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SCRANTON CITY COUNCIL MEETING

HELD:

Tuesday, July 19, 2011

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

PAT ROGAN, VICE-PRESIDENT

ROBERT MCGOFF

FRANK JOYCE

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

KATHY CARRERA, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

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

3 MS. EVANS: Roll call, please.

4 MS. CARRERA: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. CARRERA: Mr. Rogan.

7 MR. ROGAN: Here.

8 MS. CARRERA: Mr. Loscombe.

9 MR. LOSCOMBE: Here.

10 MS. CARRERA: Mr. Joyce. Mrs.

11 Evans.

12 MS. EVANS: Here.

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

14 AGENDA FOR THE CITY PLANNING COMMISSION  
15 MEETING TO BE HELD JULY 20, 2011.

16 MS. EVANS: Are there any comments?

17 If not, received and filed.

18 MS. EVANS: Clerk's notes?

19 MS. KRAKE: We don't have any  
20 tonight, Mrs. Evans.

21 MS. EVANS: Thank you. Do any  
22 council members have announcements at this  
23 time? Then we shall proceed to Fourth  
24 Order. Our first speaker this evening is  
25 Les Spindler.

1 MR. SPINDLER: Good evening,  
2 Council. Les Spindler, city resident and  
3 taxpayer.

4 MS. EVANS: Good evening.

5 MR. SPINDLER: Last week council  
6 took a vote not to have people swim at Nay  
7 Aug. Mr. McGoff voted against it. It means  
8 he doesn't want kids to swim free. People  
9 with four or five people in their families I  
10 guess he thinks they -- it's okay for them  
11 to pay all of that money, and then in the  
12 paper he makes a comment, "Free swimming --  
13 the city has free swimming elsewhere."

14 Novembrino is closed. Capouse  
15 Avenue is closed. Where is there free  
16 swimming, Mr. McGoff? You have to pay to go  
17 to Nay Aug. Where are people from West  
18 Scranton going to swim for free?

19 MR. MCGOFF: There are three pools  
20 open.

21 MR. SPINDLER: In West Scranton?

22 MR. MCGOFF: In the city. I didn't  
23 say which pool.

24 MR. SPINDLER: Well, the poor  
25 children of West Scranton won't be able to

1 get to wherever else there is free swimming,  
2 and it seems like the Novembrino pool they  
3 are catering to all of the young children  
4 and they don't care about the teenagers. If  
5 they are going to close one of the pools  
6 there and put a splash park in they should  
7 close the smaller pool and leave the big one  
8 open for bigger teenagers. This city  
9 doesn't do anything right.

10 I read in the Doherty newsletter  
11 where this Thursday is the mayor's  
12 conference in our city, I wonder if the  
13 mayor is going to give all of the other  
14 mayors a tour of our beautiful downtown with  
15 all of the empty store fronts and the two  
16 huge eyesores on Linden Street. That will  
17 be a real site for the mayors to see. Makes  
18 me real proud for the other mayors of the  
19 city of the country to see those two young  
20 eyesores. They should just fill those  
21 things in instead of having the trees  
22 growing.

23 Next, in the paper the other day  
24 with the shale commission is going to  
25 suggest to the governor that they tack fees

1 on the gas companies, and never mind we have  
2 something that Bob Bolus has coming here for  
3 years and said, that council should look  
4 into an impact fee on the leachate coming  
5 from the landfill. I mean, if the state  
6 could put an impact fee onto the gas  
7 companies I think council should look into  
8 what Mr. Bolus was talking about. We are  
9 always looking for extra sources of revenue,  
10 I mean, that could be a good idea. If the  
11 state could do it, maybe we could do it.

12 This isn't the first time I heard  
13 this, but I heard Sunday night there were  
14 four police officers to cover our whole  
15 city, Sunday night, and it's just -- this is  
16 just unbelievable. I mean, we are not New  
17 York City, but this is a fairly big city for  
18 four police officers to cover. If there is  
19 a dangerous situation going on, God forbid,  
20 somebody with a gun or whatever, four police  
21 officers cannot handle it.

22 I mean, Chris Doherty is closing our  
23 fire companies, he won't hire police  
24 officers, he doesn't give a darn about the  
25 people of the city, all he cares about it is

1 management rights and he doesn't care about  
2 the public safety of this city and this is  
3 wrong. There is going to be a tragedy in  
4 this city, one way or the other, I don't  
5 want to see that, but it's a darn shame and  
6 if somebody bad does happen it's all Chris  
7 Doherty's fault. This is just ridiculous  
8 that we have police officers on a night  
9 shift when most of the crime is happening  
10 and I have heard that many times, it's a  
11 darn shame.

12 Last week I came and spoke about the  
13 Rockwell Avenue Bridge which I noticed was  
14 on the DohertyDeciet website about two weeks  
15 ago and just today it was the Doherty  
16 newsletter, a/k/a the Times-Tribune. This  
17 paper is late on everything. They posted  
18 the story a month late about the Sewer  
19 Authority worker fired for using Sewer  
20 Authority equipment, now they are a few  
21 weeks late on the Rockwell Avenue Bridge,  
22 maybe they should go to DohertyDeciet.com  
23 and get their news from there. They would  
24 get it more on time.

25 Lastly, will council be back from

1           their break on September 6? That's the day  
2           after Labor Day?

3                     MS. EVANS: Yes.

4                     MR. SPINDLER: Okay, because Glenn  
5           on DohertyDeceit.com posted that you won't  
6           be back until September 13, and I figured  
7           that was wrong.

8                     MS. EVANS: Well, I believe council  
9           has always traditionally returned to the  
10          first meeting after Labor Day, so that  
11          would --

12                    MR. SPINDLER: He must have this  
13          council confused with the Judy Gatelli  
14          council that always took days after holidays  
15          off. So, Glenn, you better get with the  
16          program. This is a different council.

17                    One last comment, big story today  
18          about the hospital being sold and  
19          CMC-Geisinger and how this will effect the  
20          city, but I was glad to see the same company  
21          that bought Mercy is buying Moses Taylor and  
22          that will add to the tax base of our city  
23          again, so that's a good thing. Finally some  
24          good things are starting to happen maybe and  
25          get some taxes coming into this city.



1                   And just in case I don't make it  
2                   next week, I know next week is the last  
3                   meeting before the break, again, I want to  
4                   announce August 12 and 13, Friday and  
5                   Saturday, is the Tripp Park picnic put on  
6                   the by the Tripp Park Neighborhood  
7                   Association at the Tripp Park Community  
8                   Center, 2000 Dorothy Street, and thank you  
9                   for your time.

10                   MS. EVANS: Mr. Spindler, at what  
11                   time?

12                   MR. SPINDLER: You know what, I'm  
13                   not sure, but laster year it was six to ten,  
14                   so I'm sure it's probably in this same time  
15                   slot.

16                   MS. EVANS: Thank you. Bill  
17                   Jackowitz.

18                   MR. JACKOWITZ: Good evening,  
19                   Council. Bill Jackowitz, South Scranton  
20                   resident, Taxpayers' Association member.  
21                   Times-Tribune, our opinion, 15 July 2011.  
22                   If the parade of crooked public officials  
23                   from Northeastern, Pennsylvania, who have  
24                   paraded in the Federal Court have performed  
25                   a public service, it has been demonstrated

1 conclusively that secrecy breeds corruption.  
2 I still remember the caucus and meetings in  
3 the city council secretary's office that the  
4 past council presidents were so proud of.  
5 Reminded me of six sardines packed into a  
6 can.

7 The state has passed a state law  
8 that all state spending to be posed on-line.  
9 Maybe the Honorable Mayor Doherty should  
10 generate legislation that all city and  
11 Authority spending should be posted on-line  
12 and made public. But then again, the  
13 honorable Mayor Doherty will not even make  
14 himself public. 37 states make all its  
15 revenue and spending data readily available,  
16 it's time for the city to following suite.

17 An act or instance of working or  
18 acting together for a common purpose or  
19 benefit. Joint action. More or less active  
20 assistance from a person, organization.  
21 Willingness to cooperate, joint operation or  
22 action. Assistance or willingness to  
23 assist, definition of cooperation, something  
24 that Councilman McGoff advocates, but in my  
25 opinion, does not practice. Otherwise, he

1 would have found a way to bring the  
2 Honorable Mayor Doherty and the city council  
3 together along with the appointed city  
4 authorities. Problems would have been  
5 resolved and solutions found, instead, we  
6 have the same old political nonsense without  
7 any solutions, there are more arguments than  
8 failures.

9 We are building a better Scranton by  
10 creating new jobs and investing in our  
11 infrastructure, attracting new businesses  
12 and supporting our existing ones. It's a  
13 plan to build or future today so we are  
14 ready for the challenges that tomorrow may  
15 bring. Chris Doherty, Honorable Mayor of  
16 Scranton, City of Scranton web page.

17 Number one, creating now jobs. The  
18 mayor himself takes credit for 9,000 new  
19 jobs. We are just unable to locate the jobs  
20 or the honorable Mayor Doherty for that  
21 matter.

22 Number two, investing in our  
23 infrastructure. Just drive around the city,  
24 potholes, crumbling bridges, vacant  
25 overgrown lots or condemned buildings. We

1 just recently had three new holes opened in  
2 Scranton. At one time they were swimming  
3 pools, now they are just empty holes.

4 Number three, attracting new  
5 business. Just drive down the 500 block of  
6 Lackawanna Avenue, \$29 million of empty new  
7 buildings and across the street another  
8 empty building, used to be a restaurant, all  
9 built with taxpayers' money.

10 Number four, supporting our existing  
11 business. Just ask Buona Pizza and Coney  
12 Island how much support they received from  
13 the Honorable Mayor Doherty.

14 Number six, Honorable Mayor Doherty,  
15 your plan has not worked. The time has come  
16 for you to start cooperating. Maybe you and  
17 Councilman McGoff can work on a new plan so  
18 that the City of Scranton can face the  
19 challenges of tomorrow.

20 Business Weekly, best place to raise  
21 kids. Bring the checkbook so your kids can  
22 swim at Nay Aug Park for \$4 a day because  
23 two of the three pools have being closed.  
24 One member of the Parks and Recreation  
25 Authority was quoted as saying, "The fee to

1 swim at Nay Aug Park is necessary to keep  
2 the riffraff out of the pool, "five years  
3 ago.

4 Best place to raise kids. Last week  
5 Councilman McGoff stated that any  
6 identifiable group would receive a discount  
7 if they had 251 swimmers. I called Parks  
8 and Recreation on Thursday 14 July 11 and  
9 again today and spoke with the secretary who  
10 was very adamant that there are no  
11 discounts. Also, Mark Dougher told me that  
12 there would be no discounts for 2011 at Nay  
13 Aug for swimming.

14 The secretary also questioned where  
15 Councilman McGoff received his information  
16 because she stated, "I have been telling  
17 everyone who asked about a discount that  
18 there was no discounts this year."

19 I also had four other people call  
20 and they all got the same response. Makes  
21 me wonder, our group was identifiable by  
22 ages of six through 15. How much more  
23 identifiable do you need? Spoke with three  
24 qualified persons who applied for lifeguard  
25 positions within the Parks and Recreations

1           this year, all three were not hired and are  
2           currently working at other pools in the  
3           area.

4                         Forbes, Scranton is ranked 30th as  
5           one of America's fastest recovering cities.  
6           They forgot to mention that Scranton has  
7           been distressed for 19 1/2 years and that  
8           the Recovery Plan expired in 2005. We have  
9           no recovery, no cooperation or future for  
10          that matter. We do have 3.4 percent wage  
11          tax, one of the highest in the states. We  
12          do have the highest unemployment rate in the  
13          state. We do have the lowest per capita  
14          income rate in the state, and also the  
15          lowest median family income in the state.  
16          We have an honorable mayor who wanted to be  
17          governor, lieutenant governor or state  
18          senator, I'm almost finished, so he could  
19          leave the city, but he was rejected by the  
20          voters of Pennsylvania and remains as the  
21          honorable mayor of Scranton along with his  
22          admitted rubber stamper, Councilman Robert  
23          McGoff.

24                         If there are no discount rate for  
25          swimming at Nay Aug Park, let's just look at

1 the figures. Let's say 500 people a day at  
2 \$4 equals \$2,000 a day swimming, season  
3 approximately six weeks, 42 days, that's  
4 2000 times 42, equals \$84,000 that they will  
5 bring in at \$4 a day, and that's using very  
6 conservative figures of only 500 people a  
7 day.

8 I hope the Parks and Recreation  
9 Authority and the departments are keeping  
10 good records. This is all cash money. I  
11 could not get an exact amount of the day  
12 from Parks and Recreation, they said it's  
13 based on availability of lifeguards, that's  
14 why I can't give you a closing date. Also,  
15 could not give an exact number of swimmers  
16 on a daily basis, no records, just using  
17 free swimming events 11 as a point of  
18 reference and we only count kids. Adults  
19 pay the \$4 a day, also, so we were bringing  
20 in 500 kids to the swimming event, that's  
21 not counting adults, okay?

22 I would like to offer my condolences  
23 to Howard Ufberg's family. Howard was our  
24 biggest contributor to the Kids Swim Free  
25 Program. He went as far as to offer

1 discounts on school uniforms to the families  
2 who attended the free swimming event one  
3 year. Howard will be greatly missed.

