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SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, June 7, 2012

LOCATION:

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

CATHENE S. NARDOZZI, RPR - OFFICIAL COURT REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT
(Not present.)

FRANK JOYCE, VICE-PRESIDENT

ROBERT MCGOFF

PAT ROGAN

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

JAMIE MARCIANO, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

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

3 MR. JOYCE: Roll call, please.

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. MARCIANO: Mr. Rogan.

7 MR. ROGAN: Here.

8 MS. MARCIANO: Mr. Loscombe.

9 MR. LOSCOMBE: Here.

10 MS. MARCIANO: Mr. Joyce.

11 MR. JOYCE: Here.

12 MS. MARCIANO: Mrs. Evans.

13 MR. JOYCE: Dispense with the
14 reading of the minutes.

15 MS. KRAKE: THIRD ORDER. 3-A.
16 DEPOSIT MADE BY THE SCRANTON SINGLE TAX
17 OFFICE IN THE AMOUNT OF \$78,893.40 TO
18 FIDELITY BANK FOR THE 2012 TAN DEBT.

19 MR. JOYCE: Are there any comments?
20 If not, received and filed.

21 MS. KRAKE: 3-B. TAX ASSESSOR'S
22 REPORT, HEARING DATES ON MAY 16TH AND JUNE
23 20TH OF 2012.

24 MR. JOYCE: Are there any comments?
25 If not, received and filed. Are there any

1 clerk's notes tonight?

2 MS. KRAKE: No, Mr. Joyce.

3 MR. JOYCE: Do any council members
4 have announcements?

5 MR. LOSCOMBE: I have one. Just a
6 reminder of an announcement that I read last
7 week, I won't read it in it's entirety, but
8 there will be a fundraiser called "Give Jim
9 Lance a second chance." He was a motorcycle
10 accident victim on April 20, and while he
11 has been recuperating his wife has passed
12 away, and he will be having a fundraiser on
13 July 14, 2012, from 5 to 10 p.m. at Holy
14 Rosary Center on West Market Street. And if
15 anyone has any donations or questions feel
16 free to call 575-6752 and that will be
17 Nicole Lance. Thank you.

18 MR. JOYCE: Do any other council
19 members have announcements? Councilwoman
20 Evans will not be present at tonight's
21 meeting due to her mother's death.

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

24 MR. JOYCE: Our first speaker is
25 Andy Sbaraglia.

1 MR. SBARAGLIA: Andy Sbaraglia,
2 citizen of Scranton. Fellow Scrantonians, I
3 noticed that on the agenda you brought up
4 under 5 -- I guess it's 5-A? No, I think
5 it's under 5-B the money for the Parking
6 Authority again. I thought we went through
7 it last meeting, but I guess we are going to
8 go through it again this meeting. It seems
9 like it went up a little in cost now.
10 Before it was what 900 hundred and some
11 thousand and now it's up to -- I mean, 900
12 and some and now it's up to \$1,035,948.

13 Have you -- has the board resigned
14 from the Parking Authority?

15 MR. JOYCE: No, they have not.

16 MR. SBARAGLIA: Why are we
17 entertaining this? We know they are going
18 to go bankrupt eventually, there is no way
19 out of it. The figures don't lineup right
20 and that's it. Now, the board -- you have
21 no authority to remove the board, I know
22 that. You have no authority to remove the
23 mayor, I know that, but you should at least
24 request them to resign. That's the least
25 you can do. Anybody that did that much

1 damage to the city you can't even let them
2 be where they are. The damage is enormous.

3 The newspapers keep saying the sky
4 is falling. We are going to have lots of
5 layoffs and no paydays, we are going to run
6 out of gas, we are going to do this and do
7 that, I don't believe anything this
8 newspaper prints. I have been coming here
9 for a long, long time, and for years we have
10 been coming before you, not you, per se, but
11 before council warning them of what was
12 going on and they ignored us. They just sat
13 there and ignored us and they cared little
14 or nothing about what was going to happen.
15 Now they say, "Wash your hands of it, just
16 let us go forward."

17 We can't go forward. How are we
18 going to go forward? There is no where to
19 go forward until we clear up our backlog,
20 and that's these authorities. I have been
21 telling you a long time ago, an authority is
22 a separate government. You do not own the
23 parking garages. They belong to the
24 authority, and that's their responsibility.
25 The mayor appointed them to oversee Scranton

1 Parking Authority. The only thing about the
2 Parking Authority of Scranton is that they
3 located in the city, but we do not own the
4 Parking Authority.

5 And them people before us, the
6 council before us, had no qualms about
7 guaranteeing this, that or whatever. The
8 question is anybody with common sense knew
9 that it couldn't be paid for. When you take
10 out and do anything you look at the costs
11 and you look at the costs and you factor in
12 the repairs and so forth and so on and
13 everything else that is supposed to go with
14 it. You can't just say, "We are going to
15 build a parking garage," and say that.

16 See, you don't remember what
17 happened with the Casey, the Hotel Casey.
18 The mayor -- the governor gave us money for
19 the refurbishing of the Hotel Casey and the
20 Medallion -- the Casey Parking garage. We
21 had money. That burned through everything
22 to a hole in the ground. Nobody knew what
23 happened. All of a sudden they had to rip
24 it down and then they had to take the
25 Medallion after we spent thousands of

1 dollars, probably hundreds of thousands, so
2 we could get in there and that had to be
3 ripped down, and there is 120 space I
4 believe was given to the Hilton free. You
5 forgot about -- you didn't mention when you
6 got up there the free spaces the Hilton got
7 and that was given to them. Why we gave it
8 to them, that was the mayor's deal. And
9 that's the problem. The problem was the
10 Authority and the person who appointed the
11 people to these authorities.

12 What you are going to do now I don't
13 know, but I would say before I'd let them go
14 down the tubes no matter what the
15 consequences are.

16 And as far as the salary for the
17 solicitor, I don't know if you remember when
18 you first sat up there one of the first
19 things I told you was double the salary of
20 the solicitor. I think you should remember
21 that that I got up and said it, because I
22 said you are going to need it, and true to
23 my word you do need it. I mean, this city
24 has so many quagmires in it we couldn't even
25 begin to look at them all. I mean, look at

1 that bridge out there, Rockwell Avenue.
2 Well, that was this, that and the
3 everything, now where is the Rockwell Avenue
4 bridge going to be? Going to tear it out.
5 Thank you.

6 MR. JOYCE: Thank you. Our next
7 speaker is Les Spindler.

8 MR. SPINDLER: Good evening,
9 Council. Les Spindler, city resident and
10 homeowner and taxpayer.

11 MR. JOYCE: Good evening.

12 MR. SPINDLER: First off, I'd like
13 to convey my deepest sympathy to Mrs. Evans
14 and her family over the loss of her mother.

15 Next thing, I also want to speak
16 about 5-B, as Andy said, this was voted down
17 last week, can someone explain to me why
18 it's back on the agenda this week?

19 MR. JOYCE: Yes. I'll defer to our
20 solicitor for an explanation of why this is
21 back on the agenda.

22 MR. HUGHES: You want me to respond
23 now?

24 MR. JOYCE: Yes.

25 MR. HUGHES: After last Thursday's

1 meeting I had conversations with both
2 insurance counsel down in Wall Street
3 regarding this. I received a letter
4 while -- it was not a default as of last
5 Tuesday, it is in the event of default both
6 under the trust agreement and also under the
7 lease between the city and the SPA, it's an
8 event of default which can be cured.

9 One of the rights that the bond
10 holders have, the trustee and also the
11 insurance counsel, tis that and explain this
12 later, but they can file a mandamus action
13 against the city to compel the city to raise
14 taxes to pay the debt. I have been in
15 contact with them all week. There has been
16 several events that have happened, which in
17 accordance with what Mr. Sbaraglia said I'm
18 going to demand that in the interest of the
19 city that the board of the Parking Authority
20 have an immediate session, that they turn
21 the parking facilities over to the insurance
22 to Radian Insurance so they this can appoint
23 a trustee and come in immediately and
24 administer the Parking Authority, get rid of
25 the staff, get rid of the board, the board

1 will be encapsulated, they will have nothing
2 to do with it. This is their right under
3 the insurance contract, it's their right
4 under the lease, it's their right under the
5 trust agreement.

6 I will give out later, the trustee
7 has declared the Parking Authority in
8 default of five items under the trust
9 agreement. They are currently -- they have
10 30 days to comply, today is the first day,
11 they have 29 days. They will not be able to
12 comply with that, so if they don't
13 voluntarily turn over the Parking Authority
14 to Radian to appoint a trustee it's going to
15 happen in 29 days from today. Take my word
16 for it, okay?

17 MR. SPINDLER: Thank very much.

18 MR. HUGHES: You don't have take my
19 word, I'm communicating -- it's all in
20 writing, I'll hand out documentation later
21 when this comes up, but the Parking
22 authority, due to this council's action last
23 week, neither the trustee or the insurance
24 company had any idea that the Parking
25 Authority was this mismanaged. They have

1 had it and the day is here today. The
2 notices went out. The mayor got it, the
3 Parking Authority got it, the chairmen,
4 Mr. Scopelliti, that they are in default of
5 five items under the trust agreement and if
6 they are not complied within 30 days there
7 is no way they can even comply with it in 30
8 days, so come today or 29 days from now --

9 MR. SPINDLER: Thank you very much.

10 MR. HUGHES: -- the insurance
11 company is going to come in, they are going
12 to either going to take possession, appoint
13 a management company or they are going to go
14 to Court and get a receiver appointed.
15 That's the situation.

16 MR. SPINDLER: Well, that's been a
17 long time coming. I think you are doing a
18 great job, Attorney Hughes.

19 MR. HUGHES: Thank you have.

20 MR. SPINDLER: As I said, I hope we
21 can do with this the rest of the authorities
22 because that's a problem we have had in this
23 city, I've come here and said it time after
24 time. These authorities are killing us.

25 Now moving on, I have lived in this

1 city all my life and I can almost be sure
2 this city has never been in this bad of
3 shape ever, and it's because on one person
4 and one person only, it's Chris Doherty and
5 his prior rubber stamp councils, which
6 include Mr. McGoff and Mrs. Gatelli and
7 Mrs. Fanucci, and Mr. Pocius and
8 Mr. McTiernan, it's the most incompetent
9 administration and incompetent mayor we have
10 ever had.

11 And since we have the super majority
12 hopefully things will turn around and it
13 will take a long time, but this is all the
14 fault of Mayor Doherty and his past rubber
15 stamp councils. I hope you are happy,
16 Mr. McGoff, because you are the reason we
17 are in all of this trouble.

18 Moving on, yesterday a lot of people
19 saw the picture in the paper today, another
20 truck got stuck on the railroad bridge on
21 Main Avenue yesterday again and I have come
22 here a few times and saying that I don't
23 know how safe that bridge actually is.
24 Every time a truck hits that I would think
25 it would be weakened and, as I said, the

1 supports on that are all rusted, there is
2 holes in lot of the supports, I know Mrs.
3 Krake sent a letter, and I did bring a
4 written request here once, I know a second
5 letter was supposed to be have been sent, I
6 don't know if I word ever came back on it.

7 I don't know what these truck dryers
8 are looking at, there are signs saying how
9 high the bridge is. They should know how
10 high their truck is, but they always seem to
11 hit it.

12 Another thing, it seems like if I
13 request anything I never hear anything back
14 on it. I'm going to talk about my sidewalks
15 getting flooded every time it rains. I made
16 a request a long time ago, and again,
17 Mrs. Krake wasn't here, Councilman Hughes --
18 Councilman Joyce, can you request Mrs. Krake
19 to send another letter to Mr. Dougher maybe?

20 MR. JOYCE: Yes.

21 MR. SPINDLER: He hasn't been there
22 since I had this problem so maybe with a new
23 director maybe I'll get some satisfaction.

24 MR. JOYCE: Yes.

25 MR. SPINDLER: Like I said, this was

1 fixed once and two winters ago it just
2 washed away again and it was never fixed
3 again. I guess it wasn't done that well.
4 It didn't last long.

5 I guess that's all I have tonight.
6 Thank you for your time.

7 MR. LOSCOMBE: Thank you.

8 MR. JOYCE: Our next speaker is Doug
9 Miller.

10 MR. MILLER: Good evening, Council.
11 Doug Miller, Scranton.

12 MR. JOYCE: Good evening.

13 MR. MILLER: I'd just like to begin
14 on commenting on agenda item 6-A tonight
15 regarding the \$30,000 increase salary for
16 Solicitor Hughes. You know, sitting here
17 last week listening to some of the comments
18 that were made here, I've come to the
19 conclusion that I think we are trying to
20 make a political issue out of this. I know
21 listening to some of the statements of
22 Councilman McGoff last week, you know, I
23 feel we are trying to put a political spin
24 on this. I objected to the increase and I
25 believe, you know, he went as far as saying

1 he didn't feel Attorney Hughes was even
2 worth the increase.

3 Well, I think there seems to be a
4 little lack of comprehension, so to speak in
5 the 2012 budget. I think we need to take a
6 look at some facts and you will see quite
7 well, right in front of your eyes in black
8 and white, that this council majority did,
9 in fact, allocate I believe it was \$167,000
10 for legal services in the City Clerk's
11 Office, so, in fact, it was part of the
12 budget. These aren't numbers that council
13 pulled out of the sky. These are numbers
14 that were in the budget and think they need
15 to go back and take a look at it and you
16 will see for yourself.

17 It is my opinion that Attorney
18 Hughes is quite worthy of this increase due
19 to the extra workload that he has had to
20 take on in recent months as we take a look
21 at on many occasions he has had to perform
22 the work that, quite frankly, should have
23 been done by our own city solicitor, Paul
24 Kelly. And as I have stated many times, you
25 know, perhaps he is little overwhelmed. We

1 take a look that he representing the Parking
2 Authority, the city, the Recreation
3 Authority, and God only knows what else he
4 is representing, and so for that reason we
5 recall a bill was submitted, I believe it
6 was in the \$4,800 range, I don't have the
7 exact figure, but it's in that area,
8 however, our city controller did refuse to
9 make payment and so that lead us to where we
10 are today, but I do feel that this is a long
11 time coming, that this is something we
12 should have done quite some time ago and I
13 just want to commend Hughes for all of the
14 work he has done, but at the same time as a
15 citizen apologize for the fact that you have
16 had to do work that, you know, we are paying
17 other people to do. But keep up the good
18 work. The taxpayers appreciate it and
19 certainly this council appreciates it
20 because without your help and support we
21 certainly, you know, would be lost in some
22 cases.

23 But, you know, I'm just baffled that
24 we want to object to an increase when in the
25 past we have had individuals on council who

1 at one time haven't opened their mouth and
2 objected to the millions of dollars we
3 squandered on Carl Greco. I find that kind
4 of amusing.

5 Moving on tonight to agenda Item
6 5-B, you know, upon further consideration of
7 this it is my opinion that in the best
8 interest of the city and the taxpayers I do
9 feel council should approve this legislation
10 tonight. This allows the Scranton Parking
11 Authority to make it's bond payment. By no
12 means is this a move that makes this council
13 majority look as if it's back peddling nor
14 am I back peddling on my stance. This is a
15 wise move by council. We must look at both
16 the short-term and the long-term financial
17 situation in this city. Nobody wants to
18 hear of potential payless paydays, city
19 employees uninsured, and as we learned today
20 overdue fuel bills in the city.

21 In order for this city to secure
22 financing and to get us through these
23 obstacles we have to act now. The bottom
24 line here is real simple, this bond has to
25 be paid regardless, whether it's today,

1 tomorrow or six months from now they want
2 their money. I have not changed my thoughts
3 on the Scranton Parking Authority, I still
4 believe that the authority has caused
5 massive chaos. I feel strongly that it's
6 leader, Bob Scopelliti is, in fact,
7 incompetent. We have also learned today
8 that for years he has had an expense account
9 and I think we need to find out tonight what
10 this account was used for and why he had an
11 expense account, an authority that's crying
12 for money and we take a look at what we are
13 squandering on expense accounts and salaries
14 and other things.

15 I also believe that Paul Kelly
16 representing the Scranton Parking Authority
17 is a complete conflict of interest, as I
18 stated earlier tonight. He represents the
19 city and the Recreation Authority as well.
20 It's my sincere hope that the Scranton
21 Parking Authority will ultimately fail and
22 we can begin the process of selling or
23 leasing or parking garages and any and any
24 long nightmare once and for all.

25 In recent weeks as council majority

1 has made some very difficult circumstances,
2 some of which haven't been favorable by
3 certain few, the media and other officials
4 have made some comments, nonsensical
5 comments about this council in it's
6 editorials or in other articles regarding
7 the city and they have done so without
8 offering any relevant suggestions about
9 moving us forward. Now, it's easy to
10 quarterback from the bleachers, but it's
11 another thing to come forward with
12 suggestions.

13 But at the end of the day the
14 council majority is looking out for the
15 taxpayers and the well-being of this city
16 both short-term and long-term and I applaud
17 you for that. Thank you.

