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SCRANTON CITY COUNCIL

PUBLIC HEARING

IN RE: FILE OF COUNCIL NO. 58-2014, APPROPRIATING  
FUNDS FOR THE EXPENSES OF THE CITY OF SCRANTON FOR THE  
PERIOD COMMENCING ON THE FIRST DAY OF JANUARY 2015 TO  
AND INCLUDING DECEMBER 31, 2015, BY THE ADOPTION OF THE  
GENERAL CITY OPERATING BUDGET FOR THE YEAR 2015.

HELD:

Thursday, November 20, 2014

LOCATION:

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

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CITY OF SCRANTON COUNCIL:

ROBERT MCGOFF, PRESIDENT

PATRICK ROGAN, VICE-PRESIDENT

WAYNE EVANS

JOSEPH WECHSLER

WILLIAM GAUGHAN

LORI REED, CITY CLERK

KATHY CARRERA, ASSISTANT CITY CLERK

AMIL MINORA, SOLICITOR

1 MR. MCGOFF: I'd like to call this  
2 public hearing to order. Roll call, please.

3 MS. CARRERA: Mr. Wechsler.

4 MR. WECHSLER: Here.

5 MS. CARRERA: Mr. Rogan.

6 MR. ROGAN: Here.

7 MS. CARRERA: Mr. Evans.

8 MR. EVANS: Here.

9 MS. CARRERA: Mr. Gaughan.

10 MR. GAUGHAN: Here.

11 MS. CARRERA: Mr. McGoff.

12 MR. MCGOFF: Here. The purpose of  
13 said public hearing is to hear testimony and  
14 discuss the following: FILE OF COUNCIL NO.  
15 58-2014, APPROPRIATING FUNDS FOR THE  
16 EXPENSES OF THE CITY OF SCRANTON FOR THE  
17 PERIOD COMMENCING ON THE FIRST DAY OF  
18 JANUARY 2015 TO AND INCLUDING DECEMBER 31,  
19 2015, BY THE ADOPTION OF THE GENERAL CITY  
20 OPERATING BUDGET FOR THE YEAR 2015.

21 Tonight to present or to commentary  
22 on the budget is Mr. Dave Bulzoni, Business  
23 Administrator of the City of Scranton.  
24 Mr. Bulzoni will speak on the budget and the  
25 questions from council will follow and then

1 commentary from the public.

2 Mr. Bulzoni?

3 MR. BULZONI: Good evening,  
4 gentlemen. Thank you. What I would like to  
5 say is I prepared some budget highlights  
6 that I will go through in a minute. In  
7 reviewing the document I think what you  
8 probably noticed was that what we tried to  
9 do is create an element of transparency so  
10 there is a narrative that accompanies the  
11 budget document that provides some  
12 descriptive information that helps to  
13 interpret exactly what some of the changes  
14 are or what the intent of the administration  
15 is and hopefully that information was  
16 helpful. What I will do is take a few  
17 minutes to go through some highlights and  
18 then we can discuss the budget based on  
19 whatever questions you may have.

20 The proposed budget amounts to  
21 \$107,398,625.02 in 2015 which is a departure  
22 from the 2014 budget which is  
23 \$130,536,998.25. The significant  
24 differences in the budget include an  
25 increase in the current real estate tax

1 revenue of \$4,827,848.38, a reduction in the  
2 SAFER grant from \$1.6 million to \$400,000,  
3 the removal of \$28 million in debt issuance  
4 with a lesser amount of \$4.8 million. A  
5 reduction in the liquid fuels transfers of  
6 approximately 2.4 million and a reduction in  
7 tax anticipation note of approximately \$3  
8 million.

9 You likely had seen all of those  
10 changes in your review of the document. I  
11 wanted to point them out because some of the  
12 questions we had gotten immediately is why  
13 is the budget amount that much less than the  
14 current year budget. Those are really the  
15 reasons why.

16 Under the revenue category real  
17 estate taxes, the overall real estate tax  
18 increase is 18.99 percent. The improvement  
19 rate will increase from 40.202 mills to  
20 47.835 mills. The land rate will increase  
21 from 184.867 mills to 219.973 mills. Within  
22 those categories, and as you probably noted,  
23 there is a millage assignment of 22.929  
24 improvement mills for debt service, and  
25 24.906 mills for operations, and then in the

1 land levy 105.440 mills assigned to debt  
2 service, and 114.533 mills are assigned to  
3 operations. We can get into the rationale,  
4 but what I'll do is kind of go through the  
5 highlights first and then if you have any  
6 questions on that segregation I'll be happy  
7 to answer them.

8 Under local taxes two items of note,  
9 one in the budget and one not in the budget.  
10 One in the budget represents tripling the  
11 local services tax, and as you are all well  
12 aware you have seen revisions that were  
13 adopted into the law under Act 47 which  
14 provides the allowance of the tripling of  
15 the local services tax. Two caveats, number  
16 one, you have to have a revised recovery  
17 plan in place, and that is something that  
18 the Pennsylvania Economy League has already  
19 started to work on; and number two, it would  
20 require Court approval. So while the amount  
21 represents an approximate tripling of the  
22 local services tax that tripling likely may  
23 not occur until the end of the first  
24 quarter.

25 And, also, one item that's not noted

1 that was in the Act 47 revisions is a  
2 payroll tax and that is presently being  
3 evaluated, we are really trying to define  
4 exactly what the impact is so we had reached  
5 out to the Pennsylvania Economy League to  
6 actually prepare an analysis so there is  
7 much more detailed information that can be  
8 shared with the administration and council  
9 just to determine what kind of impact that  
10 might have. Certainly it can be implemented  
11 any time if it's determined to be favorable,  
12 but I think we need more information on it  
13 to determine what the validity of it is.

14 Licenses and permits, what you are  
15 going to see is legislation coming down for  
16 a fairly substantial revision in many of the  
17 license and permits fees. A lot of those  
18 fees hadn't been revised in a number of  
19 years, but what it's going to take more is a  
20 more effective collection of those fees, and  
21 I think that's something that the department  
22 is certainly cognizant of so, you know,  
23 there would be a combination of a revision  
24 in the fees and also more effective  
25 management of the operation to try and make

1           it as productive as possible.

2                     Intergovernmental reimbursement.

3           The budget forecasts a lower SAFER grant  
4           approval of \$400,000. Departmental  
5           earnings, as far as meter rates are  
6           concerned we are looking at any way we could  
7           maximize the value of the meter collections  
8           so there has been some discussion on demand  
9           base pricing, but we have not gotten to the  
10          point where we even have an analysis on what  
11          that might do, but certainly that's an  
12          alternative to help generate some additional  
13          revenue from meters.

14                    The pave cut ordinance likely will  
15          be modified. I have a template that I'm  
16          looking at that requires some additional  
17          review and we most likely will have that  
18          completed in the first quarter of next year.

19                    Some miscellaneous revenues, some  
20          substantial changes include the exclusion of  
21          revenue from the Icebox development, that's  
22          under review in the solicitor's office,  
23          can't really get into too much on that, but  
24          I think anyone who looked at the budget saw  
25          an amount in there, there was nothing



1 collected relative to that amount in 2014,  
2 it's certainly under review and further  
3 discussion at this point.

4 And the elimination of bond proceeds  
5 of approximately \$28 million which was  
6 primarily representative of funding the  
7 award, award settlement, and it's being  
8 replaced by an amount of approximately \$4.8  
9 million as a component of that award  
10 settlement, and also the prospective sale of  
11 delinquent tax claims in the amount of \$1.5  
12 million.

13 The tax anticipation note will be  
14 issued consistent with prior years even  
15 though the amount in the 2014 budget is much  
16 higher than prior years, but the actual  
17 funding amount was pretty consistent with  
18 the dollar amount the city had issued in  
19 prior years.