4 And again, I'd like to find out are  
5 there discounts offered or are there not  
6 discounts offered? Mr. Dougher told me no,  
7 the secretary of Parks and Recreation told  
8 me no. Mr. McGoff told me yes. I would  
9 like to know, are there discounts or are  
10 there not discounts offered.

11 MS. EVANS: Thank you,  
12 Mr. Jackowitz. Ron Ellman.

13 MR. ELLMAN: Hello, Council.

14 MS. EVANS: Good evening.

15 MR. ELLMAN: Tonight I think I'll  
16 stick to the subject, that being Scranton.  
17 People mentioned that I get off the subject  
18 a lot. Across the street and down the block  
19 is a fellow that is extremely mentally  
20 challenged. He shouldn't be by himself  
21 really, his mother died a couple of years  
22 ago and he has gone downhill just terrible.  
23 He will cross the street and doesn't look  
24 and walks the street day and night and he  
25 sits in a park bench. I mean, you know, he



1 is just -- the poor soul, he used to talk to  
2 me and Roseanne but he doesn't come by for a  
3 couple of years now.

4 Oh, I don't know about a month ago I  
5 was sitting on the porch and he puts some  
6 dishes outside, they were real bright  
7 colored, and I noticed them and a couple of  
8 seconds the woman next door run over, picked  
9 up the dishes and took them home, which I  
10 don't see a think wrong in that, you know,  
11 I'm not complaining about it. I took slugo  
12 for a walk and when I come back she had her  
13 truck parked in front of his house and was  
14 carrying boxes of stuff out. Now that's not  
15 right, but, you know, I didn't know the  
16 circumstances.

17 Last week I was cutting my hedge a  
18 little bit and here comes the truck and they  
19 carried out his freezer. Now, here is a  
20 person that can't make a sound decision  
21 anymore and these people are looting his  
22 house. The other day I think I went to get  
23 the mail or something I saw a run out the  
24 door in her bathrobe, and I don't what the  
25 deal was, I thought something might have

1           happened to him. A little while later her  
2           pickup is in front of his house again.

3                       Now, I phoned Scranton Counseling  
4           to-- you know, this isn't right. So I  
5           talked to a couple of women and they put me  
6           on hold and then hung up. I phoned back,  
7           this time I was mad and I told them I wanted  
8           to talk to someone, and I got this bimbo on  
9           the phone that told me -- actually, she  
10          wanted to know the story, and she said this  
11          is none of my concern. This is a tax -- you  
12          know, these people -- we pay taxes to  
13          Scranton Counseling to protect this man and  
14          others like him and she tells me to phone  
15          the police is what she said, it's not her  
16          concern.

17                      So I phoned the police and a very  
18          professional young guy came by and he has  
19          had experience in this before. He said this  
20          is really -- the police can't stop him  
21          because he knows -- you know, he does have  
22          enough sense to know what he is -- he is  
23          just giving everything away and they are  
24          taking advantage of him, we can't arrest  
25          anybody, but I don't see a bit of difference

1 in this case of Scranton Counseling not  
2 protecting him like they should be and that  
3 woman in Luzerne County that looted her aunt  
4 of \$100,000 or something that has been on  
5 the news. It's exactly the same as far as  
6 I'm concerned. I just can't understand why  
7 this man is not being protected, you know,  
8 and I don't what else I could do because I  
9 just feel sorry for the guy. I talked to  
10 him maybe once in awhile when I walk the dog  
11 and he is out to lunch bad.

12 Well, that's our tax dollars at  
13 work, just a big waste of money. My  
14 pharmacist is over there on Adams at the  
15 prescription shop, and I'm there a couple of  
16 times a month, and I know everybody here has  
17 seen the product of Scranton Counseling,  
18 they look like a bunch of the zombies  
19 walking up and down the street and there is  
20 people there that I could remember ten years  
21 ago that, you know, could take care of  
22 themselves and now they just don't act  
23 right.

24 Well, to change the subject real  
25 quick, I saw in today's paper what our

1           esteemed governor says it's time to raise  
2           the license plates and driver's license and  
3           everything else rather than tax  
4           multi-millionaire oil companies. That's  
5           just -- I don't know. You know how the  
6           chinese have -- they name all of the years,  
7           the year of the dragon, the year of the  
8           shrimp, this has to be the year of the  
9           worst. It just has to be. You know, we got  
10          the worst mayor the city has ever had. We  
11          got -- we got the county commissioners that  
12          are just -- they are just -- you know, they  
13          just don't care about this. We got a  
14          governor that he told everybody what he was  
15          going to do before he was elected, so, you  
16          know, we are not getting a bit of help on  
17          taxes from him and it's not just the  
18          president, it's all of Washington, we are  
19          just so far out of tune with American people  
20          it's just unbelievable.

21                    You know, like I said, it's just  
22                    coming to me real quick, this has to be the  
23                    year of the worse. I was 75 years old this  
24                    year and in my whole life I just don't ever  
25                    remember times like this. The people ask me

1           once in awhile when we are talking, the best  
2           time of my life was when President Clinton  
3           was in, and I didn't vote for him, but  
4           financially I never had it so good those  
5           years, and here Washington has just gotten--  
6           the American people have let Washington just  
7           get away from them. We don't have any  
8           control anymore what goes on. You know, I  
9           don't know. I think people ought to just  
10          put their taxes in escrow or something.  
11          Thank you.

12                        MS. EVANS: Thank you. Marie  
13                        Schumacher.

14                        MS. SCHUMACHER: Good evening.  
15                        Marie Schumacher. First, I would like to  
16                        commend the West Side Crime Watch for the  
17                        many events they held last week and it was  
18                        really-- it was really special and I know  
19                        they put a lot of work in and the heat  
20                        didn't help any. I'm sorry that I missed  
21                        the basketball scrimmage, but I had a prior  
22                        -- had to leave, but Mr. Joyce made it so I  
23                        guess he survived.

24                        MS. EVANS: Actually none of the  
25                        scrimmages occurred. No one, I think other

1 than Councilman Joyce, appeared to  
2 participate in the scrimmage, so --

3 MS. SCHUMACHER: Well, I know that  
4 the three-on-three Mr. McGoff had a death in  
5 the family and I guess Mr. Rogan was out of  
6 town.

7 MR. MCGOFF: Hold her time, I was  
8 going to do this later, I -- due to the  
9 aforementioned death in my family I was  
10 unable to be there Sunday night. I  
11 contacted Mr. Rogan and I believe he  
12 contacted the Crime Watch and cancelled us  
13 from that event, so that we were -- I was  
14 unable to participate and, therefore, my  
15 colleagues felt that they didn't want to  
16 participate if I didn't have the  
17 opportunity, so -- and I did go up there  
18 Saturday night and I apologize to the people  
19 at the little festival and --

20 MR. JOYCE: And, Mrs. Schumacher --

21 MS. SCHUMACHER: Those things  
22 happen, yes.

23 MR. JOYCE: If I could add though,  
24 my teammates weren't able to attend, I did  
25 choose to go and participate because Ms.

1 Foster from the Crime Watch Association just  
2 said show up and we'll find a team for you.  
3 Unfortunately, the heat was a little bit  
4 unbearable for everybody there, so by the  
5 time 6:00 came around on Sunday nobody felt  
6 like playing basketball.

7 MS. SCHUMACHER: Oh, okay. I had a  
8 commitment in church so I couldn't stay for  
9 6:00. I was disappointed, but now that  
10 makes me feel some better.

11 Regarding the emergency certificate  
12 and the resolution, I don't see a number on  
13 it so I don't know if that's 5-C tonight,  
14 but is the modification to allow Boscov's to  
15 stop paying both the principle and interest  
16 payments?

17 MS. EVANS: Yes, and I'm going to  
18 discuss that at length during my motions.

19 MS. SCHUMACHER: Well, I believe if  
20 it's what was proposed earlier this year the  
21 -- they also were asking us to subordinate  
22 our loan and since that loan is already  
23 significantly under water I guess that means  
24 if you all vote in favor of this resolution,  
25 although, a resolution I guess has no power

1 of law, I did check that out myself, and  
2 it's just a recommendation, so I guess it  
3 really doesn't matter, but I would hope you  
4 would vote against it because it certainly  
5 makes us almost guaranteed losers of even  
6 yet more money.

7 MS. EVANS: Well, actually, if we  
8 were to vote against this we would be  
9 immediate losers because as part of the  
10 inter-creditor agreement among the city,  
11 Steamtown Mall Partners and HUD, if the  
12 Steamtown Mall Partners were to default on  
13 their primary loan which, in fact, basically  
14 is the case here without this agreement, no  
15 junior liens, no subordinate loans can be  
16 paid, so you can either lose everything  
17 right now or you can provide the  
18 opportunity for the mall to get back on it's  
19 feet.

20 MS. SCHUMACHER: So it's lose it now  
21 or lose it later, I guess, because they are  
22 really significant, as I had the figures a  
23 couple of weeks, so that's disappointing --

24 MR. ROGAN: Mrs. Schumacher, I will  
25 also --



1 MS. SCHUMACHER: But, Mr. Joyce, I  
2 hope maybe you can provide to me the 2010  
3 and 2011 -- or 2009 and 2010 audit input  
4 delinquencies, so I can perform the  
5 comparison I'm interested in.

6 MR. JOYCE: Yes.

7 MS. SCHUMACHER: And I can certainly  
8 do that myself, and also I'm hoping during  
9 motions Mr. Loscombe will report on how many  
10 neighborhood police patrol officers have  
11 been deployed, as I requested last week.

12 And then I would like to ask, I  
13 talked a bit back probably last year about  
14 the fact that Pennsylvania's constitution  
15 does not automatically exempt nonprofits  
16 from paying property taxes, and I read the  
17 five, and I also talked about the risk of  
18 the assessment appeals and you've all  
19 reported that you're getting the assessment,  
20 the scheduled assessment appeals, and I  
21 wonder have any of those been challenged so  
22 far this --

23 MS. EVANS: Have any of those  
24 been --

25 MS. SCHUMACHER: Been challenged.

1 MS. EVANS: No, they haven't.

2 MS. SCHUMACHER: I would ask that  
3 you be on the lookout for one. I received  
4 some well-researched information from a city  
5 taxpayer and the University of Scranton has  
6 purchased two more residential properties at  
7 408 and 414 Quincy Avenue, and they are in  
8 the R-2 zoning district, and I am reading  
9 from this. The properties are adjacent to  
10 another University-owned property at 406  
11 Quincy Avenue which is also in the R-2  
12 zoning district.

13 The University recently applied for  
14 a variance to build the parking lot on 406  
15 Quincy and was denied by the Zoning Board of  
16 Appeals on May 11, 2011. The vacant  
17 property at 406 Quincy Avenue has been  
18 removed from the property tax base for  
19 several years and you can be sure that the  
20 University will request that the recently  
21 purchased vacant properties next door will  
22 also be listed as tax exempt.

23 The question on this matter is as  
24 follows: One, why is the University paying  
25 a real estate tax bill on the vacant

1 property it owns in Roaring Brook Township  
2 and not being sent a property tax bill for  
3 all the numerous vacant properties that it  
4 continues to purchase in Scranton? And I  
5 did verify with the tax collector that, in  
6 fact, they have a couple of hundred acres up  
7 in Roaring Brook that they have been paying  
8 taxes on since all of this decade, so I  
9 think, you know, maybe one of those things  
10 that you need to look into with many of the  
11 other nonprofits.

12 Frankly, that's one of the things I  
13 was hoping you would do during August is go  
14 through the nonprofits who are on the tax  
15 exempt rolls and look at them and see if  
16 they meet the five criteria of the  
17 Pennsylvania constitution and if not, get  
18 them back on the tax rolls.

19 So I'll finish this letter, and it  
20 says, "Most of the properties acquired in  
21 this tax exempt are in the residential R-2  
22 zone. As per the Scranton zoning ordinance,  
23 the University cannot utilize any of these  
24 R-2 zone vacant properties until they  
25 receive a variance from the zoning board or

1 city council rezones the area to an  
2 institutional district."

3 Since the University cannot legally  
4 use any of these R-2 properties until the  
5 proper zoning permits are obtained, all of  
6 these properties should have the same  
7 taxable status as the property the  
8 University pays real estate taxes on in the  
9 North Pocono School District. Please look  
10 into this matter before the recently  
11 acquired 408 and 414 Quincy Avenue  
12 properties are given tax exempt status.

13 MS. EVANS: Ms. Schumacher, can you  
14 submit all of that to Ms. Carrera, please?

15 MS. SCHUMACHER: I'll get copies and  
16 get them to her. Certainly.

17 MS. EVANS: Because that's something  
18 I think that most definitely we should look  
19 into.

20 MR. JOYCE: We'll absolutely look  
21 into it.

22 MS. SCHUMACHER: And I think there  
23 are many others, so I think this is the tip  
24 of the iceberg, so thank you.

25 MS. EVANS: Thank you.

1 MR. JOYCE: Thank you very much.

2 MS. EVANS: Is there anyone else who  
3 cares to address council?

4 MR. DOBRZYN: Good evening, Council.  
5 Dave Dobrzyn.

6 MR. JOYCE: Good evening.

7 MR. DOBRYZN: Citizen of Scranton,  
8 taxpayer. On the pool business, we are  
9 hammering it to death here, but if there is  
10 any way to prevent that pool from being  
11 turned into a splash park you have my full  
12 support, please, stop that grant, and I'm  
13 wondering, how much are these grants costing  
14 us in matching funds? Does anybody know  
15 that? No? You wouldn't know what these  
16 grants are costing us in matching funds?