18 MR. JOYCE: Thank you.

19 MR. HUGHES: If I could,
20 Mr. Chairman, just a reply to what
21 Mr. Miller said. First of all, the bond
22 payment was made June 1. One of the items
23 that I requested from the Scranton Parking
24 Authority by letter of October 27, that they
25 never responded to properly, didn't come

1 until a couple of days before the meeting
2 last week was the balances in all of the
3 debt service reserve funds and every reserve
4 fund the Parking Authority has with the
5 trustees, Bank of New York Mellon. They
6 never responded to that.

7 What happened on Friday was that
8 Bank New York Mellon paid the interest and
9 the principle that was due on the bonds and
10 that payment from the debt service reserve
11 fund that they had. However, they looked to
12 the insurance company to pay back, and it's
13 more than we were told last week, it's the
14 amount that's on the agenda tonight. It's
15 one-million three-four thousand some
16 dollars, not \$994,000, so that what happened
17 was, and this is what's happened during the
18 week with my dealings with these attorneys
19 that represent the insurance company, is
20 that the payment was made from the reserve
21 funds, that now the insurance company is
22 liable. If they have to pay, they are
23 coming after the city, and that's why this
24 legislation that is on tonight. That's the
25 story, I think in the paper this morning

1 Attorney Kelly said something about the
2 payment -- I don't think he even knows how
3 the payment was made. The insurance company
4 did not make the payment, it was made from
5 the reserve funds. The Parking Authority
6 still has reserve funds in all of these
7 other accounts that are going to be payable
8 in September and December, and what's going
9 to happen is if they don't have the money
10 they will use the reserve and go back to the
11 insurance company and they are going to come
12 back at city, and one of the things they can
13 do in the mandamus action is get a Court
14 order to raise the taxes next year to pay
15 this.

16 I have been working with them and
17 this is why they are going to come in, and
18 this letter of default went out with the
19 five items in the Parking Authority, and
20 I'll explain all of that letter, and the
21 media and the copy can have a copy of the
22 letter that came in this afternoon, it was
23 e-mailed to the mayor and to the Parking
24 Authority. It's an event of default of five
25 items that you can say that the executive

1 branch of this city had to comply with and
2 they haven't probably for the last 10 years
3 and the Parking Authority had to comply with
4 and they haven't. The day of reckoning is
5 here and it's going to happen.

6 MR. MILLER: I appreciate that and
7 look forward from hearing from you later on.
8 Thank you.

9 MR. JOYCE: Our next speaker is Gary
10 Lewis.

11 MR. LEWIS: Good evening.

12 MR. JOYCE: Good evening.

13 MR. LEWIS: My name is Gary Lewis,
14 I'm a resident of the downtown and
15 consultant specializing in distressed debt.
16 Tonight you're not actually going to hear me
17 say the word "bankruptcy." I would like to
18 talk about three items: One, the PILOT
19 payments that we receive from local
20 nonprofits; two, the city's failure to
21 comply with the different MS RB rules; and
22 the third I would like to touch on is the
23 increase in the solicitor's salary.

24 I recently completed a review of the
25 all the properties owned by the University

1 of Scranton within the city. According to
2 my analysis, the University owns 172
3 properties with an assessed land value of
4 approximately \$2.3 million and an assessed
5 improvement value of approximately \$34.7
6 million.

7 The city's portion of the real
8 estate taxes on these properties would be
9 \$951,983.59 if the University were not a tax
10 exempt entity. Currently, I believe the
11 University is paying \$175,000 a year in lieu
12 of taxes. Given the University's aggressive
13 expansion, the large number of nonresident
14 students living on campus and thus consuming
15 city resources and construction tapering off
16 on campus, I urge you to pursue an increased
17 PILOT payment from the University. Failure
18 to increase the University's PILOT payment
19 will essentially be a double whammy for the
20 city.

21 Not only are we collecting far less
22 in real estate taxes due to the universities
23 expansion, but we are also going to start
24 losing out on the departmental revenue
25 related to all of the construction that's

1 been going on on campus.

2 Next, I'd like to talk a little bit
3 about the Scranton Parking Authority's
4 default. The Municipal Securities Rule
5 Making Board, the MSRB has a rule identified
6 as Rule 15-C-2-12. This rule requires
7 issuers to comply with the various SCC
8 requirements. In order to be in compliance
9 with this rule, issuers are required to make
10 disclosures of annual financial information,
11 specifically audited financials, as well as
12 material event disclosures such as notice of
13 default.

14 City bonds include a section
15 entitled, "Continuing disclosure
16 undertaking," which states that the city has
17 agreed to provide within 180 days after the
18 end of the fiscal year a copy of it's
19 audited financial statements. In the case
20 of the SPA bond that's currently -- well,
21 was in default or was apparently paid, the
22 disclosure of audited financials was also
23 required by the Parking Authority and the
24 city. As of today, both the city and the
25 Authority have failed to appropriately

1 disclose the material event as well as
2 failing to make the appropriate disclosures
3 of required annual financial information.
4 It appears to me that the city has never
5 complied with these annual disclosure
6 requirements. The only disclosures
7 publically on EMMA, which is the official
8 source for municipal disclosures, are from
9 the city pension funds. There is nothing
10 from the city itself and nothing from the
11 Parking Authority.

12 Finally, I would like to voice my
13 objection to the increase in Attorney
14 Hughes' salary. To propose a hike of nearly
15 70 percent couldn't be more poorly timed.
16 The administration is threatening payless
17 paydays and we are nearly doubling the
18 salary of the city solicitor.

19 MR. ROGAN: Mr. Lewis, I'm going to
20 be making a motion table that item tonight.
21 I agree that there is an issue with, you
22 know, what was budgeted and how things
23 transpired regarding Attorney Hughes with
24 the extra work that is he doing, but I do
25 believe that right now is not the time to

1 address that issue.

2 MR. LEWIS: Okay. That's all I have
3 for tonight. Thank you.

4 MR. JOYCE: Thank you. Our next
5 speaker is Gerard Hetman.

6 MR. HETMAN: Good evening, Council.
7 Gerard Hetman, from the Lackawanna County
8 Department of Community Relations. First,
9 if I can, I just want to follow-up on an
10 issue that I had touched on at a previous
11 meeting that we have had some new
12 developments with which is the idea for a
13 municipal equipment auction that would allow
14 all municipalities in Lackawanna County to
15 auction off equipment that would otherwise
16 have to be individually advertised by each
17 municipality and then auctioned. The
18 tentative date for the auction will be
19 Saturday, I believe it's August 18, it's set
20 forth in the County Roads and Bridges
21 building in Jessup, which is adjacent to the
22 911 Center, just off the Casey highway.
23 There are vehicles that will be entered into
24 the auction by the municipalities. They
25 must have the current title available.

1 With that said, the contact person
2 for this will be Dave Pettinato, our deputy
3 director for purchasing. I do have his
4 contact information and after the meeting I
5 can give it to Mrs. Krake or whoever the
6 appropriate officials would be and the
7 appropriate person in the city can then talk
8 to Mr. Pettinato and other appropriate
9 people in the county can move forward if
10 there are any items, equipment such as vehicles,
11 maybe DPW equipment, any other city property
12 that would otherwise have to be disposed of
13 by auction by the city you can talk with him
14 to find out the appropriate avenues to go
15 through to enter anything into the auction
16 that the appropriate city departments and
17 officials see fit.

18 In terms of announcements, some
19 events going on with the county this week
20 and during the summer. The 2012 county
21 summer concert series is now underway and
22 will be taking place throughout the summer.
23 The courthouse square and concert series
24 will run in the month of June specifically,
25 tomorrow, June 8, John Phillips will play at

1 courthouse square; June 15 is Tru Kelly; and
2 June 22 Tony Vergenetti; and June 29 is John
3 Quinn. And there is also Saturday evening
4 concerts on the courthouse square starting
5 July 7 with Daddy '0 and the Sax Maniacs.

6 The courthouse square concerts they
7 all begin at noon and play for I believe
8 it's approximately half an hour to an hour.
9 The Saturday evening concerts have different
10 times of start and finish, so we will work
11 with the departments to get that information
12 on our Facebook page and our county website,
13 also, going forward so that it gives a
14 specific time the concerts and the events
15 begin.

16 Steamtown National Historic Site has
17 their 2012 excursion season underway.
18 They've got a number of regularly scheduled
19 excursions and they also have a whole list
20 of special excursions going with holidays,
21 historical dates and other themes from now
22 through December. There is way too many to
23 read here. It's a great list of offerings,
24 I can't take up all of the time I'd need
25 maybe 15, 20 minutes detailing everything,

1 but residents can get information on those
2 by calling Steamtown National Historic Site
3 at 570-340-5200. That's 570-340-5200.

4 Also, Tobyhanna Army Depot will be
5 having an open house on Saturday, June 23,
6 2012. There is a range of scheduled
7 activities throughout the day, including the
8 5-K run, a number of military parades and
9 ceremonies and also two demonstrations by
10 the US Army's Golden Knights parachute Team,
11 and if you remember back to the days of the
12 air show at the Wilkes-Barre National
13 Airport the Golden Knights were a regular
14 fixture, very exciting, interesting,
15 demonstration team, truly showcases the best
16 of our armed forces to see these
17 demonstrations. In fact, I remember once
18 they jumped into the Steamtown parking lot
19 the day before the first day of the air show
20 I got to see.

21 It will be a really good event and
22 this is the first open house that Tobyhanna
23 has had since September 11, before September
24 11, 2001, and the subsequent security
25 situation that followed those events. So

1 it's something that will be a lot of fun. I
2 have been to their open houses before that
3 in the late 90's and early 2000's. Many
4 city residents and local residents who
5 either work currently or have worked and
6 retired from Tobyhanna Army Depot my
7 grandfather is among them way back when, and
8 it's a great chance to get out and see
9 something that is very important to the
10 regions economy and to your nation's defense
11 industry and defense establishment.

12 And last, but not least, I know
13 Mr. McGurl touched on this several times in
14 recent weeks, but the Lackawanna River
15 Corridor Association will have their annual
16 Riverfest celebration Saturday, June 9, it's
17 actually I believe takes place right down on
18 Olive Street and there will be a number of
19 different events that can take place both a
20 Canoe-A-Thon and also events such as the
21 regatta, Dunk-A-Thon and a number of other
22 events that go along with that.

23 Information on the events can be
24 attained by calling 570-347-6311 or visiting
25 LRCA.org. Again, it's 570-347-6311 or

1 visiting LRCA.org.

2 And that's all I have for this
3 evening. Again, I'll follow-up with
4 Mr. Krake after the meeting regarding the
5 auction and make sure you get the
6 appropriate contact details to move forward
7 with whatever you want to enter. Thank you.

8 MR. LOSCOMBE: Thank you.

9 MR. JOYCE: Thank you. Is there
10 anyone else who would like to address
11 council?

12 MR. WALSH: Good evening.

13 MR. LOSCOMBE: Good evening.

14 MR. WALSH: My name is Edward Walsh,
15 I'm a life-long residents of Scranton, PA,
16 taxpayer and home owner and I have two
17 children in school. I just wanted to talk
18 about I know that we have been talking about
19 recently that the taxes are going to be
20 going up for the next 10 years if everything
21 keeps going the way that it is.

22 Again, I wanted to talk about the
23 tax situation and the nonprofits which was
24 already mentioned. The University of
25 Scranton, I did some research on my own

1 where I actually went out and canvassed the
2 campus by myself. They have approximately
3 1,613 parking spaces that they charge their
4 students \$200 per year, which comes out to
5 \$322,600 a year that they make in parking
6 fees.

7 They also charge \$635 for the summer
8 session to live on campus. \$835 for the "G"
9 session and during the summer session, for
10 the whole summer session, they charge their
11 students \$1,112 per student.

12 They have 196 properties that he
13 found on-line with assessments ranging
14 anywhere from \$5,000 up to \$1,785,000. My
15 house is assessed at \$8,500 and I pay \$1,261
16 in taxes. That means that the University's
17 one property that I looked at, which was
18 \$1,525,000 assessment value is 179 times
19 more than what my house is assessed at,
20 which would mean that property, if it was
21 calculated at my tax rate, would be
22 \$226,283.08. I think it's ashame that the
23 University of Scranton calls themselves a
24 nonprofit when everything I see is they are
25 making money.

1 approximately 35 city blocks and they can't
2 afford to pay taxes, who are they kidding?

3 And if I sound upset I am
4 because I'm looking at my taxes just went up
5 again I'm struggling to make ends meet with
6 two incomes and I can't afford to send my
7 kid to that school. Shame on them. Thank
8 you.

9 MR. LOSCOMBE: Thank you.

10 MR. EVANS: Good evening, Council.
11 Gregory Evans, resident of Scranton.

12 MR. LOSCOMBE: Good evening.

13 MR. EVANS: I had a quick question
14 with the agenda as I'm reading the agenda
15 item, but Item 7-C I'm looking at for the
16 property tax exemptions for certain
17 deteriorated industrial, commercial and
18 other business properties, could you further
19 explain the purpose of that, how that's
20 going to work?

21 MR. ROGAN: Attorney Hughes, would
22 you be willing to give the explanation on
23 the LERTA that you gave to me at the caucus?

24 MR. HUGHES: On which one?

25 MR. EVANS: I apologize, if there

1 were prior --

2 MR. ROGAN: 7-C.

3 MR. HUGHES: Okay. This is what's
4 called the LERTA program, and what happens
5 with LERTA is that when there is a property
6 that is deteriorated they could be
7 considered blighted that the school
8 district, the county and the city can get
9 together and they can approve what's -- it's
10 a tax abatement. The real estate on the
11 land itself, the taxes are paid. The
12 improvement, for every million dollars in
13 improvement there is a one-year forgiveness
14 of the real estate taxes, so what it does it
15 provides a developer the ability to come in,
16 pay the taxes on the land so that the
17 municipalities and the school district and
18 the county don't lose any of the tax base,
19 and then as the property is developed and
20 the project is put on the property for every
21 \$1 million there is a one-year exemption up
22 to ten years.

23 I can give you a couple of good
24 examples that I have personally been
25 involved with, one is the mall, it's a \$100

1 million project, actually what happened is
2 that when the mall was put up that was a
3 LERTA, the actual taxes paid on the land
4 were more than before the mall was built,
5 even though it was \$100 million project it
6 had a 10-year tax abatement for just ten
7 years. However, the city still had
8 collected the wage taxes, there were many
9 more people employed there than previously
10 before the mall, they collected mercantile
11 taxes so all of those taxes were paid.

12 It was the same thing with the
13 Hilton Hotel. When that was built that was
14 around a \$35 million project, I believe,
15 somewhere in that area, and they paid the
16 tax on all of the land, some of that land
17 was owned by the city, it then became
18 taxable. The alley was vacated, that became
19 taxable, so they paid all the tax on the
20 real estate then after a period of ten years
21 after they will pay their taxes on the taxes
22 on the building.

23 So with this project what it is this
24 is over on the old plant where Daron
25 Products was, there was a lot of complaints

1 with the neighbors and the trucks and
2 everything else, it is an industrial zone.
3 This project will be an \$8 million elderly
4 housing project that will pay taxes on the
5 land. Anybody that's in there they will pay
6 wage tax if they are working, so it will
7 increase the neighborhood and the neighbors
8 are for it, but in order to make the
9 economics of the project work they are
10 requesting a tax abatement on the real
11 estate tax itself just only on the building.
12 And then if it's an \$8 million project in
13 eight years once that expires then they will
14 be paying taxes on all of the improvements.

15 MR. EVANS: And a quick follow-up to
16 ask, thank you for that explanation, per
17 million dollars is that required to be
18 private funds or is that also considered
19 public funds? So my question is someone who
20 is using public funds, say \$1 million of
21 public funds, you know, the grant money, and
22 then they are getting a tax abatement for
23 one year, public funds is that okay with the
24 program?

25 MR. HUGHES: I have no idea what the

1 financing is. I thought it was all private
2 financing. I don't believe there is any
3 public money involved in that project. I
4 believe it's \$8 million of private
5 financing. I don't think that they have any
6 city grants, I don't think the city has any
7 involvement from what I understand. I mean,
8 I was just involved with, you know, with the
9 LERTA, they were here, they gave a
10 presentation that night with the project.
11 They are going to purchase one-half of the
12 lot, if they are successful they would then
13 purchase the other half of the lot and put
14 up another 100 some units.

15 MR. EVANS: And this ordinance is
16 just for this specific project or is this
17 open -- this ordinance open for a future
18 projects, too?

19 MR. HUGHES: I believe the way that
20 everything has been drafted with the city
21 that this would comply -- every project has
22 to be approved. I do not believe that this
23 is just site specific for this project.

24 MR. EVANS: Thank you.

25 MR. HUGHES: You're welcome.

1 MR. LANGAN: Good evening. My name
2 is Dan Langan. I live on South Side,
3 homeowner and all that, all my kids don't go
4 to any schools, they are bigger than me.

5 MR. JOYCE: Good evening.

6 MR. LANGAN: I'm a good accountant,
7 I can't tell you how many billions we could
8 make if we change the laws, but I'm a good
9 enough accountant to know that if the laws
10 that we had on the books were enforced we
11 would have more money than we currently
12 have. It is illegal in Scranton, I have
13 been here before, it is illegal in Scranton
14 to park on the sidewalk. If you go down by
15 Wyoming Avenue, if you go down Greenridge
16 Avenue, if you go up Moosic Street, if you
17 go on Washington Avenue you see cars parked
18 on the sidewalk all the time. It is
19 impossible for a wheelchair to get from
20 point A to point B without going in the
21 road. It is impossible for the school kids
22 to get from point A to school without
23 walking in the road.