20 Within expenditures, just looking at  
21 some staffing items, as you are aware the  
22 union raises are all contractual so fire and  
23 police are at 1.75 percent, clerical at 3.75  
24 percent, and DPW at 46 cents per hour.  
25 That's all reflected in the adjustments to

1 salaries in each one of those categories.  
2 Staffing changes include one clerical  
3 position as removed from the Treasury  
4 Department. The Legal Department removed  
5 one clerical position at a salary of \$39,059  
6 and added an assistant city solicitor at  
7 \$35,000. Human Resources added one clerical  
8 position at \$33,000 and one non-union  
9 position at \$29,000, which is the Boards and  
10 Commissions Coordinator. Licenses and  
11 Permits will ads one inspector at \$39,059.  
12 The DPW moved one chauffeur from Parks and  
13 Recreation to highways at the same rate of  
14 pay. Part-time secretary in the mayor's  
15 office was budgeted at \$11,000. The Parks  
16 and Recreation specialist was reinserted  
17 into the budget after being removed from the  
18 budget in 2014. The master mechanic was  
19 reinserted into the Fire Department, and  
20 that's not representative of a new hire.  
21 Six school resource officers are partly  
22 funded by the school district, 50 percent.  
23 Four police officers are paid from the OECD  
24 budget, and the budget also includes two new  
25 beat officers for the downtown section of

1           Scranton. The police department has applied  
2           for grants to offset those salaries. Human  
3           Resources Director will have a dual  
4           appointment as assistant Business  
5           Administrator with an increase in salary  
6           that's funded through a reallocation of the  
7           Act 47 grant, and we have already  
8           communicated with the Department of  
9           Community and Economic Development.

10                   Debt service incorporates an amount  
11           based on the issuance of a \$5 million note  
12           in 2015 which would be a component of the  
13           settlement award, and it also includes lease  
14           payments for refuse packers which were --  
15           which the city had recently taken possession  
16           of as well as for the acquisition of a fire  
17           safety vehicle, and there is an amount in  
18           there which would be a component of a  
19           renewal of the city's guarantee energy  
20           savings project which concluded 2008. We  
21           are evaluating a renewal and expansion that  
22           we really need more detail in order to  
23           determine whether it's feasible because,  
24           again, that process really should be  
25           transacted only based on whatever savings

1           you are able to achieve, so very preliminary  
2           on that.

3                     Contingency was increased to offset  
4           an amount which may wind up incorporating  
5           the SAFER grant, so it was going from  
6           \$100,000 to \$500,000.

7                     Unencumbered expenses continue to  
8           remain high, probably higher than it should  
9           be, but that's reflective of any payables  
10          that are carried over from one budget year  
11          into the next, so that dollar amount is  
12          reflective of payables that are carried over  
13          from in this case the 2014 into the 2015  
14          budget.

15                    That's it for the summary  
16          information and I'll certainly entertain any  
17          questions you may have.

18                    MR. WECHSLER: Mr. Bulzoni, could  
19          you just touch a little bit more on the debt  
20          service since so much of the tax increase is  
21          for debt service, what exactly are we trying  
22          to pay off there?

23                    MR. BULZONI: Well, it's not  
24          necessarily a matter of what we are paying  
25          off, there is really two reasons for carving

1 out millage and you're inquiring about why  
2 we are segregating --

3 MR. WECHSLER: Yes.

4 MR. BULZONI: There is two reasons  
5 for doing that: Number one, it creates a  
6 significant enhancement to the credit  
7 worthiness, a very significant credit  
8 positive which is something the city really  
9 needs right now. As you are probably aware,  
10 there certainly have been challenges for the  
11 city issued debt, any debt that has been  
12 issued over the last several years has been  
13 at very unfavorable terms. This really  
14 takes a step in the right direction for the  
15 city in not only trying to enhance its  
16 creditworthiness, but also to try and obtain  
17 a bond rating within the next year and a  
18 half hopefully, which would allow the city  
19 then to look at refinancing some of its  
20 debt.

21 The other side of it is it now takes  
22 away any arbitrary decision making relative  
23 to that component of the millage so that  
24 millage winds up getting pegged against your  
25 debt service requirement. If it goes down,

1           that component of the millage winds up going  
2           down. It also makes -- it also adds some  
3           transparency to the process of issuing debt  
4           which means that the administration and  
5           council have to work very cooperatively on  
6           any considerations there may be for issuing  
7           debt because what you will find out is that  
8           when you contemplate issuing debt, the  
9           repercussions or the ramifications of doing  
10          so would equate to higher millage, so the  
11          intent of this, at least in my mind, was not  
12          only to create I guess a more stable  
13          component of what the assignment of the  
14          millage is, but also to create a better  
15          level of cooperation so that if any debt  
16          issuance is contemplated the administration  
17          and council really have to start talking  
18          about that issuance very early on.

19                   MR. WECHSLER: Okay, this years MMO  
20                   are we going to make that on time, the  
21                   payment?

22                   MR. BULZONI: Well, that is our  
23                   intent to do so. I think as you are well  
24                   aware through discussions we have had  
25                   consistently throughout the year the budget

1 is somewhat weak in terms of the revenue  
2 expectations and our intent right now is to  
3 evaluate how revenues are realized through  
4 the end of the year before we make a  
5 determination on exactly how much of that  
6 debt payment will be satisfied by yearend.  
7 Again, Mr. Wechsler, that's why, as I  
8 indicated, your unencumbered expenses number  
9 is higher because unfortunately the city has  
10 been carrying over payables, including the  
11 pension payment as was the case this year.  
12 We hope that not to be the case, we had got  
13 forecast and revenues through yearend  
14 primarily in earned income taxes, but I do  
15 believe that we certainly will have a very  
16 tight budget from now through the end of the  
17 year.

18 MR. WECHSLER: One thing that came  
19 up in the summer when we were talking about  
20 the commuter tax a lot of people referenced  
21 the large delinquent garbage tax fee is that  
22 something that's out there? I mean, we  
23 heard numbers thrown around \$4 million, is  
24 that something that's out there or --

25 MR. BULZONI: Well, the receivables

1 amount is actually in the audit report so,  
2 you know, obviously we don't have the 2013  
3 audit completed yet, but it will indicate  
4 what that receivables amount is. It has  
5 decreased. The expectation is that with  
6 some of the legislation that was approved to  
7 provide the collection agent with greater  
8 authority for collecting you will see some  
9 decrease in that receivable, but I think it  
10 really requires some further evaluation.  
11 How should the payments schedule be  
12 organized to maybe allow for a more  
13 efficient payment of that fee, these are all  
14 discussions that I think should occur in  
15 2015 to try and make the process as  
16 productive as possible.

17 MR. WECHSLER: And my last question  
18 is, since you mentioned it, the audit. For  
19 2014 and heading into 2015 how comfortable  
20 are you with that we are over the hump with  
21 our problems in turning in the audit?

22 MR. BULZONI: Not at all. Well, I  
23 think what you have to realize is that you  
24 have a significant transition just in  
25 personnel year over year, so, you know, you





1 fiscal year is realistic, but I think when  
2 you get the point where you really should  
3 expect to have it completed within nine  
4 months. I think that's much more realistic  
5 and that really should be a target for the  
6 city in 2015.

7 MR. WECHSLER: Thank you.

8 MR. MCGOFF: Mr. Rogan?

9 MR. ROGAN: Just a few comments and  
10 then a couple of question as well. I'd like  
11 to thank you for coming in today and for you  
12 and the mayor and all your hard work on this  
13 budget. This is the fifth budget since I  
14 have been on council and it's by far the  
15 most detailed as far as expenditures,  
16 revenues and where the money is going. The  
17 one thing I really like, and you touched  
18 upon it already, is segregating the millage  
19 for what we are paying to actually run the  
20 city today and what we are paying for debt  
21 service. Just as a matter of transparency I  
22 think that's something that the people need  
23 to see and it's, you know, really shows that  
24 we are paying much more what we are paying  
25 now versus the past, over the past however

1           many decades the city has spent above it's  
2           means.

3                       Also, on the increase in the LST I  
4           do, although, I would much rather see a  
5           commuter tax, but, unfortunately the Courts  
6           and the state legislature thought otherwise,  
7           I do like that the LST will take some of the  
8           burden off of the homeowners and senior  
9           citizens in the City of Scranton and much of  
10          it will be paid by residents or  
11          non-residents, but I did have a question on  
12          the LST is there a -- I know there used to  
13          be an exemption where if you made under a  
14          certain dollar amount you were exempt from  
15          the LST, is that currently still in the  
16          ball?