17 MS. EVANS: Could you repeat that,  
18 Mr. Dobrzyn.

19 MR. DOBRYZN: How much say would  
20 these grants cost us in matching funds say  
21 for the swimming pool or the splash park?  
22 What would be our cut of the action or do we  
23 have to come up with any money to match it?

24 MR. ROGAN: I don't think anything.

25 MR. DOBRZYN: 20 percent, 50

1 percent, 30 percent?

2 MS. EVANS: No. These are CDBG  
3 funds.

4 MR. DOBRYZN: So we don't -- but,  
5 please, whatever you do try and put a stop  
6 to it. I'd just as soon see it stand idly  
7 for a year than see a 13 foot pool turned  
8 into a splash park. It's silliness. You  
9 are destroying the property you are not  
10 enhancing it.

11 And these hospitals, I see we have a  
12 lot of changes here and I don't know if  
13 anybody in the community has done anything  
14 with this, but be careful what you wish for,  
15 how will this affect uninsured carriers?  
16 You might see people being turned away some  
17 day from emergency rooms and so forth.  
18 Under the laws that remain, tax exempt they  
19 very to take the indigent into care and  
20 suppose they don't? Suppose it all winds up  
21 being dumped on in other hospitals or  
22 whatever or go to this place they are tax  
23 exempt, well, the next thing you know that  
24 hospital is in trouble, so I'm wondering if  
25 you are not just batting the ball around

1 here like a big pool game more or less.

2 Now, okay, the golden parrot award  
3 goes to Obama, John Baynor and Mitch  
4 McConnell for negotiating more trade packs  
5 with Panama, narco money-laundering state;  
6 Columbia shoots labor organizers, and South  
7 Korea uses North Korean labor. It's amazing  
8 how all of these so-called capitalists get  
9 along with commoners so well, as long as  
10 they don't pay a wage, I guess, which is  
11 fine.

12 And there is an assembly man from  
13 Ohio, Beckeburg, he introduced a picture ID  
14 required law for voting and he no longer has  
15 a driver's license or picture ID now because  
16 he is caught with Viagra drunk and with a  
17 professional lady in his front seat, so --  
18 and another concern I have, and it might --  
19 I see where are raising the license fee and  
20 I'm also hearing of a picture ID in the  
21 State of the Pennsylvania requirement for  
22 both, so from what I saw we are looking at  
23 about \$160 a year to maintain a driver's  
24 license, or maybe have half of that and half  
25 it would go to a registration of a vehicle

1 or whatever, but that's very concerning  
2 because voting should be free and available  
3 to everybody with a voter registration card  
4 and that's all there is to it. There is no  
5 other fair way, it's just a poll tax, so all  
6 of the above get the golden parrot. Bawk,  
7 bawk, bawk, money talks. Have a good night.

8 MS. EVANS: Thank you.

9 MR. UNGVARSKY: Good evening, city  
10 council. I'm Tom Ungvarsky.

11 MS. EVANS: Good evening.

12 MR. UNGVARSKY: I understand that  
13 the mayor wants to sell the parking meters  
14 to the Parking Authority, perhaps during  
15 motions some member of council can tell me  
16 how the Parking Authority can float a loan  
17 for ten million dollars when they are  
18 already so deeply in debt. It's easy to see  
19 why the mayor postponed having the meters  
20 rendered out or a new company take over the  
21 meters, I'm sorry, I can't think of the name  
22 of the companies.

23 MS. EVANS: StreetSmart.

24 MR. UNGVARSKY: It's easy to see why  
25 he did it. Also, several years ago I



1 counted up at least 300 apartments that were  
2 proposed to be built. The only ones that I  
3 can recall being built are probably the 300  
4 block of Penn Avenue. I have heard nothing  
5 about the St. Peter's Square, the school up  
6 on East Scranton, East Scranton Elementary  
7 School or Intermediate school, excuse me,  
8 and several others. Maybe during motions  
9 you can tell me if city council follows up  
10 on any of these.

11 Also, the Jersey Central Warehouse,  
12 what's going on with that? If anybody knows  
13 during motions you would you please tell us?  
14 Thank you.

15 MR. JOYCE: Thank you.

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

18 MR. ANCHERANI: Good evening.  
19 Nelson Ancherani, resident and taxpayer,  
20 recording secretary of the FOP, First  
21 Amendment Rights. I don't have much to say  
22 tonight, I just have a question on 7-A. I  
23 really should have been following it better,  
24 but I wasn't. 7-A, does that include the  
25 audit back or just 2010? Back years or just

1 2010?

2 MS. EVANS: I believe it's only for  
3 2010.

4 MR. ANCHERANI: Only for 2010, it's  
5 not going to include going back and looking  
6 about for that \$1.6 million?

7 MS. EVANS: No.

8 MR. ANCHERANI: Okay. I just want  
9 you guys to remember and not forget when you  
10 get back in September, it will be two and a  
11 half months before you will be getting the  
12 budget from the mayor. The federal  
13 government is struggling with trillions in  
14 debt. The city is struggling with \$310  
15 million in debt. They say we are going to  
16 have a deficit, just remember it's not your  
17 deficit, you didn't borrow from Workmens'  
18 Comp, so that's not going to be you, it's  
19 going to be somebody else's mistake or if  
20 you want to say a mistake.

21 Our money problems, like I said,  
22 \$310 million long-term debt, and we are  
23 going to pay back, and it's just the  
24 savings, 59 million in interest on that \$35  
25 million owed from the Scranton Parking

1 Authority. That's a lot of money interest,  
2 \$59 million. Just something to think about.  
3 Thank you.

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

6 MS. KRAKE: FIFTH ORDER. 5-A.

7 MOTIONS.

8 MS. EVANS: Mr. McGoff, do you have  
9 any motions or comments this evening?

10 MR. MCGOFF: Thank you. I'd just  
11 like to respond to a couple of things that  
12 were, first of all, mentioned last week and  
13 I guess I'll be beating a dead horse over  
14 the Perry Street playground grant. Someone  
15 mentioned last week that money should be  
16 spent on other projects, other council  
17 members, that money cannot be spent anywhere  
18 else. It's project specific. It can't be  
19 used for any other projects anywhere, that  
20 grant is for the Perry Street playground and  
21 for that project only.

22 The second thing, there was  
23 something mentioned last week about the  
24 rental registration program and the lack of  
25 anyone running the program. When that

1           legislation came before us, council amended  
2           the original proposal to hire a rental  
3           registration coordinator, that amendment  
4           would have required opening the budget and  
5           hiring someone to that position. At the  
6           time it was right after the Court  
7           proceedings in which the city argued against  
8           opening the budget and so it was obvious  
9           that that was not going to happen, and  
10          consequently, no one was ever hired to take  
11          care of the rental registration program.

12                   The city inspectors that were -- the  
13          housing inspectors that were rehired were  
14          not specific to -- or the positions that  
15          were put in were not specific to the rental  
16          registration program and the fact was that  
17          for whatever reason not all of the housing  
18          inspectors were working at, you know, during  
19          the course of this budget year, and  
20          therefore, no one -- the person that was  
21          trying to do something with the rental  
22          registration program was doing it basically  
23          as a second job, and consequently, nothing  
24          or very little has been accomplished through  
25          that program.

1                   It is still my belief that we need  
2                   to hire someone specific to operate the  
3                   rental registration program, whether it's  
4                   put into the budget as a salaried position  
5                   or whether it's put in as originally was  
6                   requested as a professional service on a  
7                   contingency basis, it does need someone  
8                   specific to that program if it's going to  
9                   generate the revenue that we want.

10                   Third, there was mention of the  
11                   property at the corner of River Street and  
12                   Meadow Avenue and complaints that nothing  
13                   had been done despite frequent calls to  
14                   council. That's not necessarily true. In  
15                   the past, I remember going there last summer  
16                   and having -- you know, looking at it and  
17                   having work done around that area. It is  
18                   basically, and let's start with the property  
19                   that is owned where the house is, that's  
20                   maintained very well. Yes, it's an older  
21                   house, but the property around the grass is  
22                   cut, you know, everything is taken care of  
23                   on that property.

24                   The properties adjacent to it are  
25                   basically vacant lots and unbuildable lots.

1 Yes, they are overgrown, they have been  
2 overgrown since I was a child. It's not  
3 something that's new, it's just that they  
4 are vacant lots that very little can be done  
5 to control the vegetation and trees growing  
6 on whatever else, and part of that is  
7 privately owned, part it owned by the little  
8 league, and adjacent to the entrance to 81  
9 is owned by PennDOT or maintained by  
10 PennDOT, so it's not just one owner that we  
11 are looking at, it's a number of people that  
12 are involved there that would have to be,  
13 you know, contacted to take care of that.

14 And I pass by there every day,  
15 basically and, yes, there are some  
16 situations that probably should be taken  
17 care of, but I don't -- to me it doesn't  
18 appear to be a dire emergency of any kind,  
19 but just to clear it up, things have been  
20 done in the past to maintain that area and I  
21 just wanted to make that clear.

22 As far as the Nay Aug Pool and the  
23 question about reduction of the fees, I  
24 reported was I was told. As to why, you  
25 know, a separate answer is given to Mr.

1 Jackowitz I don't know. I can't answer for,  
2 you know, someone else. I asked a question,  
3 I received an answer, and I conveyed that  
4 answer. Why it was different for  
5 Mr. Jackowitz I do not know.

6 As far as the idea of an  
7 identifiable group, I do know that I was  
8 told that identifiable group meant that you  
9 could specify who was going to be at the  
10 pool that day, you know, an approximate  
11 number and I was told that the Kids Swim  
12 Free is not an identifiable group simply  
13 because you don't know who is coming it's  
14 not under any one auspice, you know, any one  
15 particular group that is coming. It's a  
16 collection of children, you know, ages and  
17 whatever the ages are that provide for.

18 And I know Mr. Jackowitz mentioned  
19 it in an e-mail that I read about numbers, I  
20 have told been told that some people are  
21 taking -- do take advantage of the  
22 generosity of the Kids Swim for Free  
23 program, groups that would never have any  
24 intention of swimming at Nay Aug find the  
25 dates or see the dates when swimming is

1 occurring and use it as a kind of a free  
2 field trip.

3 The one person that I talked to was  
4 a collection of DayCare centers that they  
5 look at the date and they know that they can  
6 bring kids there and swim for free. They  
7 never have any intention of going to Nay Aug  
8 on any other days other than when those Kids  
9 Swim for Free days occur and so I think that  
10 the numbers on those days are probably  
11 somewhat inflated, you know, because of the  
12 fact that groups know that they can go there  
13 and swim for free.

14 I guess one suggestion that I would  
15 think, if we are looking to make an  
16 identifiable group perhaps one of the things  
17 that could be done is to partner with an  
18 identifiable group, a United Neighborhood  
19 Center or Project Hope, Friends of the Poor,  
20 somebody, Housing Authority and, you know  
21 provide that free swimming. That would be  
22 an identifiable group and perhaps, you know,  
23 if, in fact, there is a reduction for  
24 identifiable groups it could be done that  
25 way. Again, I don't know if there is or



1 not.

2 And then the last thing, last week  
3 was mentioned that members of the council  
4 had met with the mayor and business  
5 administrator, I was unaware of that  
6 meeting, I would like to know what the  
7 details were of that meeting, if there were  
8 any suggestions made by the administration  
9 or by council as far as dealing with the  
10 projected deficit and what the response of  
11 either side was, if there were proposals  
12 made and maybe someone will address that  
13 later, and that's all I have. Thank you.

14 MS. EVANS: Thank you. Councilman  
15 Rogan, any comments or motions this evening?

16 MR. ROGAN: Yes, thank you. I'd  
17 just like to apologize, there are few  
18 e-mails that I didn't get back to, I was out  
19 of town over the weekend until late Sunday  
20 and upon my return on Sunday I attended a  
21 family party and I was having a problem with  
22 my knee so I was going to the emergency  
23 room. Around 7:00 I was driving on Mulberry  
24 Street and going to Moses Taylor Hospital I  
25 noticed a very bad automobile accident. It

1 was reported in the papers. It was a van  
2 that was hit by a drunk driver, and when I  
3 went to the emergency room the people from  
4 the accident were there and, you know, they  
5 were all in tears, I felt awful for them,  
6 and then a few minutes later two Scranton  
7 police officers brought in a handcuffed man,  
8 couldn't speak English and was extremely  
9 unruly, they were about to have -- they were  
10 almost about to taser him.

11 In talking to the nurses before  
12 getting my knee taken care of, which was a  
13 minor problem, I come to find out that he  
14 was suspected of being an illegal immigrant.  
15 Mrs. Krake, would you please a send a letter  
16 to Chief Duffy asking, and I have his name,  
17 it was in the newspaper, if the person who  
18 was driving drunk and hit that family was,  
19 in fact, an illegal immigrant and if he was  
20 if he was turned over to ICE?