24 I don't understand it. On
25 Washington Street right in front of the jail

1 I will be willing to bet dollars to
2 doughnuts right this minute there is
3 somebody parked right in front of the
4 handicapped ramp. If there is not, there
5 will be tomorrow at noon. I guarantee it.
6 That's illegal. I have stopped police, I
7 run once in awhile through town, I stop
8 police probably a dozen times in the last
9 two or three years, they always somehow have
10 to go right off on a call, "Oh, sorry, I'm
11 on a call, I'll check back with it."

12 All I'm asking is to enforce the
13 laws. If the Parking Authority and the
14 police did their jobs they might not have
15 the revenue problems that they have. That's
16 all I have to say. See you again in a year
17 or so. Thank you.

18 MR. LOSCOMBE: Mr. Langan, over here
19 over, over at council.

20 MR. LANGAN: I'm sorry.

21 MR. LOSCOMBE: I know the speakers
22 it bounces off, I'm sorry. I mean, you are
23 right on money, actually tonight on 7-A we
24 have legislation creating procedure for the
25 issuance of the parking tickets by the

1 police department. What had happened, the
2 old tickets eliminated a line item there
3 that they could use for these infractions
4 and when I sat down with Chief Duffy when he
5 discussed updating these parking tickets
6 it's basically a lot of it is going to do
7 there is a line item on there that they can
8 fill in the code violation based on parking
9 the wrong way, parking on the sidewalks and
10 handicapped spots so it's actually opened
11 the door for the police officers to --

12 MR. LANGAN: Well, last time --
13 well, not last time, two or three times ago
14 was before Chief Duffy was even Chief Duffy,
15 so, I mean, that's how long -- and I don't
16 complain a lot, but once every year, once
17 every 15 months and it's wrong all the time.
18 And, you know, I stopped police when I run,
19 you know, I don't, like, jump in front of
20 them but I say could you do something about
21 it, and they always go, "Oh, I just got a
22 call, and I'll stop back and see."

23 If you go down there to Sheridan's,
24 a little diner on I think it's Washington,
25 from what I understand the owner of

1 Sheridan's is related to a fireman and
2 that's where all the police go -- not all of
3 the police, but half a dozen police go there
4 every day for lunch, every day at lunch time
5 on the weekend for breakfast there is cars
6 parked on the sidewalk every time.

7 MR. LOSCOMBE: Okay. I just wanted
8 to let you know --

9 MR. LANGAN: Because I make that
10 circle when I run.

11 MR. LOSCOMBE: A number of the
12 police officers brought that issue to the
13 chief and he thought it was a good idea, so
14 he had discussed that with me and that's
15 where we are at this point now, so hopefully
16 in the future it will be less of a problem.

17 MR. LANGAN: Well, I do appreciate
18 it. Thank you.

19 MR. LOSCOMBE: Thank you.

20 MR. DOBRZYN: Good evening. Dave
21 Dobrzyn, resident of the Scranton, taxes
22 paid for this year.

23 MR. LOSCOMBE: Good evening.

24 MR. DOBRZYN: I had also had a
25 concern with 7-C on property tax exempt.

1 I'm glad to hear that it was promised out
2 previously and I did support Dickson Avenue
3 and I think we also had an ambulance service
4 that was partially or nonprofit and I can
5 see that, but in the future I don't feel
6 that we have anyway if we are going to bail
7 ourselves out to keep handing out exemptions
8 for the property tax. It's not justifiable
9 to raise somebody else's tax 95 percent over
10 three years and then turn around and tell
11 the next guy that he can't come unless you
12 want to nickname the town Johnny Come
13 Lately, it's not practical as far as I'm
14 concerned.

15 And I'd also like to see some
16 research, I plan and promise I'll do a
17 little more myself within the next week, but
18 some of these colleges, the "U" and so
19 forth, we can't get back what we gave away,
20 but they need to be block zoned and
21 hopefully it's legal in Pennsylvania and
22 anything they take from here on in they are
23 to pay the full property tax because we
24 can't afford it, we have talk of a commuter
25 tax law, well, it's justifiable as it is and

1 it's needed. As it is whoever works in
2 Scranton will be paying all of the revenue
3 sharing that people in outlying districts
4 that don't work in Scranton might be voting
5 against with state government and so forth,
6 so we have a 35 percent tax exempts and it's
7 got to stop there. It's just got to stop
8 and it can't go any further.

9 And I also have some concerns about
10 our pension, I read about two weeks ago that
11 we lost \$30 million in our pension plan for
12 firemen and police, certainly I hope those
13 people aren't still at the helm and if they
14 are they need to be relieved of their duties
15 and with health care and pensions because we
16 really need to start to tighten up, and we
17 can't let some fancy pants from Wall Street
18 lose \$30 million on us and keep his little
19 golden parachutes. I think it's time we cut
20 a few holes in it and you can drop.

21 There is a lot of difference things,
22 I mean, revenue sharing, Homeland Security
23 gave us a quarter of a million dollar road
24 grant, for what? It's probably collecting
25 dust and we could use a couple firemen and

1 police on the street. It's really ashamed
2 that we don't have them.

3 Furthermore, on some of these local
4 universities and colleges I just read in the
5 paper about the medical school, now, it was
6 put here by our lovely legislators and the
7 carpet was pulled on funding of all types.
8 They have had all kinds of problems with
9 administrators leaving and the University
10 doesn't seem to want to get involved with
11 it. Why I don't know. Why not. That's the
12 type of things that do help us as hospitals
13 and doctors and so forth in this town and
14 they are the ones that do things for us, not
15 somebody taking in foreign exchange students
16 from some radicalized religious country that
17 some day they might be tossing bombs around
18 or something.

19 And last week I made a mention, I'm
20 going to keep mentioning it, I'm trying to
21 some research with the county recycling and
22 so forth, \$30 billion wasted every year on
23 recycling and that's 30,000 million dollars.
24 I backed off and I uncorrected myself.
25 That's 30,000 million dollars, so it's -- if

1 we have 30,000 midsize cities in this
2 country it's totally conceivable that we are
3 losing a million or \$2 million a year on not
4 recycling in this town, and I see it every
5 day when I walk doggy up the courts or
6 whatever and I see the pathetic way that
7 trash -- not to mention that these guys have
8 to come behind it if they really want to
9 pick up the trash they have bend over 15
10 times to pick up the one bag of trash.

11 Okay, I'll make it quick. The
12 golden parrot, one goes to Rick Scott and
13 our facilitator attorney general who won't
14 enforce voter registration laws and we have
15 a voter purge in Florida, he pleaded -- he
16 is -- Rick Scott is the governor of Florida,
17 he pleaded the Fifth Amendment 77 times
18 before an investigative grand jury on
19 Medicare with Health Care South, which was
20 fined \$1.2 billion. With that record he
21 must be a fraud expert. Thanks a lot and
22 have a good night. Bawk, bawk, bawk.

23 MR. JOYCE: Thank you. Good
24 evening.

25 MR. UNGVARSKY: Good evening, city

1 Council. I'm Tom Ungvarsky and I'm a member
2 of the Scranton/Lackawanna County Taxpayers.
3 A couple of weeks ago I asked city council
4 not to vote on any financial legislation
5 that was coming down. I said at that time
6 that by council assuming the responsibility
7 you were also assuming the blame. For the
8 last two weeks just about every day in the
9 Scranton Times' newspaper there has been an
10 article condemning council for what they are
11 doing.

12 Unfortunately, when they asked the
13 mayor something he will give them a one-line
14 answer which they accept. The reporter for
15 the Scranton Times sits here, takes notes,
16 goes back to his office, writes out an
17 article for that morning's paper. If lucky
18 he may get to ask the mayor something via
19 phone that night.

20 Unfortunately, our mayor has one
21 solution to our problem, that is to raise
22 taxes or raise fees. He never seems to want
23 to go after suggestions that are made to
24 increase revenue, such as the Ice Box with
25 \$600,000 owed to the city. You can tax the

1 old Chamberlain Plant because that's private
2 industry now, and I don't know how much you
3 could get out of that, but it could be
4 considerable. There has been suggestions
5 about the lechate line and many, many, many
6 others forms of the revenue that wouldn't
7 effect the residents of the City of
8 Scranton.

9 The Scranton Times goes by the name
10 Scranton Tribune. I wish they would take
11 the name Tribune out of their title because
12 the Tribune, as I remember them, was always
13 fair. Scranton Times has one way of looking
14 at things.

15 Mr. Joyce, the week you were absent
16 I asked about our TAN loan, is that paid off
17 now?

18 MR. JOYCE: Yes, it is.

19 MR. UNGVARSKY: Can you tell me how
20 much interest was charged on that loan?

21 MR. JOYCE: I don't have that figure
22 at the present time in front of me, but I
23 could research that and get that for you.

24 MR. UNGVARSKY: I would appreciate
25 it seeing as they were collecting fees from

1 day one the interest should be comparably
2 cheap. I wish you would find out, and I
3 thank council for their attention.

4 MR. LOSCOMBE: Thank you.

5 MR. JOYCE: Is there anyone else who
6 would like to address council?

7 MR. SLEDENZSKI: Jackie.

8 MR. LOSCOMBE: Chrissy.

9 MR. JOYCE: Chrissy.

10 MR. SLEDENZSKI: Well, Jack, what
11 was that's dog's name, Jack? Grizzly,
12 right? Jack, was that his name? Where were
13 you yesterday, I missed you down there
14 yesterday, I missed you.

15 MR. LOSCOMBE: Oh, yeah.

16 MR. SLEDENZSKI: I went down
17 yesterday. I felt sorry for the doctor.

18 MR. LOSCOMBE: Oh, the canine dog
19 yesterday.

20 MR. SLEDENZSKI: Yeah, I went down
21 there yesterday, Jack, it was packed. It
22 was packed.

23 MR. LOSCOMBE: Breakfast on Chrissy
24 tomorrow. Right, Chrissy?

25 MR. ELLMAN: I got news for you

1 about chicken little, the sky has fallen
2 here at the city has collapsed.

3 MR. JOYCE: Could you please state
4 your name for the record?

5 MR. ELLMAN: Pardon?

6 MR. JOYCE: State your name for the
7 record. We know who you are.

8 MR. ELLMAN: Our mayor claims that
9 he is so concerned about dollars, what about
10 my needs? I'm concerned about not having
11 any money, too. I tell you, if Chris
12 Doherty thinks that I will pay an extra
13 thousand \$1,500 next year he as absolutely
14 silly as he looks because I won't do it.
15 I'd just as soon lose my house as throw good
16 money after bad because it won't stop. It's
17 impossible to stop. He has created so much
18 death and so much chaos in this city there
19 isn't any fixing it.

20 I have talked to some knowledgeable
21 people and they told me they don't even want
22 property in Scranton, and we got this
23 contemptible news paper that doesn't do
24 anything but editorial after editorial week
25 after week attack council and attack not one

1 bit of a solution, not one little minute bid
2 of a solution what to do. They want us
3 to -- this SPA has lost, what, a million and
4 a quarter or something? They want us to
5 just leave those people there that have lost
6 all of that money. Then the newspaper with
7 their blatant lies and distortions they
8 claim we need \$16 million to save
9 everything, it's \$28 million.

10 Then they say that the SPA needs
11 \$900,000, last week we discovered they need
12 two and a half million dollars and the same
13 fools are running it that ran it into the
14 ground. This doesn't make sense. This
15 isn't a good business, but this is the kind
16 of the business Chris Doherty loves. It's
17 all he knows is mismanagement. Who decides
18 the recourse for the city, council or
19 Mr. Doherty? Who? Guaranteeing that loan?

20 MR. JOYCE: Joyce that was done --

21 MR. ELLMAN: I mean, I came here we,
22 were supposed to be responsible --

23 MR. JOYCE: That was not -- -

24 MR. ELLMAN: I never heard who
25 signed that we are responsible. You know,

1 again, I say what am I getting for my
2 dollar?

3 Last Thursday I was going some place
4 on Washington Thursday morning in front of
5 Marywood. I have been in here for years I
6 don't have no sidewalks, no curbs, I don't
7 have no sewers, nothing has been done about
8 it. There is a bunch of the low life vermin
9 running that school, don't pay no taxes,
10 they are getting new sidewalks. I don't
11 know if you know it, Friday before last they
12 bought another \$200,000 house on the 2,500
13 block Washington. That's the second one
14 this year. 3,200 and some dollars off the
15 tax rolls and they get a sidewalk. I ain't
16 getting no sidewalk. This is the kind of
17 the city we live in with Chris Doherty at
18 the helm, you know.

19 I'd like to tell you council that I
20 had, I don't know, eight or ten people tell
21 me that they were so proud of council
22 showing its allegiance to the people instead
23 of the SPA last week. It's just an endless
24 fight up here. You know, I think this will
25 be my fanfare. I just get so excited, I

1 would rather go to on Thursday night to the
2 little auction in Olyphant and not get all
3 excited up here and everything every week.
4 You're just beating your head on a wall
5 standing here week after week, and I don't
6 blame council, I blame this administration,
7 and there is a lot of good people in it. I
8 think the Licensing Bureau does great. I
9 was up there to get a dog license a couple
10 of weeks ago. The lady took care of me and
11 everybody is nice and friendly and I have no
12 argument with the sanitation people, they
13 come and go and leave my cans, you know, but
14 the people that are supposed to be running
15 the city are just one gross incompetence
16 mess. They have no feeling whatsoever about
17 the pulse of this city. It's just the city
18 is gone.

19 You talk to people, everybody is
20 just pessimistic. I was at Boscov's today
21 with Ms. Rosie the mall is deserted. I
22 drove right up to the next place where the
23 elevator is, no cars, there is nothing. I
24 don't want to see that happen. You know,
25 you go out to the JCPenney and you have to

1 park a half a mile from the place there is
2 so many cars. I parked out by Sears because
3 it's always empty that lot, out front there
4 is no place to park. There's got to be a
5 reason. Part of it is Chris Doherty and the
6 rest of it is a bunch of fools like running
7 the SPA putting meters down there at
8 Chamberlain, people that are working that we
9 need they try to run them off. Thank you.

10 MR. JOYCE: Thank you, Mr. Ellman.
11 Is there anyone else who would like to
12 address council?

13 MR. JACKOWITZ: Good evening,
14 Scranton City Council, Bill Jackowitz, South
15 Scranton resident, member of the Taxpayers'
16 Association, founder of the Legion of Doom,
17 and also a co-chairperson of the Kids Swim
18 Free Program at Nay Aug Park for the last
19 five years.

20 MR. LOSCOMBE: Good evening.

21 MR. JACKOWITZ: First of all, I
22 would like to commend the supermajority, the
23 three members last week who voted the way
24 they voted. That took a lot of courage. I
25 would like to criticize the Scranton

1 Times-Tribune and Jim Lockwood, who is the
2 reporter who is here at the meetings,
3 because it's the same with Josh Mrozinski,
4 Stacy Brown, and I don't remember Burton's
5 first name, but they attend the same meeting
6 that I attend, but yet when I read the
7 article in the paper the article in the
8 paper does not reflect actually what
9 happened during the meeting.

10 Now, a city in crisis. That's all
11 we have been hearing about. The sky is
12 falling, payless paydays, now we can't buy
13 gas for the police and fire trucks, I must
14 ask the Scranton Times and Boris and Chris
15 Kelly and Jim here who is responsible for
16 that? Is it the supermajority who has been
17 in office for four and a half years -- or, I
18 mean, excuse me, two and a half years, or is
19 it the mayor who has been in office for
20 almost 11 years or is it Mr. McGoff, who has
21 voted with the mayor for six -- five years
22 now every single time. The only time he
23 voted against the mayor was when he voted to
24 install the cameras back in the city council
25 when his council and Judy Gatelli and Sherry

1 Fanucci's council voted to bar the citizens
2 from speaking at Scranton City Council and
3 took the cameras out. I hope people still
4 remember that.

5 Last week Mr. McGoff criticized Mr.
6 Loscombe for smiling, but yet Mr. McGoff
7 smiles every week. He has smiled at least
8 four times today so --

9 MR. MCGOFF: I'm not allowed to
10 smile?

11 MR. JACKOWITZ: Well, Mr. Loscombe
12 wasn't allowed to smile last week, you
13 criticized him, remember, when you asked him
14 if he thought it was funny. So I am asking
15 you, do you think that voting to raise taxes
16 was funny? Do you think voting to shut down
17 fire stations, firefighters and laying them
18 off was funny.

19 MR. MCGOFF: Did I laugh when I made
20 that vote?

21 MR. JACKOWITZ: You are smiling
22 right now, and you are always shrugging your
23 shoulders like you don't understand the
24 question or understand what's going on. You
25 are responsible for this. Can't you accept

1 that? Man up. Man up.