17                      MR. BULZONI: It is, and I'm not  
18          quite sure of the dollar amount, I would  
19          have to check, I think it's \$15,000.

20                      MR. ROGAN: Yeah, I think it was  
21          15,000 because one of the criticisms of the  
22          LST is that it would, you know, negatively  
23          impact those making lower dollars, that  
24          exemption, you know, helps with that issue  
25          as well.

1                   One of the issues that was touched  
2                   upon that I think is an important, and I  
3                   just wanted to know what your thoughts were  
4                   on it moving forward, is the issue of  
5                   delinquencies. When we were out, I think we  
6                   all have experienced this, when we go places  
7                   people say, well, you know, my taxes are  
8                   going up but so and so down the street  
9                   hasn't paid or so and so hasn't paid their  
10                  garbage fee or paid this fee or that fee,  
11                  and for me there are two types of  
12                  delinquents, you have people that are  
13                  struggling that legitimately can't afford  
14                  make ends meet, and I think the city needs  
15                  to do everything we can to work with those  
16                  people, and then on the other hand you have  
17                  the deadbeats who just they get the bill and  
18                  they rip it up and throw it away because  
19                  they don't want to pay, what's the plan for  
20                  next year for focusing on those deadbeats?  
21                  I know you touched upon it, but if you could  
22                  talk a little bit more about it.

23                  MR. BULZONI: Well, I think with the  
24                  appointment of NRS to handle delinquent  
25                  collections to the real estate and refuse I

1 think you will see a more effective process,  
2 certainly more professionalized. What I  
3 would suggest is it's probably worth meeting  
4 with them at some point just to get their  
5 input on what the city can do to help reduce  
6 the burden of what those dollar amounts are.  
7 The city has been reasonably consistent in  
8 its collection of the current real estate  
9 taxes at around 88 percent. Now, that's not  
10 entirely favorable, but it's not  
11 inconsistent with other municipalities  
12 throughout Northeastern Pennsylvania. The  
13 question is what can you pick up on the back  
14 end. You know, year over year, you should  
15 be collecting close to 100 percent. If you  
16 are not, what can you do to try and improve  
17 those collection rates? And again, going  
18 back to Mr. Wechsler's comment on the  
19 refuse, it's what can we do to reduce the  
20 dollar amount of those receivables year over  
21 year. That's really something that I think  
22 in order to be proactive with the process is  
23 probably to meet with NRS to get their input  
24 on it.

25 MR. ROGAN: And I think all of us on

1 council would be willing to do anything we  
2 can to increase --

3 MR. BULZONI: Sure.

4 MR. ROGAN: -- increase payments  
5 coming in from those sources anyway. And  
6 finally, just an observation I made, and I  
7 want to see if this is where you are coming  
8 from, it seems that everything that has been  
9 done over the past year, including this  
10 budget, is to restore our creditworthiness  
11 and obtain a bond rating, would I be correct  
12 in that assumption that we, you know, we  
13 don't want to recreate two years ago where  
14 the city was paying employees minimum wage  
15 and you couldn't -- you know, we didn't have  
16 anyone coming to the table for a TAN. Is  
17 why a lot of these measures have been taken,  
18 the segregation of funds for debt services  
19 and operations and some of the other  
20 initiatives that we have seen throughout the  
21 year?

22 MR. BULZONI: That's part of it, I  
23 think that's a big part of it. The other  
24 part of it is to create is better thought  
25 process overall for the issuance of debt so

1           that it really binds council and the  
2           administration together to create those  
3           discussions very early on so that there is a  
4           lot of discussion when it comes time to  
5           issue debt, not something where at the 11th  
6           hour you are introduced with a turn sheet or  
7           a prospect of debt issuance and at that  
8           point you wind of scrambling and try to  
9           evaluate it. So you are trying to  
10          accelerate the evaluation of it, create a  
11          more transparent component, certainly  
12          evaluate to maybe have a more profound  
13          impact on the city's creditworthiness.

14                         And I think, you know, we did some  
15          analysis and I had gotten some information  
16          off Mr. Gaughan as just looking at a  
17          comparative analysis with the debt that was  
18          issued to 2012 and 2013 and rates that are  
19          generally noncomparable, so 7 1/2 and 8.9  
20          percent on debt when comparable debt is  
21          being issued between 3 and 4 percent at the  
22          highest. There is a cost associated with  
23          that, there is an interest cost that's built  
24          into your debt service component. I mean,  
25          it's pretty easy to see. Now, it's going to

1 be even clearer by being able to peel that  
2 out.

3 MR. ROGAN: Thank you very much.

4 MR. MCGOFF: Mr. Evans?

5 MR. EVANS: Most of my questions  
6 have been asked and answered so I'm just  
7 going to circle around a little bit to what  
8 we talked about before. It looks like it's  
9 going to be a very busy first quarter, first  
10 of all.

11 MR. BULZONI: It has been a very  
12 busy year, but, yeah.

13 MR. EVANS: On the payroll tax, I  
14 know you mentioned it before, as you know,  
15 I'm a proponent of getting rid of the  
16 mercantile tax and with the Act 47 revisions  
17 I'm a proponent of removing the mercantile  
18 tax and the business privilege tax and  
19 replacing them with a payroll tax. You  
20 mentioned when after a study has been done  
21 we had to look at the number and make sure  
22 it works, are you confident that we can do  
23 that done in the first quarter?

24 MR. BULZONI: I am, and I shared  
25 with you a communication I had with the



1 Pennsylvania Economy League to accelerate  
2 that, and actually what they are going to  
3 try and do, which I think we would insist  
4 upon is to have that analysis completed in  
5 conjunction with the revision and the  
6 recovery plan because if it looks like it is  
7 a viable alternative to business privilege  
8 and mercantile then I think we certainly  
9 want to have that incorporated into the  
10 revised recovery plan and look to execute  
11 it. But I think we want to -- first things  
12 first, we want to get the analysis  
13 completed, but I think it's realistic to say  
14 that we will have that completed in the  
15 first quarter.

16 MR. EVANS: Thank you. That's all I  
17 have.

18 MR. MCGOFF: Mr. Gaughan?

19 MR. GAUGHAN: Yes. First of all, I  
20 just want to thank you, Mr. Bulzoni, for  
21 coming in tonight and thank you for all your  
22 hard work on this budget and your  
23 willingness to communicate with council, I  
24 think we all appreciate that very much.

25 I just have a few questions, the

1           \$400,000 transfer in from other funds what  
2           does that represent in budget revenue?

3           MR. BULZONI: It really would be a  
4           component of the receipt of grant money  
5           coming in from the special city's fund, and  
6           one component of it is an offset from the  
7           Act 47 grant funding to support salaries,  
8           that's one example.

9           MR. GAUGHAN: Okay, thank you. You  
10          touched on this little bit before that the  
11          city is planning on borrowing \$4.8 million  
12          to pay a portion of the judgment, can you  
13          tell us what the debt service will be should  
14          this borrowing be approved and kind of  
15          explain how that whole process will work?

16          MR. BULZONI: Yeah, I actually put a  
17          debt service amount into the --

18          MR. GAUGHAN: Yeah, of \$1.3, I'm  
19          sorry. I mean, can you just explain how  
20          that whole process will work?

21          MR. BULZONI: Well, we had begun gun  
22          those discussions pretty early in the year  
23          and, you know, as I indicated there  
24          certainly have been enough challenges for  
25          the city to issue debt realistically. We

1           have what I think is a very favorable  
2           structured of the debt that we achieved  
3           through some discussions with Amalgamated  
4           Bank, the Department of Labor and Industry  
5           because the debt would actually be cash  
6           collateralized with a component of the  
7           Workers' Compensation funds. Overall, I  
8           think there has to be some greater  
9           discussion on what the outcome is. I mean,  
10          it is a component of the overall settlement  
11          award and I don't think we have gotten far  
12          enough yet to really discuss that occurs  
13          with the remaining amount, but again, I  
14          think there has to be quite a bit of  
15          discussion along those lines because overall  
16          it's a significant dollar amount, and  
17          especially if you are looking at it as an  
18          individual debt component now you can see  
19          what the impact of that amount would be on  
20          their millage, so I think the reason why it  
21          was deferred, and you can see there was a  
22          significant amount plugged into the budget  
23          in 2014, well, first of all, it can't be  
24          issued as anything I would call a reasonable  
25          structure; and second of all, it has a

1           pretty significant impact on what your  
2           future millage would be. I think that the  
3           discussion should include the prospective  
4           refinance of some existing debt to see how  
5           much you can incorporate into that to not  
6           have as much of an impact on any millage  
7           adjustment as there would be if you just  
8           issued 17 or 22 million dollars  
9           individually.

