



OFFICE OF THE MAYOR

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Thank you all for coming.

Today, I am very pleased to announce that after nearly two years of my Administration's constant effort, deep study, and quiet negotiation, that we, in partnership with the Scranton Sewer Authority, are taking one of our most significant steps yet towards achieving a lasting and sustainable financial recovery for the City of Scranton: the responsible monetization of the Scranton Sewer Authority.

Though my Administration and our partners at the Authority still have a great deal of work to do, I can say, once again, with confidence, that we are meeting and exceeding the goals of the Amoroso Plan and the City's Act 47 Recovery Plan, as indicated by Mr. Amoroso and the Pennsylvania Economy League.

Later today, the Scranton Sewer Authority will outline the details of this transaction and walk through some of the complexities that any deal of this magnitude presents. What I would like to do this morning, is to take a few minutes to explain to you where this transaction fits within the broader context of our City's quickening and strengthening financial recovery. In order to preserve the hard fought gains we have made and the quality of the sewer proposals, I have to keep my remarks this morning measured. My Administration looks forward to sharing more details on this transaction as it continues to evolve over the coming weeks and months.

Years ago, the Scranton Sewer Authority was formed in the late 1960s, by the City of Scranton, to serve the residents and businesses of the City, and, soon after, the Borough of Dunmore. The Authority's mission, as defined by the City when it created the Authority, is to provide high quality sewer services at an affordable cost. But, as with any authority created by the City, this more focused mission is and can only be part of a broader one: to provide for the common good of the City of Scranton and the Borough of Dunmore.

It is my belief that, as currently contemplated, the sewer monetization meets both the focused and broader missions of the Authority—as well as the high expectations of my Administration. Since the Authority holds the most significant asset the City has, any action we take must be considered with the highest degree of scrutiny and in the context of what it means for this City's future.

Since the beginning of my Administration, we have been working with the Authority to develop the framework of a transaction that we believe could provide for the absolute greatest public benefit to ratepayers in Scranton and Dunmore. That means significant long term rate mitigation, a more thorough and complete program of environmental stewardship, increased efficiency and customer service, keeping the Authority's jobs intact and adding new ones, and creating the financial resources we need to delever the City's most pressing long term obligations in line with our plan.

I also want to emphasize that my Administration has made it unconditional that no Authority employee who meets foundational standards of employment will lose their job. Once again, that is simply a condition of my support.

While I cannot get into the specifics of the transaction at this time, I can say that the quality of the proposals under consideration far and away

exceed what I hoped for when my Administration began to work on this issue nearly two years ago.

That being said, and as I am sure you'll hear later today, this is not the same transaction as it was two years ago. Two years ago, the primary goal of this transaction was to ensure that the Authority could meet the obligation handed down by the federal government to ensure that only water treated to the highest quality flows into the Susquehanna River and, eventually, empties into the Chesapeake Bay. Cities up and down the Susquehanna are facing this obligation, though we face some unique challenges given the size of our community.

Although I must applaud the team at the Authority for spending years negotiating the best possible deal with the federal government to meet this obligation, the scale of the project would have required the Authority to increase rates significantly beyond what is currently being offered by the finalists.

While meeting this obligation at an affordable rate remains the foundational consideration of this transaction, my Administration has sought—with much negotiation and many good discussions with the Authority and its team—to expand the benefits of the transaction to a greater number of stakeholders and to more completely serve the public interest.

Through our work, a transaction that began as only an attempt to keep rates down will keep rates even further down and provide stabilizing financial resources to the City of Scranton and the Borough of Dunmore many times the amounts that have appeared previously.

As I have said since I came into office, my goal is to get Scranton back on track, restoring and strengthening our finances, our credit, and our reputation. My goal is to make our city a place where people want to

move to, a place where businesses want to setup shop and to grow, and a place where more and more families get to enjoy our beautiful city for generations. We are achieving that goal.

I've also said that getting there wouldn't be easy. Getting there requires a plan. That's why I brought on HJA Strategies to draft a plan that lays out what we need to do to get to financial stability.

We're doing it.

That's why I worked with the Pennsylvania Economy League to revise and build a Recovery Plan that leads us out of Act 47 in the next few years after more than 20 years of being stuck in it.

Again, we're sticking to the plan.

Our plan calls for making investments in the City's future and not papering over problems or kicking the can down the road. I want to make clear that any money that we get from the responsible monetization of the Authority will be used responsibly; it will be an investment. That means I will only use the money to meet the City's long term obligations and invest in infrastructure that is critical for the City's ongoing prosperity and growth.

Because I view any money that comes out of the transaction as an investment, I am going to look for the highest return and I am not going to invest funds from this extraordinary opportunity into something if I believe the risk is too great. I cannot and will not let an opportunity that we've worked so hard for go to waste or not meet its full potential.

As I said, you will hear much more about this transaction later today. Though there is still a great deal of work to be done, I am generally encouraged today by our progress and share the cautious optimism of so many others involved in the City's financial recovery.

I am excited to work with the successful bidder and to continue our strong partnership with the Authority. I have laid out my expectations and I will do whatever I can to see to it that they are met. To that end, my Administration has engaged a team of professionals and experts in public authorities and utilities, to work with the Sewer Authority, to vet every single thing about this transaction and to ensure that my expectations are met and the public interest is served.

I am also excited to roll up our sleeves with the dedicated elected officials, public servants, and everyday citizens who want to see this transaction achieve what I believe it can for the public interest. I am looking forward to working with the Scranton City Council and the Dunmore Borough Council. I am excited to more deeply engage with Senator Casey and Congressman Cartwright, as well as Senator Blake and Representatives Flynn and Farina, who I know will be invaluable allies.

Finally, I am hopeful that we can further strengthen our partnership with Governor Wolf and his team, who have been great friends to this City and to our recovery effort. Thank you.