2 MR. MCGOFF: Excuse me.

3 MR. JACKOWITZ: You voted for all of
4 this, okay? You voted for this.

5 MR. MCGOFF: For what?

6 MR. JACKOWITZ: For the distressed
7 city in crisis. You voted for every loan,
8 every borrowing, you voted to close fire
9 stations. You voted to continue --

10 MR. MCGOFF: No.

11 MR. JACKOWITZ: Yes, you did, with
12 Judy Gatelli and Sherry Fanucci. Remember
13 the meetings when you were president and you
14 talked about and Sherry Fanucci talked about
15 it's the union's job to fight the city? No,
16 it wasn't the union's job to fight the city,
17 it wasn't the city's job to fight the
18 unions. It was the job of the elected
19 officials and the unions and the
20 firefighters and the police officers to
21 cooperate and work together.

22 Look at the mess we are in right
23 now. The sky is falling. We can't pay for
24 our gas. We can't pay for our loans. We
25 can't pay our retirees. Is that Bill

1 Jackowitz's fault? Did I ever vote for
2 anything? No. Has Mr. McGoff and Chris
3 Doherty, Sherry Fanucci, Judy Gatelli, Bob
4 McTiernan, Alex Hazzouri, Tom Gilhooley?
5 List goes on. It's not the taxpayers and
6 the residents and community's fault that the
7 city is in the mess that they are in, it's
8 the people who we elected who ran this city
9 into the ground and now they want everybody
10 to bail them out. We want people from
11 Dunmore, Old Forge, Moosic, to bail out the
12 City of Scranton. Are they responsible for
13 this? No. You know, they are not.

14 We are responsible for it because we
15 voted for these people and the people who
16 voted against the citizens week after week
17 after week are responsible for it. The
18 Scranton Times for not printing the truth.
19 I would love to read tomorrow's paper and
20 see what really -- I hope an explanation
21 that Mr. Hughes' gave tonight and hopefully
22 will expand on that later, appears word for
23 word in tomorrow's Scranton Times, not
24 blaming city council.

25 City council, I applaud you for

1 doing what you did with the exception of the
2 Mr. McGoff, and actually I'm surprised to
3 see Mr. McGoff here tonight, this is the
4 first time in four weeks he has been here
5 for citizens' participation. Last three
6 weeks he was no where to be found.

7 MR. MCGOFF: You could have found me
8 at various places.

9 MR. JACKOWITZ: I wasn't going to
10 look for you, I have no reason to look for
11 you. It's your responsibility to be here at
12 the meeting, Mr. McGoff.

13 MR. MCGOFF: I could --

14 MR. JACKOWITZ: And you think that's
15 funny, don't you? Don't you because you are
16 smiling. Smile. Mr. Loscombe, it's wrong
17 for you to laugh or smile, but Mr. McGoff
18 can laugh and smile any time he wants.

19 MR. MCGOFF: You could have found me
20 last week, I was at my grandson's
21 graduation.

22 MR. JACKOWITZ: What about the other
23 two weeks?

24 MR. MCGOFF: If you really want to
25 know, I was at baseball games, district

1 playoff games that he was playing in.

2 MR. JACKOWITZ: A baseball game.

3 MR. JOYCE: Is there anyone else who
4 would like to address council?

5 MR. MCGOFF: I would like to just
6 comment, since I was mentioned frequently, I
7 never voted to -- just so for the record, I
8 never to close a firehouse. Never any time
9 I have been here was there actually a vote
10 taken on council to close the firehouse, so
11 I couldn't very well vote to do that if
12 there was never a vote taken, and as a
13 matter of fact, while I was president while
14 I was I'll say in the majority, all of the
15 firehouses in the city were open. There
16 were none that were being closed. That's
17 all. Thank you.

18 MR. JOYCE: Is there anyone else who
19 cares to address council?

20 MR. MARTIN: Bob Martin, 420 Adams
21 Avenue. I'm just going to keep this short,
22 I want to applaud Attorney Hughes, Solicitor
23 Hughes for the job he is doing for city
24 council, and I know that there has been, you
25 know, a situation where an increase in

1 salary is -- some of the people on city
2 council are going to agree with the increase
3 in the salary, but I'll tell you he is there
4 for the people and for city council and,
5 Attorney Hughes, you are doing a great job
6 and I love you the way you present yourself.

7 Last week the job you did with the
8 Scranton Parking Authority was really -- but
9 it's just getting to the Parking Authority
10 he is absolutely right that the situation
11 with them having nine months and not able to
12 come up with, you know, the things that they
13 should have been doing, and it was just
14 terrible to watch the way they, you know,
15 the presentation absolutely terrible and I
16 hate to see that anything happen with the
17 Parking Authority, but I totally agree that
18 something needed to be done and you can't be
19 giving them all the money anymore. I mean,
20 if they have to go down and somebody else, a
21 private person has to take over so be it.

22 Did I see in the paper that the
23 banks seized the money or was it like
24 \$116,000 or something like that? I mean,
25 they came in and seized everything? Is that

1 what they did?

2 MR. LOSCOMBE: I think Mr. Hughes
3 will be able to go over that when he is on
4 that issue.

5 MR. MARTIN: That's fine, but
6 anyhow, that's basically all I want to say.

7 MR. HUGHES: That's the same
8 question Bob asked, I don't know how
9 Fidelity Bank grabbed \$166,000. I never
10 knew that the Parking Authority had any
11 indebtedness with Fidelity Bank. I really
12 thought it was Landmark, so I have no idea.
13 I read it in the paper and I went, "How does
14 this happen?"

15 MR. MARTINA: Open your mouth, ahh.

16 MR. HUGHES: I'm in much in the dark
17 as you are, Bob.

18 MR. MARTIN: But I just want to say
19 that you are doing a great job and whatever
20 money you can in there, there's a lot of
21 cases you are there for to help out and your
22 presentation is just -- I mean, considering
23 the short period of time me you had last
24 week to look over things that you did a
25 great job and I applaud you for everything

1 you do. Thank you.

2 MR. HUGHES: Thank you.

3 MR. JOYCE: Is there anyone else who
4 cares to wishes to address council?

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

6 MOTIONS.

7 MR. JOYCE: Mr. McGoff, do you have
8 any comments or motions?

9 MR. MCGOFF: Yes, please. First,
10 just an order of business, I would like to
11 make a motion to appoint Mr. Rogan as the
12 temporary Chairperson on Rules?

13 MR. LOSCOMBE: Second.

14 MR. JOYCE: We have a motion on the
15 floor, on the question? All those in favor
16 signify by saying aye.

17 MR. MCGOFF: Aye.

18 MR. ROGAN: Aye.

19 MR. LOSCOMBE: Aye.

20 MR. JOYCE: Aye. Opposed? The ayes
21 have it and so moved.

22 MR. MCGOFF: Just a couple of
23 comments about some of the legislation
24 that's on the agenda. I was actually
25 surprised to see the Parking Authority

1 legislation on the agenda when I received
2 it. I had no idea that it was going to be
3 put back on the agenda. I was just
4 wondering what the genesis of that
5 legislation is and at whose request was this
6 legislation prepared and put on the agenda?

7 MR. ROGAN: I would state my
8 position hasn't changed.

9 MR. MCGOFF: No, it's not a
10 position, I would just wondering how it came
11 to be put on the agenda this evening? I
12 don't know where it came from.

13 MR. JOYCE: Solicitor Hughes, I know
14 that you have been in contact with
15 Councilwoman Evans about some of the agenda
16 items, would you care to elaborate a little
17 further?

18 MR. HUGHES: Yes. It will be
19 explained when this comes up tonight to be
20 introduced in my comments. At the end of
21 last week I had a call from two lawyers from
22 New York City, one that represents National
23 Insurance and the other one represents
24 Radian Insurance, David Dubrow and Sam
25 Cohen.

1 Talked with them before Thursday's
2 meeting I talked with them on Friday, Ardian
3 is the insurer on the 2006 bonds which went
4 in default on Friday, an event of default,
5 and there is a big difference between an
6 event of default and default, and council
7 has received a letter from Dave Dubrow, he
8 is with Aaron and Fox, a large law firm in
9 New York City. I have been working with him
10 on this. He sent me a draft letter, I
11 immediately discussed it with Mrs. Evans.

12 It was my opinion that this should
13 be placed back and the agenda tonight, I'll
14 explain it with the letter, council already
15 has a copy of it, to at least be introduced.
16 The ramifications were that, as I stated
17 previously, the solicitor for the Parking
18 Authority was incorrect, the insurance
19 company did not make the payment, the
20 payment came from the reserve funds.
21 However, the trustee is looking to the
22 insurer to make that payment to replenish
23 the funds in accordance with the lease and
24 the trust agreement, and if that happens at
25 they will file a mandamus action in

1 Lackawanna County Court to have the Court
2 mandamus, the mayor and council, to raise
3 taxes by \$1 million next year to make the
4 bond payment.

5 MR. MCGOFF: Thank you.

6 MR. HUGHES: Then, and as I'll state
7 later and I stated last week, the Scranton
8 Parking Authority is a train wreck going to
9 happen. If they didn't default last week,
10 they are going to default September 15.
11 There is another \$1 million bond payment
12 coming up, they will be in default. There
13 is no way in three and a half months with
14 the budget that they have, with the
15 fallacies that they have in the budget, the
16 inaccuracies in the budget, that there is
17 any way that they can come up with that
18 money and the city is going to have to come
19 up with that money. There will another bond
20 payment due December 1 of \$820,000, that
21 will be two and a half months after the
22 September payment and there is going to be
23 no money.

24 While I may as well say it now, and
25 I'll say it again later, the board of the

1 Scranton Parking authority should
2 immediately meet, they should immediately
3 turn the facilities over to the bond
4 insurer, to Radian, then appoint a trustee
5 and take over immediately. They are only
6 delaying the inevitable. It's going to
7 happen in 29 days.

8 Council doesn't have it yet, the
9 press doesn't have it yet, but the trustees
10 sent out a letter e-mailed this afternoon to
11 the mayor, to the chairwoman of the Scranton
12 Parking Authority, Mr. Scopelliti itemizing
13 five items of default that have to be
14 corrected in 30 days from today's letter or
15 what's going to happen they will be in
16 default, a trustee will be appointed, and
17 the receiver will be appointed to take the
18 facilities over. They are only delaying the
19 inevitable.

20 This council has called for the last
21 five or six months, actually more than seven
22 months, to the Scranton Parking Authority to
23 come here, discuss it's situation. They
24 refused, but Council did -- we knew the day
25 of reckoning was coming. They put the money

1 in the contingency fund. That's why they
2 came last week. They had to come here with
3 hat in hand to beg council for the money,
4 and under my examination Mr. Scopelliti the
5 budget is fictitious. That's one of the
6 conditions that the trustee demands, that
7 the insurance company demands, is that they
8 must have not only a budget prepared by
9 them, I mean, it was laughable what
10 Mr. Scopelliti said, "Well, our board
11 approved it."

12 That means nothing. In accordance
13 with the lease and the trust agreements that
14 has to be approved by council. This council
15 sent a letter to the Parking Authority
16 October of 2010 and submitted their budget
17 for 2011 which was the first time probably
18 in a decade or maybe ever that it was ever
19 approved.

20 Mr. Scopelliti's salary was
21 decreased, two positions were eliminated.
22 The Parking Authority just took that budget,
23 did nothing with it, without the amendments
24 is what they did. The day of reckoning is
25 here and as the ad for the magazine Monthly

1 says, "Sooner or later we are going to get
2 you," and that's what the trustee is doing,
3 that's what the insurance council is doing.
4 If you don't belly up now and turn over the
5 facilities voluntarily to us so we can get a
6 receiver appointed and make arrangements for
7 an orderly transition they are going to do
8 it by force and they are going to win. It's
9 that simple.

10 And hopefully that when a receiver
11 get appointed and they take over the
12 Authority and they hire -- bring in their
13 own management and you can at least attempt
14 to right the ship that with the cooperation
15 that council has done with the insurance
16 companies, with the bond issuers that
17 hopefully we can work some of this out so
18 the city won't be in default in September.
19 You can't guarantee that, but hopefully
20 that's what will happen.

21 That's where we are. I have copies
22 of the letter that went out and I'm putting
23 them together tonight for council, for the
24 news media, for the public, to see what the
25 events are, but that's how this was put back

1 on. The ramifications are great. Council
2 by not approving that last week they are not
3 in default. There is an event of default
4 and hopefully, you know, we at least get it
5 on, demand Mr. McGowan come here next
6 Thursday night at 6:00, present to council
7 that the money is available so that that
8 payment can be made.

9 And I would say this, there is a lot
10 of misinformation going around, and I have
11 been through many bonds issues and I have
12 done a lot of litigation on this, that one
13 of the events on the bond payment, on that
14 bond issue of \$16 million there is an
15 opinion council has to be given, and part of
16 that is that there has been no material
17 adverse change in the city's financial
18 condition. Even if last week council
19 approved that \$1 million payment, even if
20 that were paid there would be serious doubts
21 as to whether M & T Bank would go through
22 with it because when the opinion would be
23 written, the legal opinion to support that
24 bond issue, and it would state that there is
25 a material adverse change in the city's

1 financial condition because it just had come
2 up with \$1 million to pay the Parking
3 Authority bond issue, it also would have to
4 state that based on the budget they don't
5 have an approved budget. They are in
6 violation of the terms of the trust, they
7 are in violation of the terms of the lease,
8 that there is serious doubt is to whether
9 the Parking Authority would make their next
10 million dollar payment in three and a half
11 months. The city would have to come with up
12 with that money, and there is also serious
13 doubt is to whether the Parking Authority
14 could even make the bond payment of \$800,000
15 on December 1.

16 That would all go into an adverse --
17 that all would go into the legal opinion
18 regarding an adverse material change in the
19 city's financial condition. Right now, that
20 would be a total of exposure for the city of
21 almost \$3 million in those bond payments.
22 The \$1 million bond payment in June, the \$1
23 million bond payment coming up in September,
24 and the \$820,000 bond payment coming up in
25 December. That's a substantial financial

1 burden on the city. That would have to be
2 put in there and M & T Bank could have said
3 right with that legal opinion, "We are not
4 going to underwrite this because of the
5 financial condition of the city."

6 So it had nothing to do with the
7 vote last week. In my opinion that when
8 that letter would have been written by bond
9 counsel M & T would have looked it and said,
10 "Here is an unfunded potential liability the
11 city has for the Parking Authority of \$1.8
12 million, there is only \$600,000 left, where
13 is it going to get the other --" \$600,000
14 left in the contingency fund, there is
15 another \$1.2 million that the city would
16 have to come up with and pay if it's not in
17 the budget. That's how bad it is.

18 And, hopefully, I look at it and
19 this is not a Titanic event, you know, we
20 haven't hit the iceberg, I look at it as a
21 Pearl Harbor event that, okay, we have been
22 attacked by the Parking Authority, now it
23 comes that it cannot be salvaged, and I
24 think it can, and I'll put it this way, I
25 don't know how many people know about the

1 City of Harrisburg and it's in bankruptcy.
2 The Scranton Parking Authority is the City
3 of Scranton, but the incineration plant in
4 Harrisburg is to the City of Harrisburg.
5 The incineration plant put the City of
6 Harrisburg in bankruptcy. If the Parking
7 Authority keeps on this road, and maybe it's
8 gone much too long, as to whether it can be
9 corrected, you know, can put the City of
10 Scranton right now I believe into
11 bankruptcy.

12 The total guaranteed debt of the
13 City of Scranton to the Parking Authority is
14 \$99 million. It's \$99.8 million. There is
15 \$51 million of principal that the city has
16 guaranteed. The interest payments are over
17 \$48 million in the life of the bonds. When
18 you add them together, that's almost \$100
19 million that the city has guaranteed that
20 has to be paid, and you are never going to
21 get it with the incompetent management of
22 the Scranton Parking Authority.

23 That's why, you know, Mr. Rogan has
24 been pushing that some of the Parking
25 Authority, take a look at see if you can

1 sell some of those facilities, if you could
2 reduce the -- if you could pay down the
3 bond, you have \$51 million in debt and they
4 pay down \$20 million you are down to \$31
5 million but now for the next 30 or 40 years
6 you don't have to pay the interest on at
7 that 20 or 25 million. It substantially
8 reduces the city's exposure. There is
9 nobody looking at that over there at the
10 Authority, there is nobody in the mayor's
11 office looking at it that way, it's business
12 as usual, we'll just write the check.

13 It's similar to the Greek situation,
14 you know, what's going on there. Greeks can
15 at least print money if they put out the
16 heirloom and create the document, you know,
17 City of Scranton can't do that and something
18 has to be done. Thank you.

19 MR. MCGOFF: So the answer to my
20 question was that it was at the request of
21 Mrs. Evans?

22 MR. HUGHES: Yes, she and I
23 discussed it.

24 MR. MCGOFF: Thank you.

25 MR. HUGHES: I told Mrs. Krake to

1 put it on.

2 MR. MCGOFF: Thank you. That's will
3 all I asked.

4 MR. HUGHES: One other thing that
5 really annoys me is that they had a letter
6 last week that said the exact amount was
7 \$1,031,000 and the amount that we put in the
8 legislation they never communicated that to
9 us. If that legislation passed and you
10 amended it to \$994,000 there wasn't enough
11 money. They never told us it was one
12 million thirty-one thousand some dollars.
13 They had the letter from Bank of New York
14 Mellon.