21 And one other fact I forget to  
22 mention, that was reported in the Scranton  
23 Times, was not only was he drunk driving and  
24 hit a family returning from an amusement  
25 park, after he hit them he fled the scene

1 and the Scranton police officers found him  
2 two blocks away hiding behind a tree. That  
3 is problem that illegal immigrants are  
4 having in this area and, unfortunately,  
5 Mayor Doherty said it time and time again  
6 that everyone is welcome in Scranton, but I  
7 would disagree. Mrs. Krake, if you could  
8 please send that letter, I will e-mail you  
9 the name, I don't want to say it over the  
10 air.

11 I have a few citizens' requests that  
12 came in: A resident requested potholes are  
13 fixed in the following areas: Corner of  
14 Coyne and Price Street, in front of 3200  
15 Coyne Avenue, and also in front of 3208  
16 Coyne Avenue. The resident states that she  
17 had called DPW over and over again and no  
18 one has ever come out in the past three  
19 years.

20 Secondly, a resident having problem  
21 with the vacant overgrown lot behind his  
22 nine unit complex and he lists the address.  
23 He said in the past he paid somebody \$1,600  
24 to cut down tall trees and clean up by the  
25 side of his property. And he has talked to

1 a couple of city inspectors months ago, but  
2 nothing was done and he hasn't received any  
3 calls back, so could we please forward that  
4 to LIPS.

5 And finally, one more for LIPS, it's  
6 a resident who informed the office to report  
7 construction that's being done in violation  
8 of the noise ordinance with prohibited  
9 tools, so if we could also send that, too?

10 I know one of the speakers mentioned  
11 the sale of the meters, and I know Mr. Joyce  
12 mentioned I think it was two weeks ago \$2  
13 million a year the city brings in?

14 MS. EVANS: 2.1, wasn't it?

15 MR. JOYCE: Roughly. Yes roughly.

16 MR. ROGAN: Well, even if we use the  
17 lower number of \$2 million, if the meters  
18 were sold for \$10 million in five years,  
19 after the five years that will be the \$10  
20 million right there every year after that  
21 would be losing out on that revenue, so that  
22 would be an additional \$2 million that would  
23 have to be either made up in cuts or made up  
24 by increasing taxes, which is something that  
25 I have said numerous times I won't do. I

1 think it's a bad plan and I don't know if  
2 the administration just plans on that being  
3 one part of a package to deal with our  
4 budgetary problems, you know. If the other  
5 parts of the package are the sale of the  
6 Sewer Authority and the privatization or  
7 reduction of the DPW maybe I would consider  
8 it, but as a standalone solution to fix our  
9 problems that's not it. We have sold away  
10 asset after asset after asset and it's only  
11 costing us more, and I will comment on  
12 agenda items when the vote comes up. Thank  
13 you.

14 MS. EVANS: Thank you, Mr. Rogan.  
15 Councilman Loscombe, do you have any  
16 comments or motions this evening?

17 MR. LOSCOMBE: Yes, thank you.  
18 First, Mrs. Schumacher, we did request -- we  
19 sent a written request for that information,  
20 we haven't received anything back yet, there  
21 is nothing in my mail box as of today. As  
22 soon as I receive it I will be in touch with  
23 you, and I will also be making a personal  
24 visit myself because I have some other  
25 issues to go over.

1 I just want to comment on the  
2 newspaper article today regarding the city  
3 bridges. Mr. Mrozinski from the Times did  
4 call me the other day or I don't remember if  
5 it was yesterday or the other day and asked  
6 me to comment. He left a voice message, but  
7 I haven't been commenting to the newspaper  
8 so I just let it go.

9 But in reading the article, just  
10 skipping down here, if you recall last week  
11 I discussed the West Lackawanna Avenue  
12 bridge, I was there with the bridge  
13 engineer, Dave Elmer from PennDOT and  
14 although he assured me that structurally it  
15 was sound, the sidewalks were in danger of  
16 collapsing and that cheek wall is ready to  
17 push out.

18 I have submitted photographs and he  
19 agreed that, you know, it was a dangerous  
20 situation, requested the sidewalks be closed  
21 off and, you know, barricades be set down  
22 below the bridge in case that section falls  
23 down and no one below would be injured.  
24 That same day I spoke personally with Mayor  
25 Doherty. Mr. Brazil was away on vacation, I

1 had left a message for Mr. Dougher to  
2 contact me, apparently Mr. Dougher had Mr.  
3 Doherty contact me and I did explain the  
4 whole scenario to Mr. Doherty as I explained  
5 last week in this meeting, but in reading  
6 the paper, I'm just skipping a few  
7 paragraphs here, it says, "A PennDOT  
8 engineer last week recommended closing the  
9 sidewalk on West Lackawanna Avenue to  
10 Councilman Jack Loscombe. After a visual  
11 review, Scranton Department of Public Works  
12 Director Jeff Brazil said neither PennDOT  
13 nor council has told him the sidewalk, which  
14 requires repair, needs to be closed. "If  
15 they recommended me closing them, I would  
16 close them absolutely, Mr. Brazil said."

17 Well, Mr. Brazil's immediate  
18 supervisor is the mayor. I spoke to him  
19 personally, he should have passed that onto  
20 him, but on top of that our city clerk does  
21 due diligence every week with our requests  
22 and we have letters that were sent out  
23 immediately to Mr. Brazil, Mr. Doherty, and  
24 our engineer, Mr. Pocius, I also spoke to on  
25 the phone that day and there is no reason,

1 here we are a week later with this situation  
2 still maintaining the same standards, no  
3 barricades. I don't know what they are  
4 waiting for.

5 But, you know, I don't know  
6 understand if it's trying to say, "I caught  
7 you" or whatever. I acted on citizens'  
8 complaints. There is no lighting on that  
9 bridge basically because of the structure,  
10 the conduit is actually broken. The only  
11 thing holding that cheek wall is two pieces  
12 of wire, two pieces of Romex wire which are  
13 going to go any day. It is a safety hazard.  
14 It may not be an immediate hazard for  
15 vehicular traffic, but the pedestrians are  
16 in danger right now and as Chairman of the  
17 Public Safety Committee I felt it was my  
18 duty to contact PennDOT, we do have, in  
19 fact, Mrs. Krake was able to present me with  
20 an inspection that was performed last year,  
21 I was believe it was November or December of  
22 last year, on that same bridge which  
23 recommended many of these repairs, but it  
24 gave the city two years to complete them.

25 The problem is, as we read down



1 here, "Mr. Mey, who is the spokesman for  
2 PennDOT, states the bridge structure is  
3 fine. He said PennDOT's engineer made the  
4 recommendations because the cheek wall which  
5 maintains and supports the sidewalk appears  
6 to be compromised."

7 He said, "PennDOT feels it has  
8 notified the city and the state officials  
9 are not sure why Mr. Loscombe called in when  
10 the city would normally have the bridge  
11 inspected."

12 Well, first of all, I guess Mr. Mey  
13 doesn't know that I'm actually part of the  
14 city officials here, so I'll introduce  
15 myself to him tomorrow, I didn't deal with  
16 him, but also further as a safety situation  
17 and I just don't understand it, but  
18 everybody was contacted and we have to do  
19 something about this.

20 I lost my train of thought, but I  
21 had some more to say on there, but we do  
22 have to address this issue, and to further  
23 advance this, Mrs. Krake, if you could send  
24 a letter to Director Brazil, if he did not  
25 read his mail from us, or maybe a phone

1 call, tell him I will be available at any  
2 time to take him and show him where the West  
3 Lackawanna Avenue bridge is and to address  
4 the situations on that bridge, and if he has  
5 any questions you can pass my cell phone  
6 number onto him, I believe he has it, and I  
7 will be willing to meet him at any time  
8 because I do believe it's a safety  
9 situation. And that's all I have to say.  
10 Thank you.

11 MS. EVANS: And thank you,  
12 Councilman Loscombe. Councilman Joyce, do  
13 you have any motions or comments this  
14 evening?

15 MR. JOYCE: I do. As we all know,  
16 the amount of funding that Scranton is to  
17 receive in Community Development Block Grant  
18 funds CDBG has been cut from what was  
19 originally projected last year. As a  
20 result, Mrs. Aebli, Executive Director of  
21 the Office of Economic and Community  
22 Development, has revised the monetary  
23 amounts that will be given to the various  
24 organizations.

25 In Fifth Order tonight, more

1 specifically, Agenda Item 5-B, I will be  
2 voting to introduce the amendment and move  
3 it along, however, I would ask that if any  
4 council members have suggestions of funding  
5 that they would like to see reinstated that  
6 differ from what Ms. Aebli submitted, if  
7 they could please contact me preferably by  
8 Saturday and we could form an amendment.

9 Also, tonight in Item 7-A we will be  
10 voting on entering into a contract between  
11 the city and the school district with Joseph  
12 Alu & Associates to perform an audit on the  
13 Single Tax Office. I would first like to  
14 reiterate that an audit of the Single Tax  
15 Office is something that is sorely needed as  
16 it has not been conducted in over a decade.  
17 I'm also pleased to see that the Scranton  
18 School District is participating in the cost  
19 associated with this audit as the Single Tax  
20 Office collects taxes for the Scranton  
21 School District as well as the city.

22 . With that being said, I also have  
23 a few citizens' requests, I know  
24 Mrs. Schumacher came up and spoke about  
25 police staffing and Mr. Loscombe stated that

1 we had sent in that request and did not  
2 receive a response, and ironically over the  
3 past week I have been contacted by several  
4 residents, primarily in the West Scranton  
5 area, inquiring about the number of the  
6 police officers that are scheduled on each  
7 shift during various days of the week.

8 I know that in the 2011 operating  
9 budget submitted by the administration there  
10 was a plan for police deployment which had  
11 specified the number of officers scheduled  
12 on each shift each day of the week. Since  
13 there were officers added back to our police  
14 force in the 2011 operating budget as  
15 amended by city council, it's only logical  
16 to think that these plans have changed.

17 With this in mind, Mrs. Krake, if  
18 you could please resend this request to  
19 Chief Duffy and ask him for a schedule  
20 indicating the number of officers on each  
21 shift during each day of the week.

22 Also, residents in the Keyser Valley  
23 section of West Scranton have informed me  
24 that the sign located on Jackson Street  
25 between South Dewey Avenue and Keyser Avenue

1           indicating that there is a traffic light at  
2           the top of the street that has been defaced  
3           with profanity. Residents report that this  
4           is becoming an eyesore in our community and  
5           would like the sign cleaned as soon as  
6           possible, and I understand that we are now  
7           being required to replace street signs so  
8           this may be a good sign to start with.

9                        This is also a request that was  
10           brought forth last year and nothing has been  
11           done as of this date. Mrs. Krake, can you  
12           please contact Mr. Brazil and ask him to  
13           have this sign cleaned or replaced.

14                       Residents in the Keyser Valley  
15           section of West Scranton have also reported  
16           that the home located across from the Keyser  
17           Valley Community Center is in subpar  
18           condition as grass and weeds have grown to  
19           over three feet high. In addition,  
20           residents report that they do believe that  
21           anyone is residing in the home and that it  
22           is abandoned. Mrs. Krake, please contact  
23           Mrs. Seitzinger and notify him of this  
24           property and ask him to address it in the  
25           best manner that he sees fit.

1 East Mountain residents residing on  
2 the 1300 block of East Elm Street continue  
3 to report the poor shape of their road. I  
4 made a request in an earlier meeting,  
5 however, the residents that I spoke to have  
6 informed me this week that no action was  
7 taken to rectify the problems on this block  
8 and, Mrs. Krake, have we received a response  
9 from Director Brazil?

10 MS. KRAKE: No.

11 MR. JOYCE: Okay, with that in mind,  
12 can you please submit this request to  
13 Mr. Brazil and ask him to address this  
14 situation promptly, if possible.

15 Also, I see we have received another  
16 notification from Rossi & Rossi, our  
17 independent auditor, indicating various  
18 delinquent items that are to be provided to  
19 the auditor by the Business Administrator's  
20 Office and, Mrs. Krake, at the previous PEL  
21 meeting was Mr. McGowan able to provide a  
22 status report regarding the submission of  
23 the overdue items to Rossi & Rossi?

24 MS. KRAKE: For the portion of the  
25 meeting I was at that topic was not

1 addressed by PEL.

2 MR. JOYCE: Okay. With this in  
3 mind, can you please ask him for a status  
4 report at the next upcoming meeting?

5 And regarding the few comments that  
6 were made earlier, I know Mr. McGoff  
7 addressed some issues that were brought up  
8 at last week's meeting, and I did bring up  
9 some of the issues that he addressed, one  
10 was rental registration and I wanted to  
11 point out that in the budget it is clearly  
12 separated -- or housing inspectors and the  
13 rental registration assistant work  
14 coordinator, the job titles are clearly  
15 separated. Whether or not the rental  
16 registration coordinator that is listed in  
17 the budget acts as a housing inspector, I  
18 believe is irrelevant.

19 If a position is in the budget and  
20 titled "Rental Registration Coordinator"  
21 they should be working on the rental  
22 registration program. This person's salary  
23 is roughly about \$35,000 plus benefits and  
24 longevity pay, so if we are paying \$50,000  
25 in total for an employee to handle this

1 program I think they should be handling the  
2 program, especially since it has been  
3 projected in the last two years to generate  
4 \$120,000 in revenue and, in fact, those who  
5 did not pay the rental registration fee will  
6 be subject to delinquencies which could  
7 create extra revenue for this year if the  
8 program was under control and not done on a  
9 voluntary basis.