10                   MR. GAUGHAN: Thank you very much.  
11           Can you explain in a little bit more detail  
12           the 1 percent variable increase for  
13           promotions in the police and fire budget? I  
14           saw that and I didn't really --

15                   MR. BULZONI: There are promotions  
16           that are you scheduled and if they wind up  
17           occurring would impact whatever that  
18           budgeted amount is. It was difficult for us  
19           to project exactly or quantify exactly what  
20           that dollar amount would be if a promotion  
21           wound up going through, so in effect we  
22           wound up using a 1 percent cushion to be  
23           able to absorb what any one of those  
24           increases would be within the same budget  
25           year.

1 MR. GAUGHAN: Thank you. That's all  
2 I have. I just will say that I'm very glad  
3 that you came tonight. I appreciate it very  
4 much, however, I am disappointed that the  
5 mayor did not decide to come. That's all I  
6 have.

7 MR. MCGOFF: A few questions, you  
8 brought up the payroll tax or the  
9 possibility of a payroll tax, if that were  
10 to be introduced that would replace or  
11 become -- that would replace some other  
12 taxes if I'm not mistaken?

13 MR. BULZONI: It would replace  
14 business privilege and mercantile taxes.  
15 It's designed to be revenue neutral in year  
16 one. I think we really, as I indicated  
17 before, need some analytical information to  
18 determine how it's implemented, what the  
19 impact would be because it certainly changes  
20 the tax structure and impacts businesses in  
21 different ways.

22 Also, just some variations in  
23 information we had gotten at the time the  
24 tax was being considered within the Act 47  
25 revisions, first it was determined that it

1 would wind up incorporating nonprofits into  
2 the fold, and then it wound up coming back  
3 to us that, no, it does not include  
4 nonprofits. So, again, more information in  
5 this case is better. You don't want to make  
6 a rash decision, but as I indicated before  
7 there is certainly an interest because we  
8 have gotten a lot of feedback from the  
9 business community that business privilege  
10 and mercantile are punitive and probably  
11 punitive to the types of businesses that we  
12 are seeing locating in the city, so I think  
13 more analysis has to be completed, more  
14 analysis has to be completed on a timely  
15 basis and then I think some discussion has  
16 to ensue kind of quickly in deciding which  
17 direction the city wants to go into.

18 MR. MCGOFF: I may be asking you to  
19 guess at something, but do you have an idea  
20 of what the percent of expenditures in the  
21 budget are? I think Mr. Amoroso used the  
22 term marbleized, how many of the budget is  
23 there that's just concrete that cannot be  
24 sort of touched, I guess?

25 MR. BULZONI: Half.

1 MR. MCGOFF: 50 percent of it?

2 MR. BULZONI: Yeah. And I don't  
3 think it's a fair assessment to say that  
4 marbled means they cannot be adjusted.  
5 They are not easily adjusted, but I think  
6 all of the budget components can be adjusted  
7 to a certain extent, some with much more  
8 difficulty than others, but, yeah, I  
9 would -- I guess I would qualify that  
10 comment about what's marbled and what's  
11 not by saying I think anything can be  
12 adjusted, but certainly some with much  
13 greater level of difficulty than others.

14 MR. MCGOFF: And I know in some  
15 discussions that we have had we talk about  
16 the cost that moving forward or just  
17 increasing such as -- well, debt service,  
18 disability payments, and pension payments,  
19 around what percentage of the budget does  
20 that constitute?

21 MR. BULZONI: Well, I think you look  
22 at debt service approximately \$16 million.  
23 As far as the pension payment right now, you  
24 are looking at -- well, excluding the state  
25 contribution looking at about \$9 million,





1 comment. The only name on the list I guess  
2 is Joan Hodowanitz.

3 MS. HODOWANITZ: Joan Hodowanitz,  
4 Scranton. Let me preface my remarks by  
5 thanking Nancy Krake in the Business  
6 Administrator's Office and Lori Reed's staff  
7 in the Clerk's Office as I try to get  
8 information on the 2015 budget they were all  
9 very helpful and very professional and I  
10 credit to the city.

11 That having been said, everything  
12 else is downhill. I keep asking this and I  
13 keep getting paltry answers, but why is the  
14 proposed budget not on the city's website?  
15 All people tell me is you never put it on  
16 before, we only put the approved budget on.  
17 Is there some law that says we can't put the  
18 proposed budget on the website? Whose decision  
19 was that?

20 MR. MCGOFF: No. No, there is not.

21 MS. HODOWANITZ: You know, I among  
22 other citizens I'm a stakeholder in the city  
23 and I am interested in this document and I  
24 want to be informed. I understand that it's  
25 somewhere on the Times' website, I haven't

1 found the link. There was a copy in the  
2 City Clerk's Office and you stand there at  
3 the counter to look at it, and there's a  
4 copy in the library and it's just not  
5 practical to sit there and taking notes, you  
6 really need your own copy, okay? So I  
7 simply got fed up after two days in the  
8 library and I had them Xerox me a copy at 25  
9 cents a page, and I can afford that, that's  
10 not the problem for me, but it just  
11 irritates me that we can't put it on the  
12 website. I think one of the first things  
13 you said, Mr. Bulzoni, is going for an  
14 element of transparency? I think every  
15 financial relevant document should be on the  
16 website period starting with the proposed  
17 budget.

18 Next, because I didn't have ready  
19 access to my own copy for several days, one  
20 of the things I did was I printed out the  
21 original 2014 budget, okay, at least I would  
22 have that information in front of me because  
23 I compared the changes in 2015 and I noticed  
24 that they were dozen and dozen of lines  
25 where the numbers had changed without really

1 any footnoting. We are talking about  
2 changes from anywhere from one penny to \$28  
3 million. Now, I understand that these are  
4 adjustments that have been made over the  
5 course of the last year, but even if there  
6 is just a little footnote on the bottom  
7 saying, "See council resolution "X" or see  
8 document "Y"", at least a citizen can find  
9 out why that number changed, you know, but,  
10 no. And the same thing is just not for  
11 financial figures but also some of the  
12 staffing figures have also changed, and if  
13 you go constantly to these meetings you may  
14 recall some of the staffing changes or some  
15 of the transfer of funds, but you can't  
16 recall them all. We are talking dozens of  
17 lines in an eight-page document, okay, and  
18 that didn't make me feel any happier.

19 Now let's talk about the pay raises.  
20 There is no debate with the union pay  
21 raises, those are Court mandated and that's  
22 fine, but let's start with the Office of the  
23 Mayor. The mayor's salary is going up from  
24 \$60,000 to \$65,000, and 8.33 percent  
25 increase and where is he tonight? Where is

1 he anywhere other than a photo op? Thank  
2 God Mr. Bulzoni is here to represent him, he  
3 should be here. He is the mayor of this  
4 city. I noticed on his description of the  
5 mayor's office among other things he is  
6 supposed to have that office to ensure that  
7 citizens have a voice in the responsible  
8 delivery of services. Well, my voice says  
9 he should be here, he should be at any of  
10 these meetings that are so crucial to the  
11 city.

12 Mayor's confidential secretary, I  
13 don't think she is one of the clerical union  
14 employees, she is getting a 16 percent  
15 raise, that's \$5,000. Mr. Bulzoni, I  
16 noticed your raise from \$53,550 to \$79,900,  
17 an increase of 49.2 percent. Now, here we  
18 are circling the financial drain in the City  
19 of Scranton and if anything the budget  
20 should reflect austerity from the leadership  
21 on down, and I know Mr. Bulzoni has done  
22 yoman's labor, but I also know that in the  
23 last six months there has been virtually no  
24 progress, according to Rossi & Company on  
25 the city's budget. I hope other people have

1 other comments to make. Thank you.

