

12 MS. HODOWANITZ: Joan Hodowanitz. I
13 just got to say this, welcome back, Tim. Where
14 have you been?

15 MR. PERRY: I had no voice. I'm
16 just starting to get it back. Thank you.

17 MS. HODOWANITZ: Okay. I'm glad to
18 see you back. This is going to be a
19 duplication of much of what I said last week
20 and much of what's been said here. But I'll do
21 it anyway. I want to know about the decrease
22 in real estate land and improvement values that
23 went down a total of 12 million dollars or 3
24 percent. What measures other than reassessment
25 will reverse this trend?

1 On stormwater management, why don't
2 I see any numbers in the budget? I see a
3 reference in the narrative, no numbers in the
4 budget for a second year in a row. So you're
5 not going to spend any money on stormwater
6 management in all of 2020 is what you tell me.

7 Refuse revenue, I'm still unclear
8 how this is going to work. I understand it's
9 going to -- the tax is going to be applied to
10 each parcel of land. But if on a parcel of
11 land you have an apartment housed with four
12 units, how does that work? Is that a thousand
13 dollars or 250? You need to clarify that.

14 The payroll preparation tax I'm
15 still unclear on that. I was under the
16 impression that both the school district and
17 the City have to opt for the payroll
18 preparation tax. Can the City do it by itself?
19 I hope you're going to do it because I think
20 it's the right way to go.

21 And what happens after we come out
22 of distressed status? How long until we have a
23 \$156 LST if we come out in August; isn't that
24 changed?

25 MR. PERRY: We've asked that

1 question before. And I believe the answer is
2 it doesn't really have any affiliation with Act
3 47. It has to do with the underfunded pension
4 fund. So as long as our pension fund is deemed
5 underfunded then we're allowed to access that,
6 apply for that every year and apply that money
7 towards pension funding.

8 MS. HODOWANITZ: This is the --

9 MR. PERRY: Yes.

10 MS. HODOWANITZ: -- LST tax? Not
11 the local services tax. I'm talking about the
12 \$156 emergency service tax, okay. I didn't
13 understand the increase in interfund transfers
14 from 4.1 million to 9.3 million, nothing in the
15 narrative.

16 Again, tell me about the non
17 resident wage tax going from 520,000 to
18 \$100,000? No explanation. Miscellaneous
19 revenues, what asset are we selling under sale
20 of assets for 2.2 million dollars? Nothing in
21 the narrative on that.

22 Mayor's office again on the Chief of
23 Staff, how much money is set aside for this
24 optional salary? I didn't see that anywhere.
25 The increases in healthcare in the unions, the

1 narrative says because they were underbudgeted
2 in 2019.

3 I want a better explanation on that
4 how did that get underbudgeted? Information
5 technology, I still want to know why they need
6 quote/unquote another dedicated vehicle in a
7 three man department. That doesn't make sense.
8 And their pay increases, \$7,000 to the director
9 and \$5,000 to each of its two subordinates.

10 That's a lot of money when the
11 Controller is flat at \$40,000, which is much of
12 what some of the secretaries make, your
13 controller who's a seasoned internal watchdog,
14 fiscal watchdog you're going to pay that
15 position only 40 grand. I don't understand.

16 And finally the Bureau of Fire is
17 going from 124 personnel to 139. Why are they
18 increasing by 15 personnel? I didn't see
19 anything in the narrative to explain that.
20 Thank you. And you have copies of my
21 questions.

22 MR. PERRY: Thank you very much. Is
23 there anybody else that would like to address
24 Council this evening? Okay, if not, I'll call
25 this public hearing to a close. Thank you.

C E R T I F I C A T E

1
2
3 I hereby certify that the proceedings and
4 evidence are contained fully and accurately in the
5 notes taken by me of the above-cause and that this copy
6 is a correct transcript of the same to the best of my
7 ability.

8
9
10 _____
11 Maria McCool, RPR
12 Official Court Reporter
13
14
15
16
17
18
19
20

21 (The foregoing certificate of this transcript does not
22 apply to any reproduction of the same by any means
23 unless under the direct control and/or supervision of
24 the certifying reporter.)
25