10 Also, I did receive a letter about  
11 the property on the 1000 block of River  
12 Street. I did not specifically state last  
13 week to send any type of a request, I did  
14 have a chance to go up and look at the  
15 property and I do agree with Mr. McGoff's  
16 comments about the property being maintained  
17 though it is an older home. Last week I  
18 simply stated that I did receive a request  
19 from a resident on the 1000 block of River  
20 Street and that I didn't want them to think  
21 that I ignored the request and that I would  
22 be traveling to the location later on that  
23 week.

24 Also, in regard to the meeting  
25 between the administration and Scranton City



1 Council members, I was one of the  
2 individuals who met with the business  
3 administrator Ryan McGowan and other  
4 attendees at the meeting were Mr. Gervasi,  
5 the president of the Scranton Firefighters'  
6 Union, as well as Chief Duffy and  
7 Councilwoman Evans. Details of the meeting  
8 and the proposals placed forth from the  
9 administration were provided and copies, I  
10 believe, were made and to be put in every  
11 council members mailbox.

12 As far as the other items or other  
13 suggestions that were brought up during that  
14 meeting, I would be happy to discuss them  
15 with any council member privately for the  
16 mere reason that at the meeting itself, the  
17 administration requested that the contents  
18 of what was discussed during the meeting  
19 remain confidential, and that's all I have  
20 for tonight.

21 MS. EVANS: Thank you, Councilman  
22 Joyce. The only thing I would like to add  
23 to your comments regarding that meeting  
24 would have been that it was the business  
25 administrator who had requested this

1 meeting, most particularly with the Finance  
2 Chair. He also requested my attendance and  
3 because I wanted to take the first step and  
4 have a discussion, a serious discussion  
5 addressing the 2011 deficit, we attended  
6 that meeting.

7 As I mentioned last week, however,  
8 the mayor was not present at this meeting  
9 and the meeting closed with my statement  
10 that any further meetings would be held in  
11 public and that the mayor would be required  
12 to attend as well as the business  
13 administrator because the business  
14 administrator is rather an employee of the  
15 city, he is not an elected official. The  
16 mayor is an elected official, city council  
17 members are elected officials, and as such  
18 we are the individuals making the decisions  
19 and that it would behoove the mayor to be  
20 present at these discussions with council  
21 and I think Mr. Joyce has supplied the  
22 remainder of the content during his comments  
23 this evening.

24 MR. JOYCE: And also, if I might  
25 add, I have made the request for the mayor

1 and the business administrator to meet with  
2 Scranton City Council five times since that  
3 meeting occurred. Not once has the BA or  
4 the mayor even responded to any of those  
5 requests with either a yes or a no.

6 MS. EVANS: Thank you. As many of  
7 you are aware, our city is littered with  
8 abandoned and condemned properties, some of  
9 which are city-owned while many others are  
10 privately owned. Neighbors of such  
11 properties who faithfully maintain their  
12 homes and grounds, have reported to me  
13 throughout my terms as a Councilwoman that  
14 these abandoned nuisance properties are  
15 overgrown and are habitats for insects and  
16 vermin.

17 Within the Scranton Administrative  
18 Code, there are provisions for the cutting  
19 of the weeds on these properties by the City  
20 of Scranton. Article III, Section 434-25,  
21 prohibited acts, states that it shall be  
22 lawful for any person owning or holding real  
23 estate to allow or maintain on any lot  
24 within the city any growth of weeds to a  
25 height of over eight inches and such growth

1 of weeds -- or, excuse me, and such growth  
2 of weeds is hereby declared to be a nuisance  
3 injurious to public interest and public  
4 health. All grass, hedges, vines, shrubs  
5 and brush should be reasonably cut or  
6 trimmed and the trimmings removed therefrom.

7 Section 434-26, notice to cut,  
8 states that the Director of Health shall  
9 cause written notice to be served upon the  
10 owner, lessee, agent or tenant having charge  
11 of any plot or lands that weeds are growing  
12 on and that they must be cut, removed and  
13 destroyed within ten days after the service  
14 of such notice.

15 If such owner or person having  
16 charge of such lands is a nonresident whose  
17 address is known, such notice shall be sent  
18 to his address by registered mail.

19 If the address of such owner is  
20 unknown, it shall be sufficient to publish  
21 such notice once in a newspaper of general  
22 circulation in the city.

23 Section 434-27, removal by city,  
24 states that if the owner, lessee, agent or  
25 tenant fails or refuses to comply with such

1 notice, the director of the DPW shall cause  
2 the weeds to be cut out and destroyed for  
3 such purpose. He may employ the necessary  
4 labor to carry out the provisions of this  
5 section.

6 Section 438-28, lien for costs  
7 incurred by city, states that the amount  
8 expended by the DPW for the removal of a  
9 nuisance shall be certified to the city  
10 solicitor who shall cause a lien to be filed  
11 against the parcel or real estate involved  
12 to ensure the collection of the debt until  
13 paid or he may collect the same as any other  
14 debt is collected.

15 Now, I took the time to read these  
16 particular provisions of the Administrative  
17 Code aloud because for too long many were  
18 lead to believe that there was nothing the  
19 city could do to address privately owned,  
20 abandoned and condemned and nuisance  
21 properties when, in fact, there is a  
22 defining process which can and should be  
23 followed by the Departments of Licensing,  
24 Inspection and Permits, the DPW, and the  
25 city solicitor to clean up such properties.

1 I anticipate that the city  
2 departments will perform their respective  
3 responsibilities and that each property  
4 reported should be addressed within  
5 approximately four weeks time, weather  
6 permitted. When an owner cannot be located,  
7 the advertisement should be placed  
8 immediately in the newspaper for one day and  
9 within ten days thereafter the property  
10 should be cleared by the DPW and a lien for  
11 costs incurred should be filed by the city's  
12 solicitor.

13 In this way, these nuisance  
14 properties will be properly addressed for  
15 the neighborhoods and the city may realize  
16 additional revenue from the costs of the  
17 clean up, mailing, and filings of the liens  
18 among others. The city needs to do it's job  
19 and apply the code at 1606 Ash Street, the  
20 corner of Wheeler Avenue and Olive Street,  
21 four lots adjacent to 350 North Garfield  
22 Avenue, 934 Hemlock Street, the old Atlas  
23 Glass property, and the intersection of  
24 Meadow Avenue and River Street among others.

25 Next, a newspaper article published

1 on July 16, 2011, stated the following:  
2 Business administrator Ryan McGowan said the  
3 park is city owned and properly insured. He  
4 said documents showing the city's properties  
5 are properly insured had been provided to  
6 council's office. However, no such  
7 documents were provided to council.

8 In fact, a letter was sent to Mayor  
9 Doherty and Mr. McGowan on July 13, 2011,  
10 asking the cost in additional insurance  
11 premiums that would have to be paid by the  
12 city to ensure a newly proposed Perry Avenue  
13 Park, but no response was received.

14 In addition, when questioned by the  
15 Scranton Times' reporter regarding such  
16 insurance information, I responded that, no,  
17 council had not received any insurance  
18 information and to date it still has not  
19 received this information. I wish to  
20 clarify that inaccuracy contained in the  
21 Scranton Times.

22 Next, with my colleagues' agreement,  
23 I would like to send letters of support for  
24 House Bills 89 and 90, which are companion  
25 pieces, and House Bill 94 to Majority

1 Chairman Chris Ross, of the House Urban  
2 Affairs Committee where all three have been  
3 referred. House Bills 89 and 90 would  
4 remove the three-year time limit after  
5 discharge to purchase military service time  
6 that currently exists only in the City of  
7 Scranton since it is the only city of the  
8 second Class A in the Commonwealth. The  
9 military separation time limit was changed  
10 for all other municipalities throughout the  
11 Commonwealth except for those within Class  
12 2-A, specifically, Scranton.

13 House Bill 94 amends the Second  
14 Class A city code to ease the current burden  
15 of some real estate tax billing and  
16 collection procedure on taxpayers for taxes  
17 owed to the City of Scranton, the County of  
18 Lackawanna, and the Scranton School  
19 District. Real estate taxes owed to these  
20 three taxing bodies are issued by the tax  
21 office on one statement, often causing  
22 confusion to taxpayers. This legislation  
23 would eliminate any confusion by providing  
24 two separate bills, one bill for real estate  
25 taxes owed to the city and one bill for the



1 real estate taxes owed to the county and  
2 school district.

3 Additionally, this bill will oblige  
4 cities of the Second Class A to offer an  
5 installment payment option for delinquent  
6 taxpayers. This bill passed the House  
7 unanimously during the last session by a 194  
8 to 0 vote as House Bill 1942. State  
9 Representative Kevin Murphy is the prime  
10 sponsor of these three pieces of legislation  
11 which were drafted to aid the City of  
12 Scranton in doing the people's business.

13 Do I have the agreement of my  
14 colleagues to send that letter of support?

15 MR. MCGOFF: Yes.

16 MR. ROGAN: Yes.

17 MR. LOSCOMBE: Yes.

18 MR. JOYCE: Yes.

19 MS. EVANS: Thank you, gentlemen.

20 Although, the modification extension  
21 of the loan agreement with the Steamtown  
22 Mall Partners, LP, was approved by HUD in  
23 December 2010, the administration just  
24 recently sent legislation to city council on  
25 July 5, 2011, to execute and enter into a

1 modification extension of the loan agreement  
2 between the City of Scranton and Steamtown  
3 Mall Partners, LP, for a period of two  
4 years. Because the legislation raised  
5 questions from council and OECD, it was not  
6 placed on the July 12, 2011, agenda. OECD  
7 worked well with council during these last  
8 two weeks and yesterday, July 18, Attorney  
9 Hickey, who represents the Steamtown Mall  
10 Partners, finally responded to calls and  
11 questions.

12 At the same time yesterday, the  
13 Office of City Council was notified by Jason  
14 Triplet of the US Department of Housing and  
15 Urban Development that it required this  
16 legislation to be approved on July 19, 2011.  
17 As a result, emergency procedures have been  
18 followed in order to introduce and approve  
19 this legislation during tonight's council  
20 meeting.

21 I'd like to provide a summary of the  
22 background of the mall's loans and the  
23 legislation that council must consider  
24 shortly. Scranton has two outstanding 108  
25 loans with the Steamtown Mall Partners, LP.

1           The first 108 loan includes the final  
2           principle installment of \$880,000 due on  
3           August 1, 2011. The second loan has an  
4           approximate principle balance of \$2,375,000  
5           and matures on August 1, 2014. Neither of  
6           these loans, however, is considered the  
7           primary loan.

8                         Steamtown Mall Partners is currently  
9           in default on it's primary loan and has  
10          renegotiated it's loan with it's primary  
11          lender which holds a \$37 million first lien  
12          on the mall. One of the demands from the  
13          primary lender for modification of that loan  
14          is to defer all payments on secondary debt  
15          on the facility, including both 108 loans  
16          funded through the City of Scranton.

17                        In order for Steamtown Mall Partners  
18          to receive a 3 percent interest rate  
19          reduction on the primary loan, all junior  
20          debt must forego all payments of interest  
21          and principle until the primary loan matures  
22          on July 12, 2013. Equally notable, the  
23          inter-creditor and subordination agreement  
24          among the primary lender, the city, and  
25          Steamtown Mall Partners prohibits Steamtown

1 Mall Partners from making any payments to  
2 subordinate lenders as long as they are in  
3 default on the primary loan. Thus, because  
4 Steamtown Mall Partners, LP, are in default  
5 on their primary loan, no payments can be  
6 made to the city for Section 108 loans.

7 Also, Section 108 loan regulations  
8 limit the repayment period for such loans to  
9 20 years, however, the City of Scranton made  
10 a request for waiver from HUD to authorize  
11 the repayment period of the Section 108 loan  
12 with the final principle installment of  
13 \$880,000 and originally due on August 1,  
14 2011, to exceed 20 years. Thus, the  
15 financial management division of HUD granted  
16 the waiver to extend the final maturity date  
17 to August 1, 2013.

18 In the interim, the city will  
19 continue to make interest payments as due  
20 and a final balloon payment for the balance  
21 of the principle and interest will be paid  
22 on or before August 1, 2013, following  
23 payment to the primary lender and that will  
24 be made by the Steamtown Mall Partners.

25 The interest payment due on January

1           31, 2011, was paid by Steamtown Mall  
2 Partners. The interest payment for 2012  
3 will amount to a total of roughly \$10,689.  
4 The sum will be paid through CDBG  
5 allocations. I will be voting in favor of  
6 this legislation for the following reasons:

7           Number one, if the city fails to  
8 enter into this modification extension of  
9 the loan agreement, the city will be  
10 required to apply CDBG funds to the payment  
11 due, and that is now, thereby drastically  
12 depriving the city of financial resources  
13 that would otherwise be used to meet the  
14 needs of a distressed city comprised of high  
15 numbers of elderly, unemployed and poverty  
16 stricken individuals as well as public  
17 safety requirements. Our federal CDBG  
18 dollars were already cut for 2011 by  
19 Congress, and the city can ill-afford to  
20 dedicate the remaining dollars to repayment  
21 of the Section 108 loans.