2 MR. MCGOFF: Is there anyone else  
3 who wishes to address counsel?

4 MR. SBARAGLIA: Andy Sbaraglia,  
5 citizen of Scranton. Fellow Scrantonians, I  
6 was one of the ones that championed the  
7 raise for the mayor and I'll stand by it.  
8 Maybe I don't like his actions, but I do  
9 think he should make more than what he was  
10 getting and there is no question about that,  
11 and I was here when they cut some of the  
12 salaries of the last mayor's, how do I put  
13 it, his advisory, let's put it that way, or  
14 the department heads, whatever you want to  
15 say. Maybe that wasn't right and restoring  
16 them back again doesn't really bother me as  
17 much because I believe if they do their job  
18 that's the whole thing. If they do their  
19 job they are worth it. If they don't do  
20 their job, they ain't even worth the \$50,000  
21 or whatever we are paying to begin with.  
22 That's the problem with this city, they  
23 don't do their job. They say a lot of  
24 things.

25 I read a big article in the paper,

1 McGoff he is sorry that Boscov didn't pay it  
2 but he has been sitting on council, he knew  
3 they weren't paying that for the last seven  
4 years, that he wasn't paying that 108 loan,  
5 and he knew it, everybody knew it that came  
6 into council. To be sorry about it now,  
7 that's ludicrous. Reminds me of the scene  
8 in Casablanca where the chief of police says  
9 I was surprised there was gambling in that  
10 back room. It's ridiculous. He knew that,  
11 he knew that.

12 Now, the only thing I harassed him  
13 when we got the second loan when he was  
14 going bankrupt did we loan it to Boscov or  
15 to the Mall Partners? If we lent it to the  
16 Mall Partners that's something that should  
17 be brought up in the courts because they had  
18 all intention of going bankrupt with the  
19 mall. That's the Mall Partners. That's the  
20 mall itself and not Boscov's. There is a  
21 difference between Boscov and the Mall  
22 Partners, but that's how the city is.

23 You gave "X" amount of money to the  
24 bank supposedly to improve our credit rating  
25 and you took it from the parking revenue.

1 Who has to make up the parking revenue? The  
2 poor citizens of Scranton, or do you plan to  
3 charge a dollar a minute for the parking?  
4 This is what I mean about you are doing  
5 everything you can to keep people from  
6 staying in the city. They don't wish to  
7 stay in the city. People are going to be  
8 leaving in mass to what you are doing. You  
9 remind me of Caesar when they said, "Et tu,  
10 Brute?"

11 You are stabbing the taxpayers.  
12 There is no question about it. You know it  
13 and how would you can sit there and smile  
14 saying that's the best thing for the city.  
15 If you are really want to do something for  
16 the city you give up that \$12,500 that you  
17 get and come here like we do as volunteers.  
18 Then you are doing something for the city.  
19 You are giving back more than you are  
20 taking.

21 I spend a lot of time coming here, a  
22 lot of time reading a lot of literature and  
23 a lot of it is literature, and a lot of it  
24 is pipe dreams. The mayor said you want to  
25 sell the Sewer Authority, there are chances

1 are you won't be able to sell it until maybe  
2 another year or two and then maybe not  
3 because it doesn't work the way you thought,  
4 and they have you on the insurance that the  
5 bondholders want to sell the parking  
6 garages? How many of you people met with  
7 the bondholders and said, "Do you want to  
8 sell the parking garages?"

9 And the question is how much money  
10 are they making now or how much will they  
11 make if they sell -- if they get the money  
12 for the parking garages? It's all in the  
13 question of finances. If they can get more  
14 money from the City of Scranton then they  
15 can by investing it they have no intention  
16 of selling the parking garages. I don't  
17 blame them. It's all dollar amounts. I  
18 don't have the figures in front of me, what  
19 they are paying but maybe they are at 6  
20 percent or something and they can only get 3  
21 percent in the market. It's all how the  
22 market goes, but the question is if you have  
23 no guarantee they are going to sell the  
24 parking garages or let the city sell the  
25 parking garages then all they money you



1           donated to the bank for the parking garages  
2           is null. Like I said, you can't resurrect  
3           the dead and use people who try to decide  
4           get blood from a stone. You got to look at  
5           everything, dollars amount. Like I said  
6           many, many years ago, watch your pennies and  
7           your dollars will follow, but you haven't  
8           done nothing.

9                        Last year when you were sitting  
10           there I said, "The only thing I expected  
11           from you people is higher taxes."

12                       And we got higher taxes, and I can  
13           tell you this next year it's going to be the  
14           same, more higher taxes because you haven't  
15           solved one problem. Thank you.

16                       MR. MCGOFF: Anyone else?

17                       MR. MORGAN: Good evening, Council.  
18           You know, I was going to come up here and I  
19           was just going to laugh and leave the podium  
20           tonight, I'm being real honest with you. We  
21           are just out of our mind here. What are we  
22           trying to do? Are we trying to become credit  
23           worthy so we can borrow more money we can't  
24           pay back? Did you listen to any of the  
25           speakers last week discussing the issues? I

1 mean, I listened to council as a matter of  
2 fact again today on the internet, I listened  
3 to the arguments from all of the things the  
4 five council members presented, and it's  
5 just ashame that you aren't all on the same  
6 page together pursuing one or two visions.  
7 Your thoughts are scattered, there is no  
8 real concrete plan, there needed to be  
9 massive cuts to the budget, massive cuts to  
10 the budget even if it required a bankruptcy  
11 petition. We have to move in a new  
12 direction.

13 If you can't feel the pain of the  
14 residents who live in this city, and I know  
15 you are not partners, if you can't feel  
16 that, if you can't understand that this  
17 budget, look it, you know, when you have --  
18 when you have somebody who has the ability  
19 to determine whether something is real or  
20 false and the Commonwealth tells them they  
21 can, not a council member or a judge and he  
22 tells you that aren't and the budget isn't  
23 realistic, and I think that even though we  
24 have a different budget today it's  
25 realistic? Really is it? Have any of them

1           ever been? We are trying to raise money  
2           from places that don't even exist basically,  
3           trying to walk away from our assets, sell  
4           them off, just put pipe dreams in the air  
5           basically because you know something, the  
6           people have nothing left to give and I just  
7           think that this council can veto the mayor's  
8           budget. If you would have started breaking  
9           that budget down the minute you sat down and  
10          started working for the residents of this  
11          city you might have a plan and a vision, but  
12          we don't have that today.

13                        And you know, Mr. Evans, you are a  
14                        realtor, do you see a lot of people wanting  
15                        to move in this city, sir? So look it, take  
16                        it for what it's worth, people cannot even  
17                        get out of here. They have no faith in our  
18                        government and they need the government to  
19                        really open it's eyes and move in a  
20                        different way. I say possibly it's time to  
21                        forget about Act 47. It's time to stop  
22                        worrying about what the Commonwealth wants  
23                        because they can't even solve their own  
24                        budget problem and they are 50 or 60 billion  
25                        dollars in. I don't know, what are we going

1 to do? Are we going to follow their failed  
2 plans because they came up with a plan to  
3 help us? They can't even solve their own  
4 problems and we have got senior citizens,  
5 not just seniors, but all kinds of workers  
6 in this city that campaign anymore.

7 A couple of times, like I said, with  
8 some of these papers -- well, I left it at  
9 home, but I may have come here with people  
10 who have left the city because they are not  
11 going to pay the city tax. They're not  
12 going to pay more to the city than they pay  
13 the state and not have any vision for the  
14 city and no solution to our financial  
15 problems. 22 years under Act 47 and we are  
16 going to languish there for five to eight  
17 more years? Look at, we need a new plan,  
18 sir, gentlemen.