15 MR. MCGOFF: Thank you. I guess it
16 was my understanding that when something was
17 voted down that it would require a majority
18 vote of council to put it back on the
19 agenda, but I'm assuming that this is
20 separate legislation because the amount is
21 different that it would be a different piece
22 of legislation?

23 MR. HUGHES: That's correct. It's
24 substantially different.

25 MR. MCGOFF: Okay. Thank you. And

1 I was accused last week of putting spin on
2 things, but I think that the results of last
3 week's vote, I will disagree with Attorney
4 Hughes' opinion, I think that it did set in
5 motion a series of events that has -- at
6 least vendors have now come to the city
7 looking for payment. We had a meeting the
8 other day with Blue Cross and Blue Shield,
9 we had a letter from the Dunmore Oil, there
10 are events that are taking place. Whether M
11 & T would be backed out of the agreement or
12 not, you know, that's open to speculation.
13 They were involved and I think they were
14 waiting to see, you know, where we are going
15 with it.

16 I hope that, you know, by putting
17 this legislation back on I hope that it's
18 not too late. I hope that we can recoup
19 some of our standing in the community. You
20 hope that we can move forward toward at
21 least securing unfunded debt from some
22 source, but, you know, the dominoes have
23 started to fall. I hope that maybe with
24 this legislation we can stop that
25 progression and that we don't get to a dire

1 situation, although, it may be dire already.

2 I also think that we need to move
3 toward talking about dealing with the
4 Recovery Plan. I think that above all that
5 becomes sort of the lynch pin for, you know,
6 all of the legislation, all of the -- and
7 for the budget. We have been going back and
8 forth with a lot of items dealing with the
9 Recovery Plan and what people think of it.
10 I think it's time to put an end to the
11 public eye and I think it's time that
12 council starts to deal with it specifically
13 and arrive at a Recovery Plan.

14 And with that, I would like to make
15 a motion -- I make a motion to place the
16 revised Recovery Plan for the City of
17 Scranton as prepared by the mayor's office
18 of the City of Scranton and presented to the
19 Scranton City Council on May 24, 2012, on
20 the city council agenda for June 14, 2012.

21 MR. JOYCE: There is a motion on the
22 floor, is there a second?

23 MR. ROGAN: I second it.

24 MR. JOYCE: On the question?

25 MR. ROGAN: If I may.

1 MR. MCGOFF: Absolutely.

2 MR. ROGAN: I think I have a
3 completely different reason for seconding --
4 for voting for this motion Mr. McGoff made
5 than he did, Mr. McGoff may be a supporter
6 of this plan. I strongly oppose the mayor's
7 Recovery Plan, but I do believe it deserves
8 an up or down vote on council as every item
9 that is sent down to us does, and that is
10 why I do believe it should be placed on the
11 agenda, and I believe it should be voted
12 down.

13 MR. LOSCOMBE: And I do have a
14 couple of comments on that, also. I
15 strongly oppose the mayor's plan to increase
16 taxes to that capacity. There is a lot of
17 issues that weren't put in that we have put
18 on. The Recovery Plan as presented is not
19 good for everybody here, especially in light
20 of what's been going on. We need a Recovery
21 Plan, but what's the big urgency, we haven't
22 had one since 2005. The banks didn't
23 require Recovery Plans for the past six
24 years, seven years. I think it's a devised
25 pressure, and what makes me even more

1 suspicious, first of all, it was several
2 weeks ago that I sat here and said I would
3 not vote for any Recovery Plan, whether it
4 be city council's or the mayor's, that did
5 not include the final numbers from the
6 negotiations on the Supreme Court award to
7 the police and firefighters. That would be
8 doing an injustice to everyone. How could
9 we have a Recovery Plan if we don't know the
10 whole ball of whacks?

11 And, you know, I know there has been
12 a lot of communication going on between the
13 unions and the administration and I would
14 hope that they would come to a very good
15 conclusion very shortly. I think they
16 should, and I think it will be a very
17 beneficial solution for everyone here.

18 But I'm also suspicious with the
19 letter I received when we had a meeting, as
20 Mr. McGoff stated on Blue Cross and Blue
21 Shield in the mayor's office, as we are
22 leaving he handed us a letter, myself and
23 Mr. Joyce. It said, "Dear Councilman
24 Loscombe, on Tuesday, June 5, the secretary
25 of DCED, Allen Wheeler, asked me to invite

1 Scranton City Council to appoint two council
2 members to travel to Harrisburg to attend a
3 mediation session with the city
4 administration. The state will pay for the
5 mediation.

6 It is the hope of DCED that this
7 mediation will allow the administration and
8 council to come to an agreement that is
9 acceptable to a lending institution so that
10 the city will be able to fund the remainder
11 of the 2012 operating budget.

12 Please contact me if this is an
13 acceptable to council which council members
14 will attend. Thank you in advance for your
15 cooperation."

16 I cannot agree to going to any
17 meeting until we have an agreement and know
18 where we are going from this point forward.
19 And again, I mean, I don't understand this,
20 why we would have to go to Harrisburg fi
21 they are interested in getting the city back
22 in a better financial condition, but what
23 really alarms me is we are going before the
24 same panel that has put us in this position,
25 DCED. They are the ones that pushed the

1 mayor to appeal, appeal, appeal, and haven't
2 offered one penny or one word of advice on
3 how to bail this city out. They want to
4 dole it out but they don't want to take
5 their own blame.

6 And, you know, I for one cannot
7 agree to something like this. We have to
8 have our own Recovery Plan that's beneficial
9 to everybody. We have to know all the
10 bottom lines. We have to have the
11 agreements of the Supreme Court ruling and,
12 you know, I don't feel comfortable with
13 DCED. PEL, DCED, they put us where we are
14 at, they haven't offered any opportunity to
15 take us out of where we are at, just to
16 mediate something between us and the mayor
17 to jam a Recovery Plan down your throats
18 that's going to effect you for the rest of
19 the time, however, many years. That's why
20 I'm against this motion. Thank you.

21 MR. JOYCE: Is there anyone else on
22 the question?

23 MR. MCGOFF: Yes, I didn't make the
24 motion with the idea that -- I didn't say
25 anything about supporting the plan or

1 rejecting the plan. I believe that we need
2 to start discussing the plan. This is
3 something that despite what Mr. Loscombe
4 says, that the lending institutions have
5 placed in front of us before they will move
6 forward with any of our financing. They
7 want to see a Recovery Plan.

8 We need to start working toward that
9 goal, and I think the first step is to have
10 something in front of us that we can
11 discuss. If we don't like what is in the
12 mayor's proposal, then fine, amend it,
13 change it, do something to come to a
14 conclusion. We have been putting this off
15 too long. We need to act on this, and I
16 think by putting it on the agenda it gives
17 us an opportunity to discuss it and to act
18 upon it, and that is the reason why I am
19 making the motion.

20 MR. ROGAN: I would just like to
21 reiterate that I do agree that it's
22 something that we need to talk about as a
23 group, all five of us on council, the mayor,
24 union leaders may be involved as well, all
25 of the stakeholders. We need to discuss

1 this plan and change it. There is no way
2 I'm going to vote for a plan that raises
3 taxes 78 percent. It's not going to happen,
4 but I do think we need to work to amend the
5 mayor's plan or to at least discuss and
6 provide an alternative plan. But the
7 mayor's plan, as far as I'm concerned, is
8 dead on arrival.

9 MR. LOSCOMBE: If I could just add,
10 you know, we are the elected officials here
11 to do our job for you. The people from DCED
12 are not elected, they have no one to answer
13 to but their paychecks and, you know, I
14 believe you elected us to make the hard
15 decisions for you and, you know, maybe some
16 of you don't believe it, but I know a lot of
17 do because I run into you on the street that
18 we are doing the best we can for you. We
19 can't create a miracle overnight, but we
20 have the best interest of the majority of
21 the taxpayers in our hearts, not the
22 bureaucratic big wigs, and that's all I have
23 to say on it.

24 MR. JOYCE: Attorney Hughes, I did
25 have a question for you if you would please

1 answer, could a Recovery Plan be amended by
2 council?

3 MR. HUGHES: I don't have an answer
4 to that. I haven't seen the Recovery Plan,
5 but I certainly think that there is certain
6 things that have to be in it. I think one
7 thing that would have be addressed right now
8 is the fact the condition of the Parking
9 Authority. I don't think that's in there.
10 I have stated it before that it seems to be
11 that there is -- you read the editorials of
12 the Times -- I don't read the editorials in
13 the Times, but anyway, the one thing that
14 the city has no option being a Third Class
15 city. That's the law. It's been law going
16 back to the early 1900's that when the
17 population decreases -- it sets by
18 population. The city can't sit here and say
19 we are going to stay a 2 Class A city. I
20 don't know if that's addressed in the plan.

21 I certainly think one thing that
22 should be addressed in the plan, and it's
23 DCED should do it, that the City of Scranton
24 is a Home Rule Charter city that when it
25 reverts to a Third Class city because of the

1 population that's been certified by the
2 governor that one of the things that has to
3 happen is that there has to be a Home Rule
4 Study Commission. It's a distressed city.
5 Where are you going to get the money to have
6 a Home Rule Charter, because we are a Home
7 Rule Charter city and DCED should be in
8 there staying that we should pass
9 legislation and get it through the
10 legislature right now that since the City of
11 Scranton is a Home Rule City that one of the
12 forms of the government the Third Class city
13 can have three different types government,
14 we currently we have a form of government
15 that is authorized for the Third Class city,
16 that we should be able to slip right into a
17 Third Class city, and we get the advantages
18 of the Third Class city.

19 I have no idea what's in there, but
20 I certainly think that council could amend
21 the plan. It has to be approved by council.
22 It's legislation. So if comes to council
23 and it's proposed that council should have
24 the ability to amend it.

25 I know there has been various

1 speakers here, you know, tonight, you know,
2 about the tax exemption organizations, and
3 especially the University of Scranton. In
4 accordance with the Recovery Plan that's
5 been in effect here for 20 years, at least
6 10 with Mayor Doherty as mayor, he is
7 responsible to go to the tax exempt, to all
8 of the tax exempts and try to get money from
9 them. And, you know, I think everybody has
10 a blurred vision as to what -- council is a
11 legislative body, we are not the
12 executive -- I use the term "we" but, you
13 know, council they are to approve
14 legislation. It's up to the mayor to go and
15 to go to the University of Scranton and say,
16 "Hey, ante up, start paying some more."

17 You know, to go to all of these tax
18 exempt organizations. It's up to the county
19 to go and to assess them. The City of
20 Scranton can't do that. You know, we don't
21 have the power to do any of that. It's up
22 to the Assessor's Office to go and to
23 challenge it and say, "Here, you are running
24 a taxable business in there. You have to
25 pay real estate taxes on that.

1 That's their responsibility. You
2 now, and I'm probably as frustrated as many
3 of you are. I mean, I have lived in the
4 City of Scranton all my life. Sometimes I
5 feel like I should go up there and speak
6 with you. But that's where it is, I'll take
7 a look at it, but I do not see why council
8 could not, you know, why they could not
9 amend the Recovery Plan. I don't think that
10 it's written in stone. I don't think that
11 we just have to go yes or no. That's my
12 opinion based on the experience.

13 MR. JOYCE: That's your opinion, so
14 it's yes or no, but it's sort of a gray
15 area?

16 MR. HUGHES: Yes.

17 MR. JOYCE: Okay. All those in
18 favor signify by saying aye.

19 MR. MCGOFF: Aye.

20 MR. ROGAN: Aye.

21 MR. JOYCE: Opposed?

22 MR. LOSCOMBE: No.

23 MR. JOYCE: No. By a two to two
24 vote the nos have it and the motion dies.

25 MR. MCGOFF: Thank you. With that

1 then I would hope then that since we will
2 not be addressing the mayor's revised
3 Recovery Plan I would hope that council in
4 the near future presents their plan for
5 recovery. It's something that is needed,
6 it's something that we should be doing, and
7 this vote I believe now puts it on, you
8 know, the responsibility on the council to
9 come up with their plan, one that will be
10 acceptable.

11 I would like also to comment on,
12 since Mr. Loscombe brought up the letter
13 from DCED, I believe that DCED was stepping
14 in to try and help alleviate the situation
15 we are in. This is the state government
16 stepping in to try and help the city. DCED
17 is not some separate entity by itself. This
18 is the secretary of -- you know, appointed
19 by the governor of the state. They are
20 looking to try and help us through a
21 situation that we seem to be having
22 difficult with. I think it was an effort to
23 do something beneficial for the city.

24 Just turning down an invitation to
25 sit down with the state and talk I just

1 can't believe that we wouldn't do that.

2 MR. LOSCOMBE: I'm turning it down
3 personally, you are welcome to go.

4 MR. MCGOFF: Excuse me.

5 MR. LOSCOMBE: I'm sorry, I thought
6 you were done.

7 MR. MCGOFF: Why we would refuse to
8 sit and discuss with anyone our current
9 situation is beyond me. It doesn't hurt to
10 talk with people, and to just adamantly --
11 or to just out of hand dismiss what's being
12 offered I think is -- I think is
13 irresponsible. We need to do something to
14 get out the situation we are in. As I said
15 before, we keep doing things that exacerbate
16 the situation. We keep knocking these
17 dominoes down and pretty soon they are all
18 going to fall.

19 And, you know, that I'll be accused
20 again of, you know, putting spin on it, but
21 that I think it's a realistic thing to look
22 at and we need to -- we need to be active
23 and addressing these issues and I feel that
24 over the past month or so that we have been
25 inactive. We have put stumbling blocks in

1 the way of some solutions and we have yet to
2 provide anything in the way of solutions
3 ourselves and I think that, you know, moving
4 forward a Recovery Plan is the next step and
5 I think we need to do it as expeditiously as
6 possible, and now I'm finished.

7 MR. JOYCE: Mr. Rogan, do you have
8 any questions or comments?

9 MR. ROGAN: Yes. Since we are on
10 the topic I guess I'll begin with the
11 Recovery Plan as well. Over the last week
12 there have been approximately I would say
13 two articles a day in the Scranton Times
14 criticizing council for lack of a Recovery
15 Plan and regarding the Scranton Parking
16 Authority.

17 I do believe the city needs a
18 Recovery Plan, but we need a Recovery Plan
19 that's going to work for the residents of
20 the city. I don't believe that we should
21 pass the mayor's Recovery Plan that contains
22 a 78 percent tax increase just to appease
23 the banks. That is not a long-term
24 solution, that is short sided, and it's the
25 tax and spend policies of this mayor that

1 has gotten us into this mess and it's
2 actually not just tax and spend, it's tax,
3 borrow spend and taxing more.

4 This Recovery Plan makes very few
5 adjustments in spending. When you look at a
6 budget it's not always a revenue problem.
7 Often times it's a spending problem and we
8 do know the city has been spending above
9 it's means, as has the Parking Authority. I
10 do look forward to talking with my
11 colleagues, with the administration, with
12 any parties regarding my suggestions for a
13 Recovery Plan and I hope that, you know, we
14 can get something together or if we take it
15 piece by piece and do the simple pieces
16 first that everyone agrees on, because I
17 think there are some things even in the
18 mayor's Recovery Plan that everyone
19 supports. Take those, pass those through
20 now because they will be meet with little
21 resistance.

22 For instance, the market based
23 revenue opportunities I think is the term,
24 advertising on city property. I assume we
25 don't want a billboard on city hall, but

1 there are some areas where advertising can
2 be done generally, I don't think anybody on
3 this board opposes that. I think it would
4 pass on a 5-0 vote. If somebody disagrees
5 please let me know, but there are some
6 components of the mayor's plan that I think
7 are very common sense and that should be
8 met, but the poison pills of massive tax
9 increases make it unacceptable to the
10 taxpayers and to myself.

11 Moving on, as I mentioned earlier,
12 on Item 6-A, an increase salary for Attorney
13 Hughes, although I do believe this is an
14 issue that needs to be addressed, I do not
15 believe now it the proper time. That being
16 said, I would like to make a motion to table
17 Item 6-A.

18 MR. MCGOFF: Second.

19 MR. JOYCE: We have a motion on the
20 floor, we have a second, on the question?

21 MR. ROGAN: Yes. As I stated
22 before, right now this is probably the worst
23 time possible to discuss giving a raise,
24 even though I do believe Attorney Hughes is
25 an excellent solicitor and he has done a

1 great job, now is not the time to look at
2 it. Let's put it on the table for a few
3 weeks, however long it takes to get things
4 straightened out, and then look at it again.

5 As of tonight, I cannot support this
6 legislation so I would urge my colleagues to
7 vote with tabling it this week so it can be
8 reviewed in the future.

9 MR. JOYCE: All those in favor
10 signify by saying aye.

11 MR. MCGOFF: Aye.

12 MR. ROGAN: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye. Opposed? The ayes
15 have it and so moved.

16 MR. ROGAN: Thank you. Next, moving
17 onto the hot topic of the night or for the
18 last month I should say, the Parking
19 Authority. While reading this legislation
20 and listening to whatever was said, my
21 opinion has not changed in the last seven
22 days on bailing out the Parking Authority.
23 We still do not have accurate figures from
24 the Scranton Parking Authority for a budget.
25 Mr. Scopelliti sat her last week and said he

1 would provide those to council. We have not
2 received those.