22           Two, without this modification  
23 extension of the loan agreement. There is a  
24 substantial likelihood that Steamtown Mall  
25 Partners will remain in default on the

1 primary loan, thus resulting in defaults on  
2 all secondary obligations. Therefore, the  
3 city would likely never recoup it's money  
4 and the city must use it's CDBG monies  
5 starting immediately to repay those Section  
6 108 loans.

7 Number three, if the city fails to  
8 approve this modification extension of the  
9 loan agreement there will be a loss of  
10 hundreds of jobs, numerous store closings  
11 and an anchor of the downtown could be empty  
12 by year's end.

13 With it's unemployment figures  
14 higher than the state average, Scranton  
15 cannot afford to place hundreds of people  
16 into the unemployment lines. Further, our  
17 city stands to lose tax revenues if the  
18 Steamtown Mall closes.

19 I hope my colleagues will join me in  
20 taking the best financial course of the  
21 action for our city and it's people and in  
22 preserving jobs during this great recession  
23 by voting to approve the legislation  
24 tonight.

25 And in the interest of the time, I

1 will submit my citizens' requests to  
2 council's office rather than reading them.  
3 And that's it.

4 MS. KRAKE: 5-B. AMENDING FILE OF  
5 COUNCIL NO. 40, 2010, ENTITLED "AN ORDINANCE  
6 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE  
7 OFFICIALS OF THE CITY OF SCRANTON TO TAKE  
8 ALL NECESSARY ACTIONS TO IMPLEMENT THE  
9 CONSOLIDATED SUBMISSION FOR COMMUNITY  
10 PLANNING AND DEVELOPMENT PROGRAMS TO BE  
11 FUNDED UNDER THE COMMUNITY DEVELOPMENT BLOCK  
12 GRANT (CDBG) PROGRAM, HOME INVESTMENT  
13 PARTNERSHIP (HOME) PROGRAM AND EMERGENCY  
14 SHELTER GRANT (ESG) PROGRAM."

15 MS. EVANS: At this time I'll  
16 entertain a motion that Item 5-B be  
17 introduced into it's proper committee.

18 MR. ROGAN: So moved.

19 MR. JOYCE: Second.

20 MS. EVANS: On the question?

21 MR. ROGAN: Yes, on the question, I  
22 agree with Mr. Joyce, I only had a chance to  
23 glance through it, there were a few changes  
24 that I saw, but I would think it would be  
25 appropriate, but I'll get a chance to look

1 it over more over the week.

2 MS. EVANS: And if I might add, I  
3 know that Councilman Joyce and myself have  
4 been reviewing the cuts that have been  
5 submitted by OECD and council does fully  
6 expect to amend this legislation at the July  
7 26 meeting before final passage of this  
8 particular item. Is there anyone else on  
9 the question? All those in favor of  
10 introduction signify by saying aye.

11 MR. MCGOFF: Aye.

12 MR. ROGAN: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye.

15 MS. EVANS: Aye. Opposed? The ayes  
16 have it and so moved.

17 MR. JOYCE: I make a motion pursuant  
18 to the emergency certificate to place on the  
19 agenda Resolution No., with the appropriate  
20 number, of 2011, entitled, "AMENDING  
21 RESOLUTION NO. 175 OF 2003, ENTITLED  
22 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE  
23 CITY OFFICIALS OF THE CITY OF SCRANTON TO  
24 EXECUTE AND ENTER INTO A SECTION 108 LOAN  
25 AGREEMENT BETWEEN THE CITY OF SCRANTON AND



1 THE STEAMTOWN MALL PARTNERS, LP, FOR THE  
2 REFINANCING OF THE LACKAWANNA AVENUE MALL  
3 PROJECT BY AUTHORIZING THE MAYOR AND OTHER  
4 APPROPRIATE CITY OFFICIALS OF THE CITY OF  
5 SCRANTON TO EXECUTE AND ENTER INTO A  
6 MODIFICATION/EXTENSION OF THE LOAN AGREEMENT  
7 BETWEEN THE CITY OF SCRANTON AND THE  
8 STEAMTOWN MALL PARTNERS, LP, FOR A PERIOD OF  
9 TWO YEARS."

10 MR. LOSCOMBE: Second.

11 MS. EVANS: On the question?

12 MR. ROGAN: Yes. Is this vote just  
13 to put it on the agenda?

14 MS. EVANS: Yes.

15 MR. ROGAN: This is the first  
16 reading to bring it up for a vote.

17 MS. EVANS: To bring it up to the  
18 agenda tonight. All those in favor of said  
19 resolution signify by saying aye.

20 MR. MCGOFF: Aye.

21 MR. ROGAN: 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  
2 RESOLUTION NO. 175 OF 2003, ENTITLED  
3 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE  
4 CITY OFFICIALS OF THE CITY OF SCRANTON TO  
5 EXECUTE AND ENTER INTO A SECTION 108 LOAN  
6 AGREEMENT BETWEEN THE CITY OF SCRANTON AND  
7 THE STEAMTOWN MALL PARTNERS, LP, FOR THE  
8 REFINANCING OF THE LACKAWANNA AVENUE MALL  
9 PROJECT BY AUTHORIZING THE MAYOR AND OTHER  
10 APPROPRIATE CITY OFFICIALS OF THE CITY OF  
11 SCRANTON TO EXECUTE AND ENTER INTO A  
12 MODIFICATION/EXTENSION OF THE LOAN AGREEMENT  
13 BETWEEN THE CITY OF SCRANTON AND THE  
14 STEAMTOWN MALL PARTNERS, LP, FOR A PERIOD OF  
15 TWO YEARS."

16 MS. EVANS: At this time I'll  
17 entertain a motion that Item 5-C be  
18 introduced into it's proper committee.

19 MR. ROGAN: So moved.

20 MR. JOYCE: Second.

21 MS. EVANS: On the question?

22 MR. ROGAN: Yes. On the question, I  
23 wasn't on council when this bailout was  
24 passed for the mall, if I had been on  
25 council then I would have voted against it.

1           It was a bad idea then, it's a bad idea now  
2           to give them another break. I think that  
3           the people not only in Scranton but all  
4           across the country are sick of seeing big  
5           businesses get bailed out every time things  
6           get tough. We saw it with banks twice, with  
7           the auto industry, and I do not believe it's  
8           government's job to bail out businesses who  
9           have failed, and anyone who walks through  
10          the Steamtown Mall knows that it's nothing  
11          like the Steamtown Mall of five or six years  
12          ago. When the mall first opened it was one  
13          of the nicest places in Scranton to go and  
14          shop, and I try to shop in the city as much  
15          as I can, but if you go to the Viewmont Mall  
16          or the Shoppes at Montage and then you go up  
17          to the Steamtown Mall, there is a big  
18          difference. Whether this passes or not  
19          tonight I have no doubt that the Steamtown  
20          Mall, unfortunately, isn't going to make it  
21          and we are just kicking the can down the  
22          road.

23                        You know, the statement was already  
24                        made by bailing them out to begin with and  
25                        the only winner by passing this legislation

1 is the primary lender because then the  
2 primary lender will still be getting some  
3 money from Steamtown Mall Partners and Al  
4 Boscov for the remainder of the time they  
5 that the mall is open.

6 I know all of the people out there  
7 who are having trouble making ends meet wish  
8 they could get a bailout from the  
9 government, but they don't, and it's not  
10 right when these big businesses do, so I  
11 will be voting "no".

12 MS. EVANS: I just wanted to respond  
13 to some of that. This actually is not a  
14 bailout. I, too, was not on council when  
15 these loans were originated. As I said,  
16 it's a 20-year period so we are going back  
17 to approximately 1992 and what we are  
18 looking for here is not for the city to pick  
19 up the payments, but rather for the payments  
20 to be deferred until such time as we hope  
21 the Steamtown Mall will be able to make  
22 those payments, so it is not a matter of the  
23 city expending any of it's money to bail out  
24 the Steamtown Mall, but I do know this, if  
25 the city doesn't take this action, as I said

1 before, you are very likely going to see the  
2 mall close at the end of the year.

3 Now, it may well happen anyway. Am  
4 I thrilled about all of this? No. But I do  
5 know there are many lovely stores in the  
6 downtown, most of which are quite pricey,  
7 and beyond the means of the people who live  
8 in this city, and for the people, many of  
9 the people who shop in the downtown the  
10 Steamtown Mall provides the products that  
11 are affordable to them.

12 In addition to this, you know, the  
13 middle of -- and we have all been informed  
14 of this by the television and the  
15 newspapers, this recession is far from over  
16 and Scranton's unemployment rate is the  
17 highest, if not one of the highest in the  
18 State of Pennsylvania. I am not going to  
19 put people out of their jobs and on the  
20 street --

21 MR. ROGAN: We are not putting  
22 people out of their jobs.

23 MS. EVANS: -- in this. Yes, we  
24 would be.

25 MR. ROGAN: We are absolutely not.

1 MS. EVANS: Excuse me, I'll finish  
2 and then you can --

3 MR. ROGAN: It's a private business.

4 MS. EVANS: -- rebut if you would  
5 like. According to the inter-creditor  
6 agreement, and if you would read through the  
7 information you would see, that this is  
8 verified that no payments to the city will  
9 be made while that loan remains in default  
10 with the primary lender, so you will not be  
11 getting your money back, which means CDBG  
12 monies will automatically be deducted by the  
13 federal government for the City of Scranton.

14 Now, I'd like to ask you some  
15 questions, Mr. Rogan. What would you  
16 suggest we cut within the CDBG program?  
17 Police vehicles, a fire engine, street  
18 paving, blight, blight removal, help for  
19 Meals on Wheels for veterans? What are the  
20 programs that you think we can afford to  
21 give up so that we can get \$880,000 of our  
22 CDBG right now to make this payment if this  
23 council were to vote no?

24 MR. ROGAN: Once again, you are  
25 changing the subject.

1 MS. EVANS: I haven't changed the  
2 subject, this is the reality.

3 MR. ROGAN: And you also said that  
4 this happened in the 1990's, if I recall  
5 there was a vote of 2009 while we were  
6 running for council to give Boscov's another  
7 bailout.

8 MS. EVANS: And that is not what is  
9 being addressed in this legislation. We are  
10 talking about the Section 108 loans that are  
11 granted by the office of Housing and Urban  
12 Development who have overseen this entire  
13 process and have all of the information and  
14 recommend that this be done, so much so that  
15 they have set a deadline of today, so that  
16 the paperwork can be finalized by August 1,  
17 2011.

18 MR. ROGAN: Actually, the deadline  
19 was July 25, according to the emergency  
20 certificate, but either way that will be  
21 before the next meeting -- or after the next  
22 meeting.

23 Regardless of how you slice and dice  
24 it, Boscov's, the mall, Steamtown Mall  
25 Partners, LP, formerly known as the

1 Steamtown Mall, Al Boscov's mall, has been  
2 failing for years. They came back to the  
3 city in 2009. I remember an article in the  
4 newspaper, Al Boscov greased the wheels of  
5 all the local politicians with donations and  
6 he got what he wanted and he is coming back  
7 for more and it has to stop somewhere.

8 It was wrong when the federal  
9 government did with the banks and the auto  
10 companies. It's unfortunate that the mall  
11 is failing. I would love to see the  
12 Steamtown Mall full and go there every day  
13 to shop, but it's not our job as people on  
14 city council to regulate the private sector  
15 and how the mall ran their businesses.

16 Unfortunately, the competition beat  
17 them. If you go to the Shoppes at Montage,  
18 it's much busier than the mall. If you go  
19 to the Viewmont Mall it's much busier than  
20 the Steamtown Mall. It's unfortunate. I  
21 would prefer Scranton to have a mall like  
22 the Viewmont mall with all of the hustle and  
23 bustle and busy and all of the jobs, but  
24 that's not the case and it's no one fault on  
25 here that the Steamtown Mall has failed.



1 MS. EVANS: Well, in fact we are  
2 obligated as elected officials to cast a  
3 vote in this situation. We are obligated by  
4 the federal government because we have been  
5 obligated since 1992 when two Section 108  
6 loans were taken out, so you can't simply  
7 disassociate yourself from it because it's a  
8 private business. We are in the midst of  
9 this by virtue of the Section 108 loans, but  
10 again, I still haven't heard an answer on  
11 why CDBG cuts you would like to make?

12 MR. ROGAN: You if you would like me  
13 to look through the CDBG and get back to you  
14 next week, I would be glad to do that,  
15 obviously, I've not looked through it all  
16 right now.

17 MS. EVANS: Actually, we are already  
18 in the process of making cuts because, as I  
19 said, our funding has already been downsized  
20 for 2011.

21 MR. ROGAN: I'm glad as the chair  
22 for OECD I was called about that.

23 MS. EVANS: Well, actually we were  
24 hoping that as the chair for OECD this year  
25 you might actually do all of the allocations

1           that will be made, well, will be proposed  
2           for 2012, and then submit them to me.