19 It's not a personal thing, I have a  
20 lot of respect for you, you got a real tough  
21 job, you put your name on the ballot and you  
22 ran, I respect you for that, I have not one  
23 bad word and I have never come here and  
24 disrespected one sitting council member  
25 because not what I do, but you know

1 something I don't have to agree with you and  
2 it's not disrespectful to disagree, but you  
3 know we need to move in a new way and we  
4 honestly need to veto this mayor's budget  
5 and come up with a better plan, and if it's  
6 necessary we have to cut. Well, it's beyond  
7 necessary and maybe -- I don't think you'll  
8 do it, I really don't. I don't really think  
9 that the five of you can get your head  
10 around the budget right now. You wasted too  
11 much time. You needed to bring people in to  
12 help with you that, and I'm not so sure what  
13 any of our financial people in this city  
14 really understand about that budget because  
15 it's just an add on from one budget to the  
16 next budget to the next budget to the next  
17 budget? And did we did ourself a terrible  
18 disservice by jettisoning all Mr. Doherty's  
19 people who might have really understood  
20 after 12 years what was really happening in  
21 that budget and did we let politics  
22 determine who we were going to put in  
23 positions? And that's not a shout out to  
24 this, gentlemen. Everybody goes to work to  
25 make a living. You respect everybody to

1 goes out and gets a job, but you know  
2 something, do we really have the people in  
3 place to really give us a concrete, solid  
4 answers to our problems and firm real  
5 numbers?

6 And I just say veto this budget and  
7 send it back downstairs and less do what we  
8 have to do and make cuts because this  
9 taxation, you know, talking about  
10 reassessment, if a house sold for \$15,000 in  
11 the city that's what's it's worth. I don't  
12 care, you can set it for more, but it  
13 doesn't mean it's worth is really. Thank  
14 you.

15 MR. GAUGHAN: Thank you.

16 MR. MILLER: Good evening, Doug  
17 Miller, Scranton. You know, basically to  
18 summarize this budget in a nutshell it's  
19 pretty much a waste of time this whole  
20 process here of coming forward and  
21 discussing a budget that's basically just  
22 punching our tickets onto the Titanic. We  
23 look at a 19 percent tax increase, tripling  
24 the LST tax, I don't see one thing in this  
25 budget that did anything to protect the

1 interest of the residents of this city.  
2 It's just more putting it on the shoulders  
3 of people who have been punished for decades  
4 and for some reason we have incompetent  
5 officials who insist on going back to the  
6 same people time and time again seeking  
7 something from them that they just don't  
8 possess and yeah, for whatever reason the  
9 majority of you just can't grasp that  
10 concept and that's the real discouraging  
11 thing is that yet again the little guy takes  
12 a beating.

13 You know, it's nice to have all of  
14 these little presentations and listen to the  
15 Amoroso plans and have Bulzoni come in  
16 tonight and give us the synopsis of the city  
17 and where we are financially, but for four  
18 years we listened to Mr. Joyce as our  
19 Finance Chair come forward and give numerous  
20 presentations be it from the dais or down  
21 here from the Power Point visual and cited  
22 everything that we are here tonight  
23 discussing and yet we are sitting here  
24 acting as if this is all a surprise or if  
25 it's all this idea that we just sit back and

1 brainstorm all of these things. These are  
2 all things that he went over and he put the  
3 time and effort as our Finance Chair  
4 previously to do that, and I have a lot of  
5 -- a great deal of respect for him because  
6 he was an intelligent person that at this  
7 stage in the city's history he is someone  
8 that we need here right now.

9 You know, when you listened to  
10 Mr. Evans last week, with all due respect to  
11 him, talk about and he made a good point  
12 that the last thing we want to do is force  
13 people from their homes, but by passing this  
14 ridiculous budget that's exactly what you  
15 are doing. You are forcing people out of  
16 their homes by passing this budget.

17 I hope you listen, and I see she is  
18 here this evening, Mrs. Gallagher, who I  
19 have a lot of respect for and I'm glad she  
20 is back again, I hope you listened to what  
21 she said last week because I did. This is  
22 someone who has been here for I believe she  
23 stated the last 57 years, so this is someone  
24 who is has lived through an awful lot in  
25 this city. She has seen a lot of the good



1 times and she has seen the major decline  
2 that we have had going on here within the  
3 last 20 or 30 years, so this is someone who  
4 has seen both sides of the spectrum where a  
5 lot of us haven't, we have only experienced  
6 the downturn.

7 So listening to her comments about  
8 the seniors just not being able to take this  
9 on anymore is the truth because I have heard  
10 it. I have had seniors approach me, it's  
11 not the first time I have heard it from a  
12 senior citizen. They are walking away  
13 because at the end of day they can't pay  
14 what they don't have and when they have to  
15 make a decision do I feed myself, do I buy  
16 that prescription or do I keep my home?  
17 Those are difficult decisions and that's why  
18 I said it was so important that you went  
19 around and you walked through this city and  
20 knocked on doors and you talked to people  
21 and got a pulse of what was going on here  
22 instead of just playing politics and  
23 carrying the water for this administration  
24 time and time again that leads us no where.  
25 That's why we are here today, the lack of

1 independence in government has also brought  
2 us to where we are today.

3 You know, it's easy to go back to  
4 the same tools, you know, the mayor talked  
5 about there is not many tools left in the  
6 toolbox, you know, it's really easy to go  
7 back, as even Mrs. Gallagher stated,  
8 resorting to tax increases. That doesn't  
9 solve the problem, it's only caused major  
10 decay in the city as my generation is  
11 fleeing this city on a daily basis due to a  
12 lack of opportunity and anybody else that  
13 could sell their home they are getting out  
14 of here, too, and even those that can't sell  
15 their home they are just walking away  
16 because you can't sell them.

17 So, you know, it's just where we are  
18 going here is just yet again just down the  
19 continual path of destruction, there is no  
20 leadership in this city. You know, we talk  
21 about the need to have to pursue the  
22 commuter tax again, Mr. Rogan and  
23 Mr. Wechsler, I mean, are we really that  
24 delusional in this government? I mean, it's  
25 really just turns your stomach. And, you

1 know, I have been coming here awhile and,  
2 you know, I have heard an awful lot, but you  
3 think you are getting somewhere and you  
4 think you are moving forward and we just  
5 continuing to go backward.

6 I mean, the residents saw their  
7 taxes go up 57 percent, we saw the garbage  
8 fee go up from 178 to 300, and we just seem  
9 to have no problem with that because there  
10 is no common sense in this government, and I  
11 will continue later on in citizens'  
12 participation. Thank you.

13 MR. MCGOFF: Anyone else?

14 MR. BOLUS: Good evening, Council,  
15 Bob Bolus, Scranton. I think we need to pay  
16 serious attention. This budget is a budget  
17 for disaster and we need to look where we  
18 are going. Nobody is looking where we came  
19 from and that's the problem here, how do we  
20 get to where we are right now? There are  
21 many screw ups here, many, many, many that  
22 have been overlooked.

23 You know, we are going to put in an  
24 intermodal, who is going to come to it? The  
25 mall is dead. I sat down there through the

1 the Colt's bus hearings down there, nobody  
2 else was there but I was there, and the mall  
3 is dead, yet you wouldn't support a casino,  
4 but Philadelphia just got a license for one  
5 and we propose that. It may have been a  
6 joke to some people, I'm not here to joke.  
7 I'm here for serious business, I'm here to  
8 see Scranton survive and the casinos would  
9 have had a lot to do with bringing business  
10 back here. Don't worry about the other  
11 casinos or the other players out there, they  
12 are not paying our bills. We're not getting  
13 a dime out of them, don't worry about them,  
14 worry about ourselves and that went on deaf  
15 ears.

16 The Ice Box, past councils what did  
17 you do a dollar a year for a lease, yet you  
18 have six, seven-hundred-thousand dollars  
19 sitting down there, another joke past  
20 administration, past councils. The golf  
21 course went down the toilet, you paid a lot  
22 of money and blew 3 1/2 plus million  
23 dollars. Blew it. You didn't get nothing  
24 out of it, look where you are today.

25 Impact fees, you never once put a

1 impact fee on anybody around here. Look  
2 what the University has caused just in  
3 inconvenience to the people, but it's the  
4 University so we can't talk about them.

5 I brought up you should charge for  
6 police and fire at the commercial rate. You  
7 cut 50 percent of the costs from the  
8 taxpayers, never looked at it, never  
9 bothered to do anything about it. Sent out  
10 token money when you go out to the  
11 nonprofits.