3 There is still no change in
4 leadership in the Scranton Parking
5 Authority. Now, Mr. Scopelliti salary was
6 cut and a few other members have their
7 salaries reduced, but it's the same people
8 in charge. The board said Mr. Scopelliti,
9 Mr. Caterino and others their salaries were
10 cut. I think they should be, absolutely,
11 they were overpaid and we even learned that
12 Mr. Scopelliti had an expense account. How
13 much was spent out of that is anyone's
14 guess. It wasn't reported how much was in
15 his expense account. Last I checked his
16 office was in downtown Scranton, I don't
17 think managing a Parking Authority in
18 downtown Scranton from downtown Scranton is
19 going to incur too many expenses in travel
20 and things of that nature. I'm interested
21 to see what those figures are.

22 Mr. Scopelliti last week when asked
23 if he thought the board was doing a good job
24 he replied that he did, but apparently the
25 board doesn't think he is doing a good job

1 because his salary was slashed. The only
2 salary that Mr. Scopelliti should be
3 receiving is zero. He has been a failure.
4 As Attorney Hughes mentioned, the long-term
5 debt in the Parking Authority is nearly \$100
6 million. This bailout that is being
7 reconsidered tonight accounts for 1 percent
8 of that. 1 percent of the long-term debt
9 and interest. Obviously, something needs to
10 change.

11 And, Attorney Hughes, correct me if
12 I'm wrong, but I believe you mentioned that
13 in 2001 when Mayor Doherty took office the
14 long-term debt and interest of the Parking
15 Authority was \$10 million approximately?

16 MR. HUGHES: In 2001, this was from
17 the City of Scranton audit, the principal
18 was 800 -- or, I'm sorry, \$8,265,000, and
19 the interest \$6,862,055, the total as of the
20 end of the 2001 was \$15,128,000. The 2010
21 audit, and I have this, I could pass it out,
22 I mean, it's in one of my handouts tonight,
23 the 2010 audit it increased by almost 500
24 percent in those nine years up to
25 \$51,931,681 principal, \$47,947,646 interest,

1 for a total of \$99,906,027.

2 MR. ROGAN: Thank you, Attorney
3 Hughes. I will stick with round numbers to
4 make it a little bit easier, but going by
5 the numbers from the city's audit the day
6 Mayor Doherty took office, before he
7 controlled the entire Parking Authority
8 board, which he does, the total debt that
9 the taxpayer was on the hook for was \$15
10 million. Today, after 11 years of Chris
11 Doherty running the Parking Authority, it's
12 \$100 million. For the last week I have read
13 article after article after article in the
14 Scranton Times blaming this on city council.

15 Myself I've been here two years.
16 Mr. Joyce, Mr. Loscombe two years. We were
17 the three that voted against it. We neither
18 one of us, any one of us, ever voted for a
19 sent of borrowing for the Parking Authority,
20 but it's our fault according to the
21 editorial board at the Scranton Times. Does
22 that mean any sense to anyone?

23 It is very frustrating to see, and
24 I'll use the term spin again, that's being
25 used in this situation. It is not the fault

1 of council that we are in this situation.
2 City Council didn't vote to approve
3 borrowing for the Parking authority, at
4 least this city council didn't. The City
5 council did not vote to waste \$600,000 on a
6 brick facade on one of the parking garages.
7 It looks beautiful, no question about it,
8 but you are all paying for it.

9 The Scranton Parking Authority needs
10 to make real reforms. They need to sell off
11 assets, pay down the debt. They need to
12 reform and cut the fat starting at the top.
13 Mr. Scopelliti making over \$80,000 a year
14 plus an expense account and a debt that has
15 ballooned in his years at the Parking
16 Authority, but he continues to get rewarded
17 with a position like this.

18 You would never see this in the
19 private sector. You would never see this in
20 the private sector. Somebody like Mr.
21 Scopelliti who came in front of a board for
22 a hearing would have been fired on the spot.
23 Unfortunately, council does doesn't have the
24 authority to fire him. It is up to Mayor
25 Doherty's Parking Authority, and let me

1 drive that point home, because the last week
2 all of the blame from the media, the print
3 media, has been placed on city council.
4 This is Mayor Doherty's board. They are his
5 handpicked appointments. Council had
6 absolutely no say. Not one of those
7 appointments was made by city council. City
8 council votes -- if city council voted "no"
9 to the appointment, they still get on the
10 board, but according to the media it's the
11 fault of Scranton City Council.

12 Next, another issue I have with
13 comments made in the paper --

14 MR. HUGHES: If I could just
15 interrupt you for one second, that \$100
16 million does not include the \$2.9 of the
17 Landmark loan that they received last year.

18 MR. ROGAN: That the city doesn't
19 back.

20 MR. HUGHES: That the city doesn't
21 back, and also Mrs. Krake pointed out in the
22 SPA's audit of 2010, and this answers I
23 forget whose question it was, and I didn't
24 know about Fidelity Bank, in 2009 the
25 Authority got a line of credit with Fidelity

1 Bank of \$750,000. They have drawn down on
2 that line. As of their 2010, the line of
3 credit at the beginning of the year had been
4 \$750,000 and at the end of the year,
5 December 31, 2010, it was \$750,000. It
6 would appear that they must have paid that
7 down somewhat during the last year and a
8 half and Fidelity got nervous and they
9 probably went in to the SPA and account
10 today and there was \$166,000 there, we don't
11 know what the balance is on this line of
12 credit of the Parking Authority with
13 Fidelity, and what they must have done
14 because knowing the way banks work they went
15 in and they attached the account to pay down
16 the line. The Parking Authority might be
17 out a lot more money on that line of credit
18 that they owe Fidelity and Fidelity just
19 grabbed the money.

20 Another that's a real legal issue is
21 to who has the right to that \$166,000
22 whether it's Fidelity or whether it would be
23 the trustee and the insurance company.
24 That's why they have to get in here fast and
25 garnish all of the assets of the Parking

1 Authority so this doesn't happen again. I
2 don't know if the Parking Authority has an
3 account at Landmark Bank, they paid \$71,000s
4 in interest to Landmark so far this year.
5 The amount is still \$2.9 million, and I
6 would think that right now with them being
7 in -- having these events of default that
8 the trustee should be entitled to all of
9 these monies and not the other banks.

10 Not having seen the agreements, it
11 would probably take a couple of days
12 reviewing these agreements to come to a
13 legal opinion, but I certainly think that a
14 receiver or, you know, the insurance company
15 would be able to do that pretty quickly.

16 MR. ROGAN: Thank you, Attorney
17 Hughes. More issues I have with the Parking
18 Authority. Attorney Kelly made comments in
19 the newspaper. I asked Attorney Kelly last
20 week if he saw a conflict with being the
21 solicitor of the Parking authority and the
22 City of Scranton. He is on both ends of the
23 transaction. He doesn't believe that it's a
24 conflict. I'm not an attorney, and I know
25 most of you aren't as well, but being on

1 both ends of any transaction seems to be a
2 conflict. That's how Enron went down from
3 corrupt deals being on both ends of
4 transaction. I'm not accusing Mr. Kelly of
5 that, but I do believe that he needs to
6 either resign as city solicitor or as
7 solicitor of the Parking Authority to be
8 involved with this matter.

9 The next item and, Attorney Hughes,
10 I apologize for putting you on the spot
11 again, it was brought up to me by numerous
12 residents, and I know it's been brought up
13 on council, does the Parking Authority
14 receive any funds from CMC for the lot
15 located at Nay Aug Park?

16 MR. HUGHES: I have no idea.

17 MR. ROGAN: There wasn't anything in
18 any of the documents we received. I don't
19 know what type of deal has been setup
20 between the Parking Authority and the CMC, I
21 hope that it's not a giveaway, that the
22 Parking Authority isn't allowing free
23 parking for employees at CMC.

24 MR. HUGHES: I could work this job
25 24 hours a day if I didn't have to sleep,

1 you know, I could devote -- that's the
2 amount of time that could be devoted to this
3 to do investigations work and things like
4 that.

5 I did review some of those
6 documents. I mean, I just haven't had time.
7 It's just, you know, to put this together in
8 dealing with bond counsel, you know, with
9 the insurance company this week and
10 everything it's taken a lot of time. I have
11 no idea. The answer to the question is no.
12 I have no idea.

13 MR. ROGAN: And this is something I
14 wanted to bring up last week, but there was
15 so many things going on with the vote for
16 that night it slipped my mind, but the
17 Parking Authority or the mayor, somebody has
18 allowed the employees of CMC to park in the
19 park. That lot is exclusively for employees
20 of CMC. Now, whether they are paying to the
21 city, to the Parking Authority, I don't
22 know. I don't think anyone knows, but I
23 think it's an answer we have to find out and
24 if the Parking Authority is giving away free
25 spots while crying poverty to us that just

1 further shows the incompetence of this
2 authority.

3 Next, it was reported on the news
4 today, in the newspaper and on the news,
5 that the city doesn't have the money on hand
6 to pay bills such as fuel for police
7 vehicles, fire trucks, things of that
8 nature. The bill is \$200,000. When
9 Mr. McGowan was asked last week if we had
10 the cash at hand to pay for the Parking
11 Authority bailout, which was nearly a
12 million dollars he said we did. Use
13 \$200,000 of that to make it right with
14 Dunmore Oil so our police cars can stay on
15 the street, so our fire trucks can continue
16 to respond to emergencies, so garbage can
17 still be picked up. I think we need to
18 prioritize.

19 Obviously the city is strapped for
20 cash, but your public safety is always our
21 number one priority. If we are on the verge
22 of being cut off from having anymore fuel
23 the bill has to be paid. I think that's
24 much more pressing issue than bailing out
25 the Parking Authority, which it appears they

1 are going to go into default whether this is
2 passed or not in September or December.

3 Finally, a couple of weeks ago when
4 Mr. McGowan was here for another issue, the
5 unfunded borrowing, I had asked him the
6 question, why is the city going the route of
7 a bond issue instead of traditional
8 borrowing from a bank? Mr. McGowan's
9 response was, "The banking community is not
10 interested in dealing with the City of
11 Scranton."

12 This was prior to this issue of the
13 Parking Authority even being on council's
14 agenda, but now that council stood up and
15 put the hammer down to this authority and
16 said, "We are not going to bail you out,"
17 it's council's fault that the administration
18 can't get funding, can't get a letter for
19 the unfunded debt. It's came out of the
20 business administrator's mouth in this
21 chamber that the banking community did not
22 want to deal with the City of Scranton and
23 it's not because of this body, it's not
24 because of city council, it's because of the
25 mayor and his administration and the past

1 rubber stamp councils who had let excessive
2 spending, borrowing and tax increases go
3 through unchecked. That's why we are in the
4 situation we are now. This did not happen
5 between last Thursday and this Thursday.

6 If you read the newspaper over the
7 last week, and I very rarely take issue with
8 the newspaper, I know many people here do, I
9 try to stay above this, but this week was
10 completely out of line the biased reporting
11 by the Scranton Times. Every single
12 headline, every single editorial has put the
13 blame on the shoulders of city council. I
14 have been in this seat a little over two
15 years and I didn't vote for any of the
16 borrowing that we are paying back now, but
17 yet it's my fault according to the paper and
18 according to the mayor.

19 I think anyone with any common sense
20 can realize this is problem that started a
21 long time ago. This didn't start because of
22 one vote to bail out an authority.

23 Additionally, all of us get many
24 e-mails, phone calls and people on the
25 street stop us to give us their opinions, I

1 only had two people that thought we should
2 have bailed them out to nearly 50 who
3 believed, including the speakers at council,
4 had believed that it's time to stop this
5 excessive spending. If this money is given
6 to the Parking Authority again without any
7 real reforms in place, they are going to be
8 coming back to us again and they can't keep
9 coming back to the city.

10 I understand that if it is not paid
11 the insurer can petition the Court to make
12 the city raise taxes by a million dollars.
13 If the million dollars is not spent that we
14 have in contingency fund, we won't have to
15 raise taxes we would have it on-hand when we
16 got to that point, but the last thing I
17 wants to do is to leave a back door open for
18 Mr. Scopelliti and the current leadership at
19 the Authority to continue to run. They have
20 been a failure. There is no other word for
21 it. They have been a failure.

22 I am not going to vote to give them
23 a dime until there is real change in
24 leadership and they come with a concrete in
25 moving forward, and that is all I have

1 tonight. Thank you.

2 MR. JOYCE: Mr. Loscombe, do you
3 have any motions or comments?

4 MR. LOSCOMBE: Yes, I have a few.
5 Thank you. First, we received a letter from
6 Representative Kevin Murphy regarding House
7 Bills 89 and 90. What it is, it's a package
8 that seeks to put the City of Scranton on
9 equal footing with the rest of the state on
10 behalf of the brave men and women in the
11 Electric City of Scranton's police and fire
12 departments who protect and serve the City
13 and it's residents.

14 Specifically, House Bills 89 and 90
15 will allow municipal public safety employees
16 to purchase military time toward retirement,
17 a luxury that is afforded the rest of the
18 Commonwealth, except Scranton, the only
19 Class 2A city. A letter of support was
20 delivered from Mayor Chris Doherty, so I'm
21 asking if we would support a letter in
22 support of House Bills 89 and 90 to be sent
23 to Majority Chair Chris Ross.

24 MR. JOYCE: Yes.

25 MR. LOSCOMBE; I'll pass this onto

1 you, Mrs. Krake.

2 Next, just to reiterate some of the
3 things we had mentioned before, you know,
4 DCED, again, just in my two and a half years
5 I have lost faith in their ability, I don't
6 know why the mayor hasn't because they were
7 the drivers behind the wheel to keep
8 pursuing appeal after appeal along with PEL
9 to the tune of a Supreme Court ruling of
10 over \$30 million.

11 Now, things could have been
12 accomplished a lot easier, but they kept
13 pushing and they kept trying and now when it
14 comes time to pay the piper we requested
15 help from them and I believe the mayor even
16 did, where are they? They haven't offered
17 one iota of help and now they want to help
18 us with a forced Recovery Plan on our
19 constituents. That's where I have my
20 distrust in this system. They are not
21 elected individuals, they can't be voted out
22 of office.

23 And, I mean, any two council people
24 are welcome to go to Harrisburg, and I know
25 I'm not going to be one of them, but we have

1 four other council people and, you know,
2 it's up to them if they would like to go,
3 but I just think it would be fruitless at
4 this point especially in light of not
5 having, you know, any kind of an agreement
6 so we can look at a Recovery Plan going
7 forward.

8 But some other comments, the
9 comments that, you know, the banks are
10 shutting their doors on us because of our
11 vote last week. You know, maybe I have a
12 different philosophy, maybe I have a trust
13 in human nature, but I would think if I was
14 a smart banker I would feel much more secure
15 dealing with the city now knowing somebody
16 has grabbed the bull by the horns and is
17 watching out for your dollars. That's the
18 take I would get on it.

19 Now, the newspaper and the
20 administration had a different take. It was
21 all gloom and doom all week, I'm not going
22 to repeat everything that was said, but we
23 all see that. And you know what, we have
24 big shoulders here because we are used to
25 it. In two and a half years I don't think

1 we have had one favorable comment made about
2 any of us, so it's no surprise.

3 You know, the ones that have the
4 advantage are the public. They can sit here
5 and watch us and hear every word we say and
6 see what we do. You know, there is barrels
7 of ink, but TV doesn't lie.

8 We had just a couple of issues on
9 the Parking Authority. Our high paid
10 attorney here, you know, the one that's
11 doing a lot of work, back two years ago he
12 was the one that discovered that the Parking
13 authority had to have their budgets approved
14 by city council, no one prior to him, but
15 our council solicitor here, and two years
16 ago we amended their budget. Did they abide
17 by it? Not at all. Not last year, not two
18 years ago.

19 And what ironically I read in the
20 paper today that the board cut his salary,
21 cut everybody's salary, cut some positions,
22 these are some of the same things we
23 recommended two years ago and put in the
24 budget. You know, as I said last week it's
25 too little too late.

1 And what really took the icing on
2 the cake, I specifically asked Mr.
3 Scopelliti about free parking for
4 Commonwealth medical students and he assured
5 me that there was none. I knew I had
6 reviewed a document prior to -- or after my
7 coming on board here and I happened to get a
8 copy of this document, and it's a parking
9 agreement. The 29th day of January 2008, is
10 when the agreement was made, and I'm not
11 going to read the whole thing, but I'm going
12 to show you: Granting of parking spaces.
13 During the term as defined in Section 2
14 below, the Authority shall provide to
15 Commonwealth the following parking spaces
16 located in the parking facility: August 1,
17 2009, 80 spaces. August 1, 2010, 140
18 spaces. August 1, 2011, 260 spaces. August
19 1 of this year, jumps to 300 parking spaces
20 for the Commonwealth medical students, but
21 you have to pay three something an hour to
22 park there.