3                   MR. ROGAN: I would be more than  
4           happy to do that work.

5                   MS. EVANS: Thank you.

6                   MR. MCGOFF: May I --

7                   MS. EVANS: I'm sorry.

8                   MR. MCGOFF: -- interject? It seems  
9           as though the Steamtown Mall has put a gun  
10          to our head again to some extent, and it was  
11          done in the past and we did vote, council  
12          did vote at the time to provide funding to  
13          the mall. Whether you agreed with that  
14          funding or not, I think it's a moot point at  
15          this stage, however, what's before us  
16          tonight does not appear to cost the city  
17          anything to vote for it. If, in fact, it  
18          was going to cost us more money, if we were  
19          going to be supplying more money, all it's  
20          asking us to do is to defer the loan for a  
21          period of two years.

22                   And I think in terms of doing what's  
23          best for the city, even though it seems as  
24          though we are being placed in a no-win  
25          situation I don't think it's a lose

1 situation. Like I said, it's not going to  
2 be a cost to the city, if it were I may  
3 agree with you that we, you know --

4 MS. EVANS: As I would have.

5 MR. MCGOFF: -- might look at it, but  
6 as it is it's a possibility that in the  
7 future we will get repaid on these as  
8 opposed to the distinct possibility that we  
9 could lose an awful lot if we don't pass  
10 this legislation, and so for me it's rather  
11 than losing a lot now, I'd rather -- I'd  
12 rather give the mall an opportunity, you  
13 know, a two-year opportunity to do what's  
14 right by the city and hopefully, you know,  
15 in two years we don't have to deal with this  
16 again, but right now as I see it it's just a  
17 -- it's a win situation as far as I'm  
18 concerned since it does not cost the city  
19 anything.

20 MS. EVANS: And just to add to that  
21 though so that the public understands, what  
22 Mr. McGoff said is correct, no moneys are  
23 affected in the city's operating budget. We  
24 are talking about CDBG moneys solely, and  
25 actually OECD would be making the interest

1 payment in 2012, and I think I said that was  
2 roughly \$10,000 versus the \$880,000 that's  
3 due by August 1e, 2011.

4 So, as Mr. McGoff said, it's not the  
5 best situation in the world and if this were  
6 costing the taxpayers, if this were coming  
7 out of the city budget I would be the first  
8 to adamantly refuse, we have a deficit, so I  
9 know there is no where to turn to find that  
10 money, but right now having been faced with  
11 constraints, downsizing from the federal  
12 government of our federal funds, and then  
13 looking to take an immediate hit of almost  
14 another million dollars there will be  
15 very little surviving in those CDBG  
16 allocations this year and next year. Is  
17 there anyone else on the question?

18 All those in favor of introduction  
19 signify by saying aye.

20 MR. MCGOFF: Aye.

21 MR. ROGAN: Aye.

22 MR. LOSCOMBE: Aye.

23 MR. JOYCE: Aye.

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

1 MR. ROGAN: I'm sorry, if you could  
2 change my vote to "no." I was completely  
3 entranced there. That's a "no" vote.

4 MS. EVANS: That's fine.

5 MR. ROGAN: I'm extremely  
6 frustrated. I apologize, Ms. Carrera.  
7 Force of habit with all these tax sales  
8 coming up.

9 MR. JOYCE: I make a motion to  
10 suspend the rules to move Item 5-C to  
11 Seventh Order to be considered for final  
12 passage based on the attached emergency  
13 certificate.

14 MR. LOSCOMBE: Second.

15 MS. EVANS: On the question? All  
16 those in favor signify by saying aye.

17 MR. MCGOFF: Aye.

18 MR. LOSCOMBE: Aye.

19 MR. JOYCE: Aye.

20 MS. EVANS: Aye. Opposed?

21 MR. ROGAN: No.

22 MS. EVANS: The ayes have it and so  
23 moved.

24 MS. KRAKE: 6-A. READING BY TITLE -  
25 FILE OF COUNCIL NO. 44, 2011 - AN ORDINANCE

1 - SALE OF TAX DELINQUENT PROPERTY MORE  
2 COMMONLY KNOWN AS 2108 PRICE STREET, TAX MAP  
3 NO. 14509-010-015, SCRANTON, PENNSYLVANIA,  
4 TO FRANCIS J. WALSH, 217 NORTH GRANT AVENUE,  
5 SCRANTON, PENNSYLVANIA, 18504, FOR THE  
6 CONSIDERATION OF \$3,500.00.

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

9 MR. ROGAN: I move that Item 6-A  
10 pass reading by title.

11 MR. JOYCE: Second.

12 MS. EVANS: On the question? All  
13 those in favor signify by saying aye.

14 MR. MCGOFF: Aye.

15 MR. ROGAN: Aye.

16 MR. LOSCOMBE: Aye.

17 MR. JOYCE: Aye.

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

20 MS. KRAKE: 6-B. READING BY TITLE -  
21 FILE OF COUNCIL NO. 45, 2011 - AN ORDINANCE  
22 - SALE OF TAX DELINQUENT PROPERTY MORE  
23 COMMONLY KNOWN AS 917 EYNON STREET, TAX MAP  
24 NO. 15609-080-035, SCRANTON, PENNSYLVANIA,  
25 TO SEAN MCGAGHRAN, 1221 EYNON STREET,

1 SCRANTON, PENNSYLVANIA, 18504, FOR THE  
2 CONSIDERATION OF \$600.00.

3 MS. EVANS: You've heard reading by  
4 title of Item 6-B, what is your pleasure?

5 MR. ROGAN: I move that Item 6-B  
6 pass reading by title.

7 MR. JOYCE: Second.

8 MS. EVANS: On the question? All  
9 those in favor signify by saying aye.

10 MR. MCGOFF: Aye.

11 MR. ROGAN: Aye.

12 MR. LOSCOMBE: Aye.

13 MR. JOYCE: Aye.

14 MS. EVANS: Aye. Opposed? The ayes  
15 have it and so moved.

16 MS. KRAKE: 6-C. READING BY TITLE -  
17 FILE OF COUNCIL NO. 46, 2011 - AN ORDINANCE  
18 - SALE OF TAX DELINQUENT PROPERTY MORE  
19 COMMONLY KNOWN AS 919 EYNON STREET, TAX MAP  
20 NO. 15609-080-036, SCRANTON, PENNSYLVANIA,  
21 TO SEAN MCGAGHRAN, 1221 EYNON STREET,  
22 SCRANTON, PENNSYLVANIA, 18504, FOR THE  
23 CONSIDERATION OF \$600.00.

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

1 MR. ROGAN: I move that Item 6-C  
2 pass reading by title.

3 MR. JOYCE: Second.

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

6 MR. MCGOFF: Aye.

7 MR. ROGAN: Aye.

8 MR. LOSCOMBE: Aye.

9 MR. JOYCE: Aye.

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

12 MS. KRAKE: 6-D. READING BY TITLE -  
13 FILE OF COUNCIL NO. 47, 2011 - AN ORDINANCE  
14 - AUTHORIZING THE VACATION OF THE RIGHT OF  
15 WAY KNOWN AS PAGE PLACE LOCATED BETWEEN  
16 THE 200 BLOCKS OF FRANKLIN AVENUE AND  
17 MIFFLIN AVENUE.

18 MS. EVANS: You've heard reading by  
19 title of Item 6-D, what is your pleasure?

20 MR. ROGAN: I move that Item 6-D  
21 pass reading by title.

22 MR. JOYCE: Second.

23 MS. EVANS: On the question? All  
24 those in favor signify by saying aye.

25 MR. MCGOFF: Aye.



1 MR. ROGAN: Aye.

2 MR. LOSCOMBE: Aye.

3 MR. JOYCE: Aye.

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

6 MS. KRAKE: 6-E. READING BY TITLE -  
7 FILE OF COUNCIL NO. 48, 2011 - AN ORDINANCE  
8 - AUTHORIZING THE MAYOR AND OTHER  
9 APPROPRIATE CITY OFFICIALS TO APPLY FOR AND  
10 EXECUTE A GRANT APPLICATION AND IF  
11 SUCCESSFUL A GRANT AGREEMENT AND ACCEPT THE  
12 FUNDS RELATED THERETO THROUGH THE BJA FY 11  
13 EDWARD BYRNE JUSTICE ASSISTANCE GRANT  
14 ("JAG") PROGRAM LOCAL SOLICITATION IN THE  
15 AMOUNT OF \$29,216.00.

16 MS. EVANS: You've heard reading by  
17 title of Item 6-E, what is your pleasure?

18 MR. ROGAN: I move that Item 6-E  
19 pass reading by title.

20 MR. JOYCE: Second.

21 MS. EVANS: On the question? All  
22 those in favor signify by saying aye.

23 MR. MCGOFF: Aye.

24 MR. ROGAN: Aye.

25 MR. LOSCOMBE: Aye.

1 MR. JOYCE: Aye.

2 MS. EVANS: Aye. Opposed? The ayes  
3 have it and so moved.

4 MS. KRAKE: SEVENTH ORDER. 7-A. FOR  
5 CONSIDERATION BY THE COMMITTEE ON FINANCE  
6 FOR ADOPTION-RESOLUTION NO. 43, 2011-  
7 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE  
8 CITY OFFICIALS TO EXECUTE AND ENTER INTO A  
9 CONTRACT BETWEEN THE CITY OF SCRANTON AND  
10 THE SCRANTON SCHOOL DISTRICT WITH JOSEPH M.  
11 ALU AND ASSOCIATES TO PERFORM THE SCRANTON  
12 SINGLE TAX OFFICE INDEPENDENT AUDIT FOR  
13 THE YEAR ENDING DECEMBER 31, 2010.

14 MS. EVANS: What is the  
15 recommendation of the Chair for the  
16 Committee on Finance?

17 MR. JOYCE: As Chairperson for the  
18 Committee on Finance, I recommend final  
19 passage of Item 7-A.

20 MR. ROGAN: Second.

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

23 MS. CARRERA: Mr. McGoff.

24 MR. MCGOFF: Yes.

25 MS. CARRERA: Mr. Rogan.

1 MR. ROGAN: Yes.

2 MS. CARRERA: Mr. Loscombe.

3 MR. LOSCOMBE: Yes.

4 MS. CARRERA: Mr. Joyce.

5 MR. JOYCE: Yes.

6 MS. CARRERA: Mrs. Evans.

7 MS. EVANS: Yes. I hereby declare  
8 Item 7-A legally and lawfully adopted. Is  
9 there anyone who wishes to address council  
10 on Item 7-B, the emergency certificate  
11 Section 108 loan agreement between the City  
12 of Scranton and the Steamtown Mall Partners  
13 legislation that has been moved to Seventh  
14 Order?

15 MR. JACKOWITZ: Bill Jackowitz,  
16 South Scranton resident. Mr. Rogan, I agree  
17 with you wholeheartedly, I disagree with  
18 your four colleagues. Again, we are bailing  
19 Al Boscov out again and in two years from  
20 now when they are -- that Mall Association  
21 is not able to pay that money guess who is  
22 going to get stuck with it? Remember the  
23 Hilton? How many times have you bailed the  
24 Radisson out? We are going to do the same  
25 thing. That mall should never have been

1 built in 1992, I was not living in Scranton  
2 at that time, that was a mistake, it's been  
3 a failure ever since 1992, and now we are  
4 going to give Al Boscov, remember when Al  
5 Boscov came here begging and crying for  
6 money and then two months later he had a  
7 report in the newspaper saying how business  
8 has improved and how much money he has made?

9 How many boats does he have? How  
10 many houses does he have? I know that's  
11 personal. Vote "no". I'm tired of bailing  
12 people out. You know, why don't we give  
13 \$25,000 to the Kids Swim Free Program?  
14 Council, approve it. If you are going to  
15 approve this then approve \$25,000 for the  
16 Kids Swim Free.

17 As far as those jobs in the mall,  
18 they are all minimum wage jobs and part-time  
19 jobs, that's what they are. We have the  
20 highest unemployment, yes, we do. We have  
21 the lowest minimum wage in the state, yes,  
22 we do. We have the lowest per capita income  
23 in the state, yes, we do. Why? Because of  
24 people like Al Boscov and now you are going  
25 to give him more money and give his

1 association more money?

2 Tear the mall down. We don't need  
3 it. It's a hindrance. It's costing this  
4 community money. Turn it into a flea  
5 market, but don't give Al Boscov any more  
6 money.

7 MS. EVANS: I just wanted to clarify  
8 that, again, we are not giving Mr. Boscov  
9 money.

10 MR. JACKOWITZ: In two years you  
11 are.

12 MS. EVANS: Any more money. This is  
13 a --

14 MR. JACKOWITZ: In two years you  
15 are.

16 MS. EVANS: Mr. Jackowitz, please,  
17 you are no longer at the podium. It's a  
18 deferment of the payments and it's  
19 certainly, like I said, not an ideal  
20 situation. Is there anyone else?

21 MS. SCHUMACHER: Marie Schumacher.  
22 I am really sorry that this is being pushed  
23 through because I think if you all have the  
24 information on just how underwater this loan  
25 is, it was just a couple of weeks ago I was

1 here and had got the figures and shared them  
2 again and how many tens of millions of  
3 dollars is owed on that primary loan as  
4 opposed to the market value of that  
5 property? It's not going to make it. In  
6 the last two years ago, two years ago we  
7 gave Al Boscov to reestablish that store, we  
8 gave from the state, we gave from the  
9 county, we gave from the city, and why all  
10 to one person? If Mr. Boscov has all of  
11 this money, and yet his money is to do what  
12 he wants, but if he is in default he can  
13 stop making some of these political  
14 contributions that he makes and pay off his  
15 debts.