12 A DOT scale off Davis Street or up  
13 River Street, how many million of dollars  
14 they bring in? You got an interstate, the  
15 blood line, you'd make a fortune on it. I'm  
16 in the transportation business, I know what  
17 it costs us.

18 What about natural gas vehicles in  
19 the city? I didn't see a single one come in  
20 here yet. How about looking into the  
21 possibility of the natural gas wells within  
22 the city? Do we have gas underneath us or  
23 don't we? If we do, we should be drilling  
24 for it, but we are not doing a thing about  
25 it and that's on city-owned land. We are

1 giving the land away, but we are not doing  
2 anything to capitalize.

3 How about windmills, which I brought  
4 up, reduce the electrical debt to the city,  
5 to the residents and the businesses. Nobody  
6 is bothering to look into it but we all own  
7 land, we have all of the issues out there  
8 but nobody wants to bother with it.

9 How about treating the natural gas  
10 well water that's being treated in the  
11 landfills and everywhere else, they're  
12 making millions of dollars? We have a  
13 sophisticated sewage treatment plant that  
14 treats the leachate from the landfills, why  
15 aren't we treating natural gas wells? There  
16 is millions of dollars there. Let's treat  
17 it in Ohio, let's treat it all over the  
18 place, yet we ignored it.

19 How about an RV park up on Nay Aug?  
20 You got a whole blacktop area, nobody  
21 markets it, nobody does nothing with it  
22 where CMC use to use? You got the  
23 opportunity to bring in tourism, business  
24 for both the park, the city and other areas.

25 The parking garages, you went to

1 sell them but you are still left with the  
2 debt. How are you going to pay the debt  
3 back? Beat up more taxpayers? Whack them  
4 19 percent. As Mr. Wechsler said, oh, it's  
5 time for the people to pay because they  
6 haven't paid for awhile. Well, they  
7 shouldn't have to pay anything if we did the  
8 proper management and ran the city like a  
9 business not like a free for all.

10 Get rid of the authorities, take  
11 them back by the city and let the city start  
12 running them because you can't control and  
13 they are running rampant. You know,  
14 Thanksgiving we dispose of a bunch of  
15 turkeys, well, right now in the city we are  
16 disposing of a bunch of citizens and  
17 taxpayers by hammering even more taxes  
18 without any resolution, how are you going to  
19 pay your debts? You haven't come up with  
20 one solid idea, I listened to them about the  
21 budget, there is one concrete thing here  
22 that says where we are going to generate  
23 funds from other than the pocket of the  
24 people in the city.

25 I bought a church, I save it, I paid

1           \$35,000, the taxes on it are now \$46,000  
2           because the city and the county assessed it  
3           at half a million dollars for something we  
4           are going to tear down and you want to  
5           develop this city? You want growth to  
6           happen? You know, you got to put the  
7           responsibility where it is and you're like  
8           the three blind mice around this city, you  
9           have got to become creative, put this budget  
10          to the side and for once and for all in all  
11          of the years I have come here sit down and  
12          be creative because this city is not going  
13          anywhere with another tax increase. You are  
14          not going to destroy the city anymore than  
15          you have already done it, and if you  
16          continue where you are going and you put  
17          this budget in, guess what, gentlemen, you  
18          will be the ones who bury Scranton. Thank  
19          you.

20                   MR. MCGOFF: Anyone else who wishes  
21                   to address council on the budget proposal?

22                   MS. SCHUMACHER: Good evening,  
23                   Council, still Marie Schumacher. I will  
24                   read my the questions that I have and then I  
25                   can send them in in the morning and we can



1 get answers. I would like to know the  
2 presumed assessed property values and the  
3 date of those assessments. I would like to  
4 know if the rental registration component of  
5 LIPS is self-sustaining. A rather big deal  
6 is being made of how our credit rating is  
7 going to improve by segregating the property  
8 taxes, but in reality this was dictated by  
9 the Court back in 2012 for the unfunded  
10 borrowings, we were told to increase the  
11 property values for a period of ten years  
12 and I would like the split on how much of  
13 this money that's being set aside is for the  
14 continuation of the payment of those prior  
15 unfunded debt borrowings and how much is  
16 going to cover new debt.

17 I would like to know when the terms  
18 of the \$13 million TAN will be available to  
19 the public. I would like to know how much  
20 PFM has expended in 2014 that will have to  
21 be paid in 2015, and how much is requested  
22 for PFM's for their 2015. With only 4.6  
23 thousand dollars good for nonresident wage  
24 taxes through September two questions are  
25 begged: First, where are the rest of these

1 taxes and why have they not been transmitted  
2 on a monthly basis; and second, what is the  
3 basis for the 2015 estimate of \$450,000?

4 What is the support for increasing  
5 the licensing and permits \$1.1 million above  
6 the extrapolation of the 2014 collections to  
7 date?

8 Why is the state grant receipts line  
9 item zero for 2015? Isn't the state still  
10 funding two-thirds of the increase in the  
11 BA's salary, the addition of another person  
12 in the BA's Office, etcetera?

13 What accounts for the 500 percent  
14 increase in dues and subscriptions for 2015?

15 Please provide a breakdown of the  
16 capital expenditures that are in addition to  
17 the only one that was identified, which is  
18 fleet improvements.

19 How many swimming pools are being  
20 supported by this proposed budget for 2015  
21 season?

22 I would like a definition of the  
23 commercial recycling program as I believe  
24 commercial trash must be privately  
25 contracted and I am having difficulty with

1 the role of the city in commercial  
2 recycling.

3 And I don't believe we can afford a  
4 part-time receptionist. Staffing  
5 requirements during vacation periods should  
6 be performed a temp, same as other people  
7 do.

8 Where is the OECD rent revenue?

9 Where is the rest of the \$500,000  
10 parking tax revenues that PEL said would be  
11 raised by instituting this tax?

12 How much is included in the budget  
13 for the increase in both personnel and  
14 salaries that were a 100 percent funded by  
15 the state in 2014?

16 I thought Republic was administering  
17 the parking meters for a fee, but it appears  
18 from the budget we are reimbursing them for  
19 the citation issuers or paying the citation  
20 issuers? Are the citation issuers city  
21 employees or Republic employees?

22 Is the paint and size budget  
23 sufficient to replace all of the faded stop  
24 sign and street signs that are currently  
25 unreadable?

1                   What has changed that the Law  
2                   Department needs to increase their budget by  
3                   one-third?

4                   Why are we funding Scranton Tomorrow  
5                   with \$30,000. Have they not been  
6                   self-sufficient for 2013 and why can't they  
7                   -- or 2014, why can't they do that again in  
8                   2015.

9                   The Genesis Wildlife Center has been  
10                  closed for many years so why is there a  
11                  \$1,500 budget line item for them?

12                  Why the large increase for the Civil  
13                  Service Commission? What has changed to  
14                  dictate that increase?

15                  The rest I'll save for council  
16                  meeting. Thank you.

17                  MR. ELLMAN: Hello, Council. I just  
18                  have a question, why can't the city go after  
19                  his goods and things and have an auction?  
20                  Why should we have to suffer one more time  
21                  because of some deadbeat? I think that's  
22                  just a-- you know, I don't know that  
23                  legalities, but he had \$150,000 a couple of  
24                  months ago to give to this political party,  
25                  he said he had a money to try and buy the

1           mall but he doesn't have money to take care  
2           of his debts, he is not filing bankruptcy.  
3           I want to know why we can't go after him?  
4           Maybe Mr. Minora can tell will me.

5                     MR. MCGOFF: This is the public  
6           hearing on the budget.

7                     MR. ELLMAN: I understand you can't  
8           go over after his personal assets, but --

9                     MR. MCGOFF: Mr. Ellman --

10                    MR. ELLMAN: But I'm talking about  
11           we gave him \$3 million, why? I fought  
12           against this one giving him a dime when he  
13           owed I think a \$1,600,000.