23 You know, these are money making
24 spots that are being given away, and you
25 know what the price they pay? Number three,

1 goodwill. It is hereby expressly agreed
2 upon that the Authority is providing the
3 parking spaces as shown above as goodwill
4 consideration for the efforts of the
5 Commonwealth locating the medical school in
6 the City of Scranton.

7 I mean that's a nice gesture, but,
8 you know, and what really got me was the
9 fact that I asked that specific question and
10 I was lied to. Now, someone in his position
11 should have known there is 300 spaces going
12 to one entity and, you know, I don't know if
13 my colleagues said it, but I think it's time
14 for Mr. Scopelliti to put the keys in the
15 door and walk away or hand the keys over to
16 the bank, let somebody else operate the
17 business and, you know, unfortunately, I
18 think the board of directors should excuse
19 themselves too. You know, I don't exactly
20 know what they do as a board, but they
21 haven't done too well, and let's see, that's
22 basically what I have to say on that part.

23 But another thing that was brought
24 up were PILOTS, and anybody that knows my
25 history here that's one of my pet peeves,

1 also. We all know that two years ago we
2 took it up upon ourselves to go to the
3 University and try to solicit some extra
4 money for the city and, unfortunately, we
5 squeezed a little bit more from the
6 University, but very little and we were
7 ridiculed in the newspaper we were
8 blackmailing them and shaking them down and
9 the whole deal, and that's why I have no
10 faith in a Recovery Plan either because that
11 was specifically stated in the current
12 Recovery Plan that we have that the mayor
13 would specifically go out and get PILOTS.

14 And what really -- you know, what
15 really got me going was in the same meeting
16 yesterday when the mayor and Mr. McGowan
17 handed Frank and myself this bill from
18 Dunmore Oil for \$200,000 I said, "Mayor,
19 don't you think it's about time we go after
20 some of these PILOTS? Don't you think we go
21 after some of these nonprofits to help us
22 out in our real time of need right now if
23 that's the case?"

24 He didn't think it was a good idea.
25 I mean, I think a nice donation from one of

1 those would pay this fuel bill now so your
2 fire trucks and police cars and your garbage
3 trucks can respond to your homes, but that's
4 not significant. Public safety falls
5 backwards.

6 Let's see here, and again, I don't
7 like to pick on a specific entity, but when
8 I see the University purchasing a property
9 for \$550,000 that the owner purchased two
10 years previously and didn't put a penny into
11 it for \$27,000 what does that tell you, you
12 know? You have to have the right place at
13 the right time, but, you know, to hell with
14 the city. It just doesn't sit well with me.
15 They know, they read the paper, they know
16 the condition we are in and they all come
17 out with the, oh, we do this in lieu of
18 that, we help the city this and that, you
19 know, right now the city needs money more
20 than anything.

21 And, like I said, the money that
22 they would donate to the city would help
23 every citizen. There was some gentlemen
24 here before, they don't receive any benefit
25 from their -- you know, what they say they

1 do in lieu of paying taxes, but I think it's
2 time we start getting serious with a lot of
3 these issues. If this was done ten years
4 ago we wouldn't be in this position now. As
5 Mr. Rogan said, we are here two and a half
6 years. You know, this has been going on for
7 over ten years maybe longer. There has been
8 a long of free wheeling and free spending
9 and no overlooking and now all of a sudden
10 it's coming to light because we have
11 tightened the purse strings and we have
12 asked for openness and accountability and we
13 will continue to do that.

14 And I think by the Parking Authority
15 decision last week should shake everybody
16 up, every authority until we get control,
17 financial and fiscal control back so you
18 don't have to be paying for their sins, and
19 that's all I have to say. Thank you.

20 MR. JOYCE: Thank you, Councilman
21 Loscombe. To report, our tax collector,
22 Bill Courtright, has submitted a deposit
23 into the 2012 TAN lockbox which is being
24 held at Fidelity Bank. The amount of the
25 deposit was \$78,893.40. As one may or may

1 not know, this year there is a special
2 agreement with the tax anticipation note,
3 commonly referred to as the TAN. As part of
4 a special agreement, all real estate tax
5 revenues required by our TAN lender to be
6 placed in the lockbox for final repayment by
7 June 30, 2012, or until all of the balance
8 of this is paid, whichever comes first.

9 At this point, with the latest
10 disbursement by our tax collector, the tax
11 anticipation note for this year has been
12 paid. With this being said, remaining real
13 estate tax revenue, which is collected by
14 the tax office, should be available for use
15 by the city.

16 And with that, I will mention we
17 received in our mail a number of checks from
18 the tax office all totalling up to \$626,589.
19 83 and, Mrs. Krake, if you could please send
20 a request over to the tax office to
21 breakdown what tax each one of those checks
22 were for?

23 MS. KRAKE: Sure.

24 MR. JOYCE: Thank you very much.

25 MR. ROGAN: Mr. Joyce, I don't mean

1 to interrupt you, but I just want to say
2 this because you were mentioning it, I would
3 just like to commend Mr. Courtright and the
4 job he is doing at the tax office. He is
5 the one official that actually is willing to
6 work with council and we have been able to
7 get answers from. If we had that level of
8 cooperation from the other department heads
9 we would be able to get a lot more done, so
10 a big thank you to him.

11 MR. JOYCE: Yes, I will agree with
12 Mr. Rogan that Mr. Courtright is doing a
13 very commendable job over at the tax office,
14 and also his staff is also very prompt at
15 getting us information when we ask.

16 Scranton City Council has received
17 notice from Northeast Revenue of their
18 delinquent tax collections from the period
19 of May 31 to June 1. As one may know,
20 Northeast Revenue is collecting all
21 delinquent taxes, real estate taxes, for the
22 City of Scranton with the exception of the
23 2011 delinquent real estate taxes, which are
24 being collected by the Single Tax Office.
25 From the period of may 31 to June 4,

1 Northeast Revenue distributed \$236,578.85 to
2 the City of Scranton, this includes all
3 delinquent taxes collected by them with the
4 exception of 2004, '5 and '6 delinquent
5 taxes. As one way may or may not, taxes for
6 those years are remitted to Pennstar Bank to
7 pay on a loan taken out by the Scranton
8 Redevelopment Authority for the sale of the
9 delinquent taxes for those years which
10 defaulted.

11 The amount that Northeast Revenue
12 collected in delinquent taxes for 2004, '5
13 and '6 was \$82,498.37. This amount was
14 distributed directly to Pennstar Bank.

15 I do also have a few citizens'
16 requests tonight, one is concerning
17 Greenbush and Reese Street. Residents of
18 North Scranton inform me that the conditions
19 of both Greenbush and Reese street are
20 subpar. There are many cracks in the road
21 as well as potholes.

22 Mrs. Krake, with this in mind can
23 you please inform Director Dougher of the
24 situation and ask him to handle it
25 accordingly. Residents of street have been

1 informed me both of these streets have not
2 been paved in over 25 years and they would
3 like to see these streets paved as soon as
4 possible iff feasible.

5 Residents of West Scranton inform me
6 that the 1100 block of Austin Street is in
7 poor shape as there are many cracks in the
8 road as well as potholes that are making
9 travel conditions difficult.

10 Mrs. Krake, please add this to the
11 items to contact Director Dougher about, and
12 did we receive an update on the audit status
13 report?

14 MS. KRAKE: We did receive a report
15 from Rossi, which you should have in your
16 mail, but not in answer to your question,
17 Mr. Joyce.

18 MR. JOYCE: Okay. If you could
19 remind Mr. McGowan of that request for next
20 week, and that is all for tonight.

21 MR. ROGAN: Mrs. Krake, can you
22 please also add 1938 North Washington for
23 the list of potholes, I forget to mention
24 that earlier. Thank you.

25 MR. LOSCOMBE: I forgot to mention

1 in my comments I just want to thank Colleen
2 Lucas, she handed me her check for her
3 rental registration. You know, she agrees
4 with the program and what we are doing and
5 what we are trying to do, so I want to thank
6 her very much. It's for four units and I'll
7 make sure it gets to the proper authorities.
8 Thank you.

9 MS. KRAKE: 5-B. AMENDING FILE OF
10 COUNCIL NO. 56, 2011, AN ORDINANCE ENTITLED
11 "THE GENERAL CITY OPERATING BUDGET 2012"
12 BY TRANSFERRING \$1,035,948.50 FROM ACCOUNT
13 NO. 01.401.12090.4299 (NON-DEPARTMENTAL
14 OPERATING EXPENSES-CONTINGENCY) TO ACCOUNT
15 NO. 01.401.15319.4299 (NON-DEPARTMENTAL
16 EXPENSES OPERATING TRANSFER OF DEBT SERVICE
17 - SCRANTON PARKING AUTHORITY) TO PROVIDE
18 DIRECT FUNDING BY WIRE TRANSFER TO BANK OF
19 NEW YORK TRUST COMPANY, N.A., TRUSTEE, FOR
20 THE PAYMENT OF THE SCRANTON PARKING
21 AUTHORITY DEBT PAYMENT DUE JUNE 1, 2012.

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

25 MR. MCGOFF: So moved.

1 MR. LOSCOMBE: Second.

2 MR. JOYCE: All those in favor --

3 MR. ROGAN: I would just reiterate
4 what I said during motions. I strongly
5 oppose the idea of bailing out an authority
6 that is not going to change their ways. The
7 taxpayers are ultimately on the hook for
8 nearly a \$100 million. We can't keep
9 appeasing them. I stand by my vote the last
10 three weeks when I opposed this measure. If
11 I have to vote against it three more times
12 that's fine. I am not changing my position
13 on this issue unless there is serious
14 changes made in the Authority.

15 MR. MCGOFF: Did Attorney Hughes
16 have comments to make on this?

17 MR. JOYCE: Yes. Attorney Hughes,
18 I'll allow you to comment on the question.

19 (Whereupon Mr. Hughes passes out
20 papers to the public and council.)

21 MR. HUGHES: You can share them, I
22 don't think these are the letters from
23 Attorney Dubrow, but anyway, the first page
24 is a matrix that I put together, which was
25 pretty much after last week's examination of

1 Mr. Scopelliti, and these are the figures
2 that we had on the SPA at that 2001 audit,
3 this was the city audit that was done back
4 in 2001 and, of course, the 2010 audit was
5 done by Rossi. I don't know who did the
6 City's 2001 audit, but these were the
7 figures that were in the audit.

8 The city guaranteed principal of the
9 Parking Authority in 2001 of \$8,265,000.
10 The interest at maturity would be
11 \$6,863,055. The total amount that was
12 guaranteed was \$15,128,000.

13 The 2010 audit that was done by
14 Rossi, the City of Scranton now has
15 guaranteed the principal amount of the SPA
16 debt of \$51,931, 681. The interest on that
17 to maturity that the city has guaranteed is
18 \$47,974,646 for a total of \$99,906.27. This
19 does not include the Landmark debt of 2011,
20 that the city has not guaranteed, of \$2.9.
21 As I said before, the line of credit of
22 \$750,000 to fidelity bank.

23 The next column are the bond
24 payments that were due. I did not know
25 there was a bond payment made on March 15,

1 of 2012, at the last meeting I didn't know
2 that. What I did, I went back into the
3 Parking Authority's budget that they gave
4 us. I found out what the total bond
5 payments were for the year, they were \$3.6
6 million. I backed out the actuals for what
7 the bond payments were for June 1. The
8 actual bond payment that was due, the March
9 15 payment, I believe, should have been
10 \$728,047.50. The payment that was due on
11 June 1 was \$1,191,343.75. The SPA only paid
12 \$155,395.75 of that, leaving the amount due
13 of \$1,035,948.50.

14 As I previously stated, that came
15 out of the debt service reserve fund,
16 however, the insurance company is liable to
17 pay that to the New York Bank -- or Bank of
18 New York Mellon. The payment that's due in
19 September is \$959,227.50 and the payment due
20 December 1 is \$813,481.25.

21 The next is taken from the SPA
22 budget, the 2012 budget, they have estimated
23 revenues of \$3,600,872. Expenses were
24 estimate at \$1,078,430. They estimated a
25 surplus of \$1,928,442. They had

1 nonoperating revenue that they booked in as
2 income of \$142,738. Their total income was
3 \$2,071,180. Their debt service actual was
4 \$3,692,100. The deficit is \$1,620,920,
5 that's from the budget.

6 Just to show you how bad this
7 authority is and why they should immediately
8 turn it over to the insurance company, to
9 either the trustee, their debt payment
10 actual this year is \$3,692,100. There
11 estimated revenue is \$3,600,000. So their
12 actual payments without even operating
13 expenses is more than the revenue. This is
14 what you are looking at and this is right
15 from their figures, from their budget that
16 they supplied us, remember, I was reading it
17 with a magnifying glass.

18 When you looked at their actual
19 figures, their revenues in the first quarter
20 were down, were \$120,000 less than
21 projected. Their expenses were \$88,355 more
22 than they were estimated, and we knew that
23 mostly came from the salaries. They were
24 estimating salaries of \$31,000 a month, they
25 were actually \$51,000 in January, \$62,000 in

1 February, and \$52,000 in March.

2 If you take the net revenue that
3 they -- the lower revenue and the higher
4 expenses come to \$208,471. If you multiply
5 that by four, because there are four
6 quarters, you come up with their budget
7 could be off by \$833,000, almost \$850,000 of
8 less revenue and higher expenses. So when
9 you take what their projected deficit was
10 with what their budget was of \$1,620,920,
11 add in the \$833,884 you are looking right
12 now that by the end of the year they could
13 have a deficit of \$2,454,000. That's the
14 summary of the examination last week on
15 that.

16 The next is a letter from the Bank
17 of New York Mellon dated December 31. It
18 was sent electronically by registered to the
19 Scranton Parking Authority, chairman
20 Kathleen Stella, executive director Bob
21 Scopelliti, and it was sent to the mayor.
22 Council did not have this last week, and
23 this set forth what the exact amount that
24 was due, it sets forth all of the legal
25 requirements and that the figure that they

1 said was due, that was not communicated to
2 us last Thursday night, is the
3 \$1,035,948.50.

4 Next is a letter from Attorney David
5 Dubrow, who represents Radian Asset
6 Assurance, Inc., which is the insurer of the
7 2007 bonds. I talked to him last week. I
8 talked to him about every day this week,
9 probably a couple of times per day this
10 week. What he is saying here, and this is
11 why I wanted to get this back on at least o
12 be introduced for discussion purposes and
13 figure out where we could go, there was an
14 event of default when the Parking Authority
15 did not have the money to make the payment
16 and the city did not make the payment
17 according to the lease. An event of default
18 can be cured. There is a 15-day cure
19 period, and what Attorney Dubrow states in
20 here is that we have 15 days to cure the
21 default or what they are going to do is they
22 would go into Court with a mandamus action
23 and compel the city to raise taxes to pay
24 that amount.

25 He also states on page two, and he

1 uses the term city in here because there is
2 many agreements but there is a basic
3 agreement between the city and the Parking
4 Authority, there is a lease agreement and
5 there has been many amendments to it, and
6 this is where the city has guaranteed the
7 payments to the trustee.

8 However, there is certain
9 requirements that the city has to do, and
10 these are events of default that have to be
11 cured within 30 days. The city's failure to
12 deliver to the authority before each fiscal
13 year of operation a balanced budget approved
14 by a consulting engineer satisfactory to the
15 authority and the trustee providing for the
16 operation of the parking facilities during
17 the ensuing year. Now, that's in Section
18 12-A of the lease.

19 It wasn't until two years ago that
20 we required the Parking Authority to submit
21 the budget. The trustee never required it
22 from them, they should have. The
23 administration never required it, but the
24 only way that the city, which would be the
25 administration, which would be the executive

1 of the city who prepared the budget for the
2 authority to be submitted to council to be
3 approved, would be based on the sewer -- not
4 the sewer -- I'm getting the sewer and the
5 parking mixed up, they could be used
6 interchangeably, but anyway, that they would
7 have to submit all of the figures to us in
8 order to adopt this budget, plus there would
9 have to be a consulting engineer that's
10 knowledgeable with the parking facility to
11 prepare that budget, and it must be
12 balanced.

13 They have been operating without an
14 approved budget, they have been in violation
15 in default of the trust agreement and of
16 supplying this to the trustee and furnishing
17 this information to the city. That's the
18 first event of default.

19 The second one is the city's failure
20 to keep records of revenue and expense of
21 the parking facility separate from all other
22 accounts of the city and deliver to the
23 authority an annual report there of
24 certified by the controller. So it has to
25 happen now and it's never been done because

1 the city controller, Mrs. Novembrino, has to
2 audit, she has to prepare an audit of the
3 Parking Authority. Never been done. That's
4 an event of default.

5 The next is that, this is the city's
6 responsibility under the lease, but it
7 really comes back to the Parking Authority,
8 is the city's failure to deliver to the
9 authority an annual report of the consulting
10 engineers showing the physical and operating
11 conditions of the parking facility and
12 stating what, if any, repairs, renewals,
13 replacements or improvements are recommended
14 and the approximate cost thereof.

15 The insurance -- Attorney Dubrow has
16 given the city notice, of course, this came
17 to me, was addressed to me. I told him he
18 should address it to the mayor, he should,
19 no, we are addressing it to you, so the
20 mayor will get a copy of this tomorrow
21 morning, but he has already received worse
22 news tonight. What this is is that within
23 30 days all of this must be done. The
24 Parking Authority must get a consulting
25 engineer and come up with a balanced budget.