16 I'm sorry, this is -- all this money  
17 going to one person is it going to be any  
18 easier to cut the CDBG funding in 2013 than  
19 it is now. I seriously doubt it. Why not  
20 bite the bullet now and be done with it and  
21 then get out of the hole.

22 MS. EVANS: Well, actually, I think  
23 there is great sense in what you are saying,  
24 but I'm hoping that in two years time the  
25 economy will have further recovered and that

1 we might see a change in Washington in the  
2 membership of Congress.

3 MS. SCHUMACHER: Well, yeah, we were  
4 sold hope a couple of years ago and what did  
5 we get. Yeah, no hope. It's bad and this  
6 is -- if you vote in favor of not biting the  
7 bullet now, it's a mistake and I'll be here,  
8 good Lord willing, in 2013 to remind you.  
9 Thank you.

10 MS. EVANS: Thank you. Is there  
11 anyone else?

12 MR. DOBRZYN: I'm in-between on  
13 this. I understand both sides of the  
14 argument, but it's always been a dream of  
15 mine to see Mr. Boscov replaced with a  
16 K-Mart or something, somebody that's  
17 successful, somebody that can pay the bills,  
18 and hopefully you people can drop a  
19 statement at least telling Mr. Boscov  
20 please, please, pay back the loans and get  
21 things going or pack it in and try to find  
22 somebody to lease to that can pay a few  
23 bills for a change, hopefully pay a wage,  
24 too.

25 I agree that it's really ashame,

1           it's a nice mall, but you go down there and  
2           there is one store closing after another and  
3           hopefully we will get our money, but like I  
4           said, I see both sides of the coin. We are  
5           stuck with the legacy that we are left with  
6           from the last generation, be it a strip mine  
7           or gold mine. Thank you and have a good  
8           night.

9                        MS. EVANS: Thank you. Is there  
10           anyone else?

11                      MR. ELLMAN: Council, I implore you  
12           not to allow this to go any further. I have  
13           been up here several times complaining, you  
14           could see this a couple of years ago this  
15           was coming. I remember last year and before  
16           the medical school was built I said  
17           something about the mall is folding up. Why  
18           can't they let the first floor stay there  
19           and use the second floor for Lackawanna  
20           College or the medical school? Do you  
21           remember I said something like that, I don't  
22           remember.

23                      But the people in the city have had  
24           enough of Al Boscov and his reluctant to  
25           give his reluctance to give us any money and



1           like Bill just said before he was bragging  
2           in the newspaper about the income for -- I  
3           think it was two years ago, but he didn't  
4           have -- we didn't get nothing out of it.  
5           This has got to stop. You people don't need  
6           to be in the loan business to start with.  
7           If he had such good credit he could have  
8           went over to one of these banks.

9                         This was an extremely bad loan just  
10           like that Michael's that all of the rest of  
11           them that were involved in. It's time to  
12           quit. Let Lackawanna College or somebody  
13           have the place. I'd rather lose some low  
14           paying jobs there than have layoffs with the  
15           city, and like you just said, where are we  
16           going to cut? We got to cut someplace and  
17           it's just time to quit with Al Boscov.  
18           Thank you.

19                         MS. EVANS: Thank you.

20                         MR. HUGHES: Madam President, if I  
21           could?

22                         MS. EVANS: Yes.

23                         MR. HUGHES: I have been though many  
24           Section 108 loans not only in Scranton but  
25           in other municipalities throughout the

1 state. One thing with Section 108 loans is  
2 there a personal guarantee of all of the  
3 partners who are involved in the loan.

4 Mr. Boscov, Mr. Lakin, and whoever else is  
5 the current partners of Scranton Mall  
6 Associates, they personally guarantee this  
7 loan.

8 What would happen if this  
9 legislation is not passed is that the  
10 primary lender, and I was involved in the  
11 first loan that was done when it was done  
12 and the closing took three days down in  
13 Philadelphia on the mall. I was there for  
14 the entire three days on the closing.

15 The City of Scranton and others were  
16 junior lenders. All of the second tiers,  
17 there were actually four, second, third and  
18 fourth tier lenders. All of those loans  
19 were placed together in what's called pari  
20 passu, so that they are all considered  
21 second loans and in the event there was a  
22 nullification on the first loan then the  
23 second, third and fourth tier lenders would  
24 share all of the second mortgage.

25 The Section 108 loan is personally

1           guaranteed. What would happen is that with  
2           this loan that the primary lender is  
3           reducing the rate of interest to the mall by  
4           3 percent and in exchange for that when that  
5           loan matures in approximately two years this  
6           loan which will have a hiatus of payment of  
7           any interest in accordance with the  
8           inter-creditor's agreement that it will  
9           become due and payable in two years.

10                   What would happen right now is that  
11           in the event there was a default the loan is  
12           personally -- the loan is guaranteed with  
13           the city's UDAG payments by Housing and  
14           Urban Development to the people that have  
15           borrowed the \$3 million or that have  
16           borrowed the Section 108 loans, most of them  
17           have been made now except for the \$880,000,  
18           and as a result if there is a default the  
19           primary lender would come in, all of the  
20           secondary lenders would be wiped out, the  
21           HUD would pay on the bonds the \$880,000,  
22           deduct that from the city's UDAG  
23           repayments -- not UDAG repayments but from  
24           the city's COM-D payment, the City of  
25           Scranton would then have to go after

1 Mr. Boscov on the other agreement that he  
2 personally guaranteed the loan.

3 This is not a refinancing, it's an  
4 interruption. This is what we call a  
5 forbearance agreement that the loan will not  
6 be paid, it will be extended, and that  
7 hopefully the mall will survive, the primary  
8 lender will be paid and then the secondary  
9 lenders will be paid. This is not a  
10 bailout. It is merely a postponement of  
11 this payment which is concurred to by HUD  
12 according to the documentation. I was not  
13 involved in any of that, but just in reading  
14 the correspondence, so as a result what  
15 people say there might be a risk there  
16 definitely could be a risk, but there is the  
17 personal guarantee of all of the principals  
18 of the Scranton Mall Associates on that  
19 loan.

20 The City of Scranton could lose  
21 \$880,000 if this legislation is not passed,  
22 let's just take it out of the COM-D funds,  
23 then the city would have to go after  
24 Mr. Boscov, Mr. Lakin and the other  
25 principals of the Scranton Mall Associates.

1 I just wanted to clear the air on that.

2 MR. ROGAN: I shouldn't have used  
3 the term bailout, I should have used the  
4 term stay of execution, I guess.

5 MR. HUGHES: Well, I think that --  
6 and I have involved, you know, no matter --  
7 I remember that when the mall was qualified  
8 for LERTA, the LERTA program, however, when  
9 the mall was built the actual real estate  
10 revenue that was produced by the mall just  
11 by paying the taxes on the land was more  
12 taxes each year than was previously received  
13 by all of the taxing agencies, the City, the  
14 county and the school district than before  
15 the mall was built because many of the  
16 properties were not -- weren't paying real  
17 estate taxes. The property went to what was  
18 called the China Wall, everything from the  
19 China Wall to Rail 10 was tax exempt, that  
20 was in the national park, however, as a  
21 result of the mall being built all of the  
22 that land was deeded by the federal  
23 government to Scranton Mall Associates.

24 When it was reassessed just on the  
25 land only, the payments on the land to all

1 of the taxing agencies were more than the  
2 previous payments on land and improvements  
3 and it's continued that way for the last 20  
4 years until ten years now, over ten years  
5 now the taxes on the improvements have been  
6 paid.

7 MS. EVANS: Is there anyone else?  
8 Roll call, please.

9 MR. JOYCE: We are at the reading.  
10 We just had the -- that was public comment.

11 MS. EVANS: I'm sorry, I got off  
12 track with our attorney's comments.

13 MS. KRAKE: 7-B, FORMERLY 5-C, FOR  
14 CONSIDERATION FOR THE COMMITTEE ON FINANCE -  
15 FOR ADOPTION - RESOLUTION NO. 34 OF 2011 -  
16 EMERGENCY CERTIFICATE ATTACHED - AMENDING  
17 RESOLUTION NO. 175 OF 2003, ENTITLED  
18 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE  
19 CITY OFFICIALS OF THE CITY OF SCRANTON TO  
20 EXECUTE AND ENTER INTO A SECTION 108 LOAN  
21 AGREEMENT BETWEEN THE CITY OF SCRANTON AND  
22 THE STEAMTOWN MALL PARTNERS, LP, FOR THE  
23 REFINANCING OF THE LACKAWANNA AVENUE MALL  
24 PROJECT BY AUTHORIZING THE MAYOR AND OTHER  
25 APPROPRIATE CITY OFFICIALS OF THE CITY OF

1 SCRANTON TO EXECUTE AND ENTER INTO A  
2 MODIFICATION/EXTENSION OF THE LOAN AGREEMENT  
3 BETWEEN THE CITY OF SCRANTON AND THE  
4 STEAMTOWN MALL PARTNERS, LP, FOR A PERIOD OF  
5 TWO YEARS.

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

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

12 MR. MCGOFF: Second.

13 MS. EVANS: On the question?

14 MR. ROGAN: I don't want to belabor  
15 the point, but just a procedural question,  
16 since this was from the OECD office why  
17 wasn't this the Committee on Economic and  
18 Community Development?

19 MS. EVANS: I didn't particularly  
20 make the assignment, I think the most likely  
21 it's because of Mr. Joyce being the Chair of  
22 Finance and since we are dealing with  
23 finances, yes.

24 MR. ROGAN: When in the past all of  
25 the federal monies -- it doesn't matter the

1           vote counts the same at the end of the day  
2           anyways, but I think everyone on here knew  
3           how I was going to go before the vote even  
4           happened, but let's just vote.

5                       MR. LOSCOMBE: If I could just make  
6           a quick comment. I have listened to all  
7           sides, I do have a mixed emotions, but most  
8           of us were not in these seats when these  
9           loans were structured. We have a heavy  
10          decision to make and I think that the  
11          ramifications will be far greater on  
12          everyone, the mall, the employees, the  
13          taxpayers, if we don't approve this at this  
14          point. I mean, all we are doing is  
15          deferring the payments.

16                      This is nothing different than right  
17          now the federal government, and up until  
18          last month the state government, has a  
19          homeowners foreclosure program where they  
20          would work to remodify your loans to defer  
21          your payments or extend your payments out  
22          because a lot of homeowners were facing  
23          foreclosures and situations right now. I  
24          say the state, governor Corbett in his  
25          infinite wisdom took it out of the budget



1 for this year, and I think the program ended  
2 last year to help homeowners that were under  
3 water, but there are still some federal  
4 programs.

5 But, you know, as we look at the  
6 whole scenario, it does -- we are going to  
7 lose money, but if the mall does close there  
8 will be jobs lost. At a time right now when  
9 we have hospitals coming in and merging I  
10 think we are going to lose a lot of jobs  
11 there, too. Where are we going, you know?  
12 We are not taking any money out of our  
13 pockets with this program right now. We are  
14 deferring it. In two years I hope I'm right  
15 and I hope we are all right. You know, in  
16 all deference to the speakers, I agree  
17 wholeheartedly, but you know, in my heart I  
18 think we have to at least give them the  
19 benefit of the doubt at this point and keep  
20 the pressure on them and hopefully things  
21 will turn around, but I don't think it's  
22 something that's coming out of our pocket at  
23 this point and we still have two years to  
24 work on it, so I will be voting in favor of  
25 it.

1 MR. JOYCE: Well, since I'm the only  
2 one that didn't comment on this item I might  
3 as well. I know this is a tough situation,  
4 but I do have a say after listening to all  
5 of the arguments I agree with Mr. McGoff,  
6 Mr. Loscombe and Mrs. Evans on this issue.  
7 What are we to do if the mall goes under if  
8 we don't do this? What happens to the real  
9 estate tax revenue that comes out of this or  
10 if those people that work at the mall lose  
11 their jobs that is wage tax revenue that  
12 does come out of the city budget. So in  
13 this particular instance though -- well, I  
14 don't consider it technically a bailout,  
15 technically it's more of a forbearance, I  
16 would like to leave that the mall will  
17 return to fiscal health in two years, but at  
18 this point no one could see in the future,  
19 so for now I believe this is in the best  
20 interest of the city.

21 MS. EVANS: Roll call, please.

22 MS. CARRERA: Mr. McGoff.

23 MR. MCGOFF: Yes.

24 MS. CARRERA: Mr. Rogan.

25 MR. ROGAN: No.

1 MS. CARRERA: Mr. Loscombe.

2 MR. LOSCOMBE: Yes.

3 MS. CARRERA: Mr. Joyce.

4 MR. JOYCE: Yes.

5 MS. CARRERA: Mrs. Evans.

6 MS. EVANS: Yes. I hereby declare

7 Item 7-B legally and lawfully adopted.

8 If there is no other business, I'll  
9 entertain a motion to adjourn.

10 MR. JOYCE: Motion to adjourn.

11 MS. EVANS: This meeting is  
12 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.

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CATHENE S. NARDOZZI, RPR  
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