14                    MR. MCGOFF: Mr. Ellman?

15                    MR. ELLMAN: Yes.

16                    MR. MCGOFF: This is a public  
17           hearing on the budge.

18                    MR. ELLMAN: Yes.

19                    MR. MCGOFF: You don't seem to be  
20           speaking To the budget.

21                    MR. ELLMAN: That's simple. It  
22           looked like something could be done. You  
23           know, nothing is ever done about anybody  
24           that owes us money, nothing, or takes  
25           property away from us. Nothing. You know,

1           you people need to come off of this ivory  
2           tower you are on and start tasting reality.  
3           The city is broke. You have to start doing  
4           something for us besides listening to  
5           Mr. Amoroso's nonsense all the time. Thank  
6           you.

7                         MR. DOBRZYN: Good evening, Council.  
8           Dave Dobrzyn, resident and taxes paid, fees  
9           paid as usual, I like to remind you of that,  
10          and I just have one comment, I heard at home  
11          watching that we are lowering mercantile  
12          taxes, we are missing a golden opportunity  
13          here and that golden opportunity is to form  
14          a Scranton only Chamber of Commerce because  
15          the current Chamber of Commerce has done  
16          nothing but to suck businesses out of this  
17          city. I put four transmissions in cars  
18          between 2002 and 2010 until the plant pulled  
19          out of town due to the tax cuts that they  
20          got on property voided and expired and Ford  
21          Transmissions they moved it up to Scott  
22          Township and they were going and, I mean,  
23          don't tell me the Chamber of Commerce wasn't  
24          involved, so it's time that we get our own  
25          Chamber of Commerce and then I'm perfectly

1 willing because I do shop mainly in Scranton  
2 to give them a break, but we need a separate  
3 Chamber of Commerce. Thank you.

4 MR. MCGOFF: Anyone else who wishes  
5 to address council on the budget? On the  
6 budget, Mrs. Gallagher, or do you want to  
7 wait --

8 MS. GALLAGHER: On the budget.

9 MR. MCGOFF: Please.

10 MS. GALLAGHER: Good evening. I'm  
11 Rosemary Gallagher and I'm a taxpayer in  
12 Scranton, and this young man, I don't  
13 remember his name, he left, but he  
14 remembered that I have been paying for taxes  
15 for 57 years, I think that's pretty good.

16 I will tell you I haven't stopped  
17 thinking about you all week because I --  
18 just my heart goes out to you to tell you  
19 the truth because you up there are the fall  
20 guys almost. You know, other people are  
21 giving you jobs to do, they are putting  
22 pressure on you and everything else, and yet  
23 you have to come up with answers, and I hope  
24 I have some answers tonight.

25 My philosophy of government is that

1 we put you in the places you hold and then  
2 we go out and we shouldn't walk away, and  
3 that's just what's happening. And you say,  
4 well, you can handle it, that's all right  
5 and if you did something I don't like I'll  
6 let you have it. I don't think that's the  
7 way to do it, it's not the mature way and it  
8 certainly isn't my way.

9 So in my comings and goings I have  
10 come across a number of people who obviously  
11 knew that I was here and they said,  
12 "Rosemary, why you are getting so upset?"

13 I said, "Well, I'll tell will you  
14 why I'm upset because it's going to damage a  
15 an awful lot of people."

16 But they said, "But council does  
17 that every year."

18 So you have to suffer for what other  
19 council have done. They push up the price  
20 and then -- percentage rather and then they  
21 come down and it's a more reasonable  
22 situation. I said, "I have a feeling that  
23 this time they are really and truly going to  
24 raise that to 19 percent."

25 And I thought, well, you know, I do



1           feel that all of us have to be involved in  
2           government, all of us have to take the  
3           responsibility for whatever situation is so,  
4           therefore, I thought well, who could be  
5           involved in this? Well, you have the City  
6           Treasurer, you have the Collector of Taxes,  
7           you have that corporation that's supposed to  
8           collect, you know, delinquent taxes and  
9           everything else and they should come up with  
10          a tighter budget -- or not budget, but, I  
11          mean, they have to have a little more morale  
12          conscience, I think, and say, you know, we  
13          have got to do an awful lot to make this  
14          city more affordable, and I think somebody  
15          has to get after these people.

16                 Also, I think that you should get  
17          all your department heads and say, look, we  
18          are in a mess and we need your help, you  
19          know, you like your jobs, you like your  
20          benefits and everything else then, okay,  
21          help us get the money to pay you. And I  
22          think you should say to them, okay, you have  
23          about two weeks to get to tell me what will  
24          result from a 10 percent cut in your budget  
25          and this way they all feel that they have an

1 obligation, they are part of the whole thing  
2 and they feel important. I'm afraid  
3 sometimes in government, any form of it,  
4 people think of it as a family, they are the  
5 children, they have their hand out and poppa  
6 has to come up with the wherewithal and they  
7 are not too mature about this whole think.

8 I remember I had attended a -- I was  
9 a manager in a meeting and the one thing I  
10 remembered is that he said that what goes  
11 unsupervised deteriorates, and I think there  
12 has to be a little more accountability top  
13 to bottom. I don't think any one group  
14 should have to do that, but I think  
15 everybody should do that and who does the  
16 job knows how to do the job so, therefore,  
17 they should be taken into consideration when  
18 you need more money. How can we help you do  
19 your work better and give us a sense of  
20 obligations.

21 I saw in the paper two days ago, in  
22 fact, that the third largest economic  
23 engine, we shall say, in the world is now  
24 going into recession and it was caused by  
25 one thing, they imposed a national sales tax

1 and as a result people stopped buying and  
2 companies stopped buying so they are in a  
3 mess and they are in the third-quarter went  
4 into recession so have you to look at that,  
5 too. We can say, well, we wanted 19  
6 percent, but I'll tell you honestly you  
7 won't get it. You will have more people not  
8 paying and that's not a good idea.

9 A couple of the months ago I think  
10 it was the Times published three pages,  
11 three pages, solid pages, they were the  
12 smallest type they possibly could of people  
13 that have not paid their taxes and I was  
14 astounded. I was astounded. 5,000, 10,000,  
15 30,000, and yet we are paying a company and  
16 giving them 25 percent to get the money in,  
17 so these are the little holes on the wall  
18 that I think we have to fill, and we can  
19 only do it if we welcome everybody and  
20 encourage everybody to come forth with some  
21 kind of idea, some kind of solid idea for  
22 getting more money in. The money isn't  
23 there and where are going to get it from?  
24 So we have to get everybody to pay and then  
25 you will see that we don't have such an

1                   indebtedness. Thank you very much.

2                   MR. GALLAGHER: Thank you.

3                   MR. MCGOFF: Thank you very much.

4                   Anyone else who wishes to address council on  
5                   the budget?

6                   MR. WALSH: Can I approach and hand  
7                   you guys this stuff? My name is Jay Walsh,  
8                   I live in Greenridge, I have been for the  
9                   last 30 years, probably 40 years out of my  
10                  58 years on the planet. I'm the founder of  
11                  Occupy Wall Street. It's the worldwide  
12                  movement, actually a Jesus movement,  
13                  spiritual in nature.

14                  MR. MCGOFF: Mr. Walsh, is this on  
15                  the budget?

16                  MR. WALSH: Yes, I'm just putting  
17                  myself in context, sir. As far as your  
18                  budget is concerned, I think it's a lot of  
19                  smoke and mirrors. I believe that the  
20                  innovative thinking that Mr. Bolus had  
21                  mentioned should be examined because when  
22                  people lead leaders follow, okay? What's  
23                  insanity, four years of doing the same thing  
24                  and expecting different results, okay?

25                  There is called the Commonwealth of

1 Pennsylvania, not the Selectwealth. I'm  
2 very disappointed and I'm have a criminal  
3 complaint pending with the incoming mayor  
4 about the \$5 million that you guys get in  
5 gaming funds and put it to organizations  
6 that have lots of funding options. The  
7 Radisson, people that don't matter and are  
8 only employed there, okay? So insanity is  
9 doing the same thing over expecting  
10 different results, I don't believe you or  
11 the mayor concerning the budget. Thank you.

12 MR. MCGOFF: Anyone else? This  
13 public hearing is closed.  
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C E R T I F I C A T E

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

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CATHENE S. NARDOZZI, RPR  
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