1 It's impossible.

2 If any of this is not done within 30
3 days, what will happen is they will move to
4 get a receiver appointed to take over the
5 Parking Authority and run the Parking
6 Authority. That's the right they have.

7 That this is serious, discussing it
8 I had a draft of it before I got the final
9 one, I discussed it with Mrs. Evans, that's
10 how it got on here, I said we should get it
11 on here and see what the city is going to do
12 if we are going to cure the default. If
13 not, they are going to be in Court.

14 The fourth letter was issued this
15 afternoon by Bank of New York Mellon. It's
16 a default letter to the Scranton Parking
17 Authority, it was sent electronically by
18 registered mail, again to Chairman Stella,
19 executive director Scopelliti and to Mayor
20 Doherty. We were not copied on it, but
21 Attorney Dubrow did send me a copy of it, it
22 went out late this afternoon by Bank of New
23 York Mellon.

24 It has, put on notice that they are
25 in default under the trust agreement, and

1 how it could be possible for the Parking
2 Authority to comply with all four of the
3 events of default within -- well, they have
4 29 days because the letter went out today so
5 today is the first day, so they have 29
6 days, they have until July 7 in order to
7 comply and meet all of these conditions or
8 the trustee is going to go in and appoint a
9 receiver to run it.

10 I think at this point the Parking
11 Authority is just spinning their wheels.
12 They can buy themselves another 29 days. As
13 I stated before, I think that what the
14 Parking Authority should do is have a
15 special meeting of it's board of directors,
16 they have these letters, they know exactly
17 what the condition is, that the four
18 defaults that they have that must be cured
19 and instead of going through that I think
20 you can could save everybody a lot of grief
21 and time if they would get in touch with the
22 trustee and with Attorney Dubrow and make
23 arrangements to have them get a receiver
24 appointed and take over the operation of the
25 Parking Authority.

1 One of the things that could be
2 looked at, and there is actually a lot of
3 financial issues involved in that, would be
4 the sale of some of the facilities. If they
5 sold some of those and they were privatized
6 that that could pay down the bond issue and,
7 of course, if they pay down the bond issue a
8 lot of that interest would go away, which
9 would be reduce the city's guaranteed, and I
10 think if it got shrunk back, you know, to
11 some core holdings, and this has to be done
12 by the receiver and then hiring someone, you
13 know, that knows parking facilities as a
14 consultant to get this done.

15 So that's why I said before, I don't
16 believe that this is a Titanic event, it's
17 close to it. I think it's more of a Pearl
18 Harbor event. I think it can be cured, but
19 the Parking Authority would due the city and
20 every resident of the City of Scranton and
21 the community a huge service if they just
22 recognize this fact and turned over the
23 facilities, contact Attorney Dubrow tomorrow
24 and turn over -- and make arrangements to
25 turn over those facilities to the insurance

1 company to have them run it and then we
2 could see where we are and get this thing
3 straightened out.

4 It's going to happen, it's going to
5 happen within 29 days, and I think it will
6 be the best thing that has happened, you
7 know, to at least get the city's house in
8 order, you know, with the Parking Authority,
9 alleviate some of the problems and most of
10 the staff would be gone, the board of
11 directors they would still be there, but
12 they would be encapsulated, they wouldn't
13 have any authority. The trustee would get
14 all of the money, so you wouldn't have this
15 issue like you did with Fidelity and being
16 able to offset it. They might be able to go
17 back and look to recapture the \$71,000 that
18 was paid to Landmark, the \$166,000 that
19 Fidelity grabbed as to whether that's proper
20 under the trust agreements or as to whether
21 the trustee has the right to all of the
22 monies. I don't know that, but that's up to
23 them to look at.

24 If any Councilman has any questions,
25 I'll be glad to answer them.

1 MR. LOSCOMBE: I think you covered
2 it pretty well.

3 MR. HUGHES: All we are doing is
4 introducing it tonight, I recommend that
5 Mr. McGowan come here next Thursday, that he
6 come here at 6:00 before council to see if
7 the funds are available and in the meantime
8 during next week we can look at it and
9 determine, you know, what should be done.
10 Maybe the city doesn't have the money, so
11 they are going to do the mandamus. Once
12 they do that, they are going to come in and
13 try to get a receiver appointed, so it's
14 going to be a question of whether the
15 receiver is going to be appointed I think
16 within 30 days, 29 days, or whether it could
17 be appointed within the next -- you know,
18 after two weeks.

19 MR. JOYCE: Is there anyone else on
20 the question?

21 MR. MCGOFF: I'd just like to
22 reiterate what I said about this before, I
23 still think that it's a situation of pay me
24 now or pay me later and like Attorney Hughes
25 said I think let's introduce it and I

1 believe that they we are eventually going to
2 have to make this payment in some way and I
3 would rather see us do it before a Court
4 mandates that we pay it and also mandates
5 the means by which we will provide the
6 funding for it.

7 MR. JOYCE: All those in favor of
8 introduction signify by saying aye.

9 MR. MCGOFF: Aye.

10 MR. LOSCOMBE: Aye.

11 MR. JOYCE: Aye. Opposed?

12 MR. ROGAN: No.

13 MR. JOYCE: The ayes have it and so
14 moved.

15 MS. KRAKE: 6-A. TABLED.

16 SEVENTH ORDER. 7-A. FOR
17 CONSIDERATION BY THE COMMITTEE ON PUBLIC
18 SAFETY FOR ADOPTION - FILE OF COUNCIL NO.
19 35, 2012 - AN ORDINANCE - CREATING A
20 PROCEDURE FOR THE ISSUANCE OF PARKING
21 TICKETS BY THE SCRANTON POLICE DEPARTMENT
22 FOR VIOLATIONS OF CODE OF THE CITY OF
23 SCRANTON CHAPTER 439, ARTICLE II AND SETTING
24 A VIOLATIONS AND PENALTIES SCHEDULE AND
25 PROCEDURE FOR VIOLATIONS OF SAME.

1 MR. JOYCE: What is the
2 recommendation of the Chairperson for the
3 Committee on Public Safety?

4 MR. LOSCOMBE: As Chairperson for
5 the Committee on Public Safety, I recommend
6 final passage of Item 7-A.

7 MR. ROGAN: Second.

8 MR. JOYCE: On the question?

9 MR. LOSCOMBE: Just on the question,
10 I think I mentioned it earlier, it gives the
11 police -- it adds another line on the ticket
12 that was removed years ago giving them the
13 opportunity to write up additional
14 violations and it also -- one of the
15 enhancements with this here ordinance it
16 allows you to pay your police tickets at the
17 police headquarters 24 hours a day. I don't
18 think you can pay them in the Treasurer's
19 Office anymore, strictly going to be in the
20 police office, I will have to verify that,
21 but not your parking tickets from the
22 Scranton Parking Authority just police
23 issued tickets will be accepted 24 hours a
24 day at police headquarters with this
25 ordinance.

1 MR. JOYCE: Is there anyone else on
2 the question? Roll call, please.

3 MS. MARCIANO: Mr. McGoff.

4 MR. MCGOFF: Yes.

5 MS. MARCIANO: Mr. Rogan.

6 MR. ROGAN: Yes.

7 MS. MARCIANO: Mr. Loscombe.

8 MR. LOSCOMBE: Yes.

9 MS. MARCIANO: Mr. Joyce.

10 MR. JOYCE: Yes. I hereby declare
11 Item 7-A legally and lawfully adopted.

12 MS. KRAKE: 7-B. FOR CONSIDERATION
13 BY THE COMMITTEE ON PUBLIC SAFETY FOR
14 ADOPTION - FILE OF COUNCIL NO. 36, 2012 -
15 ESTABLISHING A "NO PARKING ZONE" ALONG THE
16 WESTERLY SIDE OF CEDAR AVENUE (S.R.0011)
17 FROM THE SOUTHWEST CORNER OF RIPPLE STREET
18 EXTENDED SOUTH 250 FEET TO ALLOW FOR SAFE
19 SIGHT DISTANCE FOR A PROPOSED DRIVEWAY BY
20 ROSSI ROOTER FOR A PROPERTY LOCATED AT
21 2100 CEDAR AVENUE.

22 MR. JOYCE: What is the
23 recommendation of the Chairperson for the
24 Committee on Public Safety?

25 MR. LOSCOMBE: As Chairperson for

1 the Committee on Public Safety, I recommend
2 final passage of Item 7-B.

3 MR. ROGAN: Second.

4 MR. JOYCE: On the question? Roll
5 call, please?

6 MS. MARCIANO: Mr. McGoff.

7 MR. MCGOFF: Yes.

8 MS. MARCIANO: Mr. Rogan.

9 MR. ROGAN: Yes.

10 MS. MARCIANO: Mr. Loscombe.

11 MR. LOSCOMBE: Yes.

12 MS. MARCIANO: Mr. Joyce.

13 MR. JOYCE: Yes. I hereby declare
14 Item 7-B legally and lawfully adopted.

15 MS. KRAKE: 7-C. FOR CONSIDERATION
16 BY THE COMMITTEE ON RULES FOR ADOPTION -
17 FILE OF COUNCIL NO. 37, 2012 - PROVIDING
18 FOR THE PROPERTY TAX EXEMPTION FOR CERTAIN
19 DETERIORATED INDUSTRIAL, COMMERCIAL OR OTHER
20 BUSINESS PROPERTY; DEFINING ELIGIBLE
21 DETERIORATED AREAS; SETTING A MAXIMUM
22 EXEMPTION AMOUNT, AND AN EXEMPTION SCHEDULE
23 AND PROVIDING A PROCEDURE FOR SECURING AN
24 EXEMPTION.

25 MR. JOYCE: What is the

1 recommendation of the Chairperson for the
2 Committee on Rules?

3 MR. ROGAN: As temporary Chair for
4 the Committee on Rules, I recommend final
5 passage of Item 7-C.

6 MR. MCGOFF: Second.

7 MR. JOYCE: On the question?

8 MR. ROGAN: Yes. I would just like
9 to reiterate my support for this measure,
10 specifically related to former Daron
11 Northeast site. I think that as obviously
12 has been an issue at council and for the
13 city for a long period of time. I do want
14 to see that cleaned up. Unlike past tax
15 abatements this is not a 100 percent
16 giveaway. Taxes are paid on the land, as
17 Attorney Hughes explained earlier, it's just
18 the improvements that can be abated and we
19 do want to see blighted properties fixed up.

20 As I said, it's not a tax free
21 situation, there is still going to be money
22 coming into the city and I would rather see
23 a vacant property be fixed up and the taxes
24 be paid on the property than a vacant
25 property sit there and be up for tax sale

1 ten years down the line.

2 MR. MCGOFF: Also, the improvements
3 that will be made, the revenue from the
4 permits and fees would somewhat offset
5 what's lost in real estate revenue, so I
6 think, again, it's an incentive for people
7 to rehab places and benefits to the
8 community.

9 MR. ROGAN: I think we could all
10 agree that blight is a major problem in
11 Scranton and many properties that are
12 sitting there vacant taxes aren't being paid
13 on them and they get to the point where
14 nobody wants to purchase them because they
15 are so dilapidated and then the city winds
16 up coming in, paying to tear them down.

17 The Daron Northeast situation that
18 property was a little bit different, there
19 were piles -- it was a cinder block plant
20 and it was located in a residential
21 neighborhood. This project that is being
22 proposed that we had a caucus about the
23 neighbors sent in a petition, they are in
24 full support of the project. It will get
25 the eyesore out of there and the problem

1 that was causing a health problems for
2 people as well the dust in the air and it's
3 definitely a good project to move forward.

4 MR. LOSCOMBE: I just have a
5 question, I don't know if the solicitor
6 could answer, but it was a valid question
7 that was brought up by Mr. Evans in our
8 audience before, suppose we have someone
9 come up for this here and they are also
10 receiving a government grant of several
11 million dollars, are these done on a case by
12 case or can that language --

13 MR. HUGHES: No, they have to come
14 in -- everybody was to come in that wants to
15 use the LERTA program, they have to go
16 before the school district, the county and
17 the city. There is three bodies that have
18 to approve it.

19 MR. LOSCOMBE: They have to approve
20 each project that comes before us?

21 MR. HUGHES: Yes, they have to put
22 an application in. They have start with an
23 application for, you know, in order to --

24 MR. LOSCOMBE: I did see that. I
25 didn't know if they had to bring it before

1 each individual body or just someone in
2 those departments would approve the
3 application.

4 MR. HUGHES: No, I believe the
5 county commissioners have to approve it, the
6 governing body, the city council and the
7 mayor has to approve it, and the school
8 district has to approve it.

9 MR. LOSCOMBE: I mean, everybody is
10 familiar with the KOZs and that's sort of,
11 you know --

12 MR. ROGAN: Well, this is it lot
13 different than the KOZ; correct, Attorney
14 Hughes?

15 MR. HUGHES: Entirely different.
16 The KOZ gives exemption for all real estate
17 tax, every tax that's in the KOZ, you know,
18 is exempt for the period of time of the KOZ,
19 Z which is ten years, mostly ten years, but
20 this you pay the tax on the land and all
21 other taxes, you just don't pay the tax on
22 improvement. The KOZ everything is tax
23 exempt, all taxes.

24 MR. ROGAN: I would add, improvement
25 is what we want.

1 MR. HUGHES: Yes.

2 MR. LOSCOMBE: Oh, it's definitely
3 what we want, but, you know, I just wanted
4 to make sure that someone is not getting
5 these tax abatements plus they are getting
6 \$10 million in RACP funds and stuff like
7 that. I mean, we now --

8 MR. HUGHES: I don't think one has
9 to do anything with the other, Jack. I
10 mean, the fact is that if they come up with
11 the program and they are getting grants, low
12 interest loans, whatever it to make the
13 project, you know, work and it qualifies for
14 LERTA they are just not paying the tax on
15 the improvement. So it has nothing to do
16 with how it's financed.

17 MR. LOSCOMBE: I don't know, the way
18 I'm looking at it they are getting a lot of
19 money that way. I mean, if they get RACP or
20 something like that they should pay full
21 tax. No abatement. I don't know.

22 MR. HUGHES: I have no idea.

23 MR. LOSCOMBE: Maybe I'm looking at
24 it the wrong way.

25 MR. ROGAN: That's why you have the

1 opportunity to vote it down.

2 MR. LOSCOMBE: That's why I was
3 asking. I would hope that it does go -- in
4 this individual case I do agree, you know,
5 but, you know, I don't want to see a
6 scenario down the road because, you know,
7 Lord knows there is ways to maneuver out
8 there and I don't want to see that happen,
9 but in light of the information I just
10 received I will be voting in favor of it.

11 MR. JOYCE: Is there anyone else on
12 the question? Roll call, please?

13 MS. MARCIANO: Mr. McGoff.

14 MR. MCGOFF: Yes.

15 MS. MARCIANO: Mr. Rogan.

16 MR. ROGAN: Yes.

17 MS. MARCIANO: Mr. Loscombe.

18 MR. LOSCOMBE: Yes.

19 MS. MARCIANO: Mr. Joyce.

20 MR. JOYCE: Yes. I hereby declare
21 Item 7-C legally and lawfully adopted.

22 MS. KRAKE: 7-D. FOR CONSIDERATION
23 BY THE COMMITTEE ON COMMUNITY DEVELOPMENT
24 FOR ADOPTION - FILE OF COUNCIL NO. 38,
25 2012 - AMENDING FILE OF COUNCIL NO. 53,

1 2011, ENTITLED, "AN ORDINANCE AUTHORIZING
2 THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF
3 THE CITY OF SCRANTON TO TAKE ALL NECESSARY
4 ACTIONS TO IMPLEMENT THE CONSOLIDATED
5 SUBMISSION FOR COMMUNITY PLANNING AND
6 DEVELOPMENT PROGRAMS TO BE FUNDED UNDER THE
7 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
8 PROGRAM, HOME INVESTMENT PARTNERSHIP (HOME)
9 PROGRAM AND EMERGENCY SOLUTIONS GRANTS (ESG)
10 PROGRAM, AS AMENDED BY "EXHIBIT A".

11 MR. JOYCE: What is the
12 recommendation of the Chair for the
13 Committee on Community Development?

14 MR. ROGAN: As Chairperson for the
15 Committee on Community Development, I
16 recommend final passage of Item 7-D.

17 MR. MCGOFF: Second.

18 MR. JOYCE: On the question? Roll
19 call, please?

20 MS. MARCIANO: Mr. McGoff.

21 MR. MCGOFF: Yes.

22 MS. MARCIANO: Mr. Rogan.

23 MR. ROGAN: Yes.

24 MS. MARCIANO: Mr. Loscombe.

25 MR. LOSCOMBE: Yes.

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MS. MARCIANO: Mr. Joyce.

MR. JOYCE: Yes. I hereby declare
Item 7-D legally and lawfully adopted.

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

MR. LOSCOMBE: Motion to adjourn.

MR. JOYCE: This meeting is
adjourned.

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C E R T I F I C A T E

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

CATHENE S. NARDOZZI, RPR
OFFICIAL COURT REPORTER