

From January 5 meeting

- 1. Council President Tom Schuster asked the following questions related to recent budget transfers processed via the Business Administration office;**
 - a. Related to Items 3G and 3I on the afternoon agenda, three (3) transfers are related to salt for the city. Mr. Schuster asked for clarification on why three (3) different budget transfers for the purchase of salt?**
 - i. The three salt-related transfers reflect the increased salt requirements for 2025 and are intended to cover the cost of the additional salt ordered due to multiple winter storms.
 - b. Mr. Schuster also asked what is the present salt capacity for the city salt shed?**
 - i. The capacity of the new salt shed is 1,300 tons.
 - c. Mr. Schuster further asked if there remains a plan in place for the second salt shed location within the city?**
 - i. A secondary salt shed is included in the 2026 capital budget. This project is pending a grant application for funding.
- 2. Mr. Schuster asked if Council may have an update regarding PFM Financial Advisors work within the city. What types of projections they have for the city, for how long and for what years? Also, may the administration consider a future City Council caucus to include PFM and the city?**
 - a. PFM provides professional services in the City's incurrence of direct debt obligations to include:
 - i. 2024 Refunding of 2016 GO Notes which saved approximately \$2.2M
 - ii. 2023 \$4.0M GO Note for capital expenditures
 - iii. 2021 \$3.2M Go Note refinancing 2002 GO Note which saved approximately \$390,000
 - iv. 2018 \$22.9M GO Note
 - v. 2017 \$24.6M Refunding & Shortening of 2003B Bonds. City Received \$1.5M from AMBAC Bond Insurer in conjunction with the refunding
 - vi. 2016: 32.8M GO Note Refunding Parking Debt, Fund Fire Station Improvements
 - vii. 2016A, AA: \$37.7M GO Bonds for Paying Judgement and Refunding 2008 Variable Rate Bonds
 - viii. TRANS: 2015-2023
 - b. PFM provides professional services to City when City has an indirect interest in another entity's debt obligations.
 - i. 2025 Refunding/Restructuring of 2016 Scranton Parking System Concession Bonds
 - c. The City relies on PFM as an independent third party for professional feedback and advice on myriad technical questions related to City finances and debt through a fiscal year.

- i. Assists City with questions related to required City annual filing of Digital Assistance Certificate (DAC) Bond compliance report
 - ii. Assists City with audit questions related to annual audit
 - iii. Assists City with preparation for credit rating calls with credit rating agencies, including the initial strategy to bring the City back to reasonable cost access to the credit markets post-default
 - iv. Assists City with drafting City policies—investment, debt and fund balance
 - v. Assisted the City to create a monthly reporting tool to increase real-time budget transparency
 - vi. Assists the City to think through options related to optimal balance of borrowing vs use of cash on projects
 - vii. Assisted the City with strategy to decrease reliance on TRANS overtime until they could be discontinued entirely starting in 2024.
 - viii. Assisted City with developing and implementing an effective strategy to utilize sewer proceeds to reduce long term liabilities and improve budget stability which included defeasance of approximately \$19M of old high coupon debt
 - ix. Assisted the City to reduce debt service from \$14.4m annually and \$208m total to \$10m annually and \$60.7m in total today
 - x. Assisted the City with planning around reducing pension discount rates to provide greater budgetary stability and address underfunding in pension plans
 - xi. Assisted the City with understanding options related to OPEB trust and potential long-term benefit to City's credit worthiness.
- d. The City will request PFM's presence at a future caucus.

3. Councilman Sean McAndrew asked questions related to litigation costs via the city law department.

a. What are the legal expenses to date on litigation related to the DPW union contract?

- i. City administration has discussed this matter with Council's solicitor and is working with its labor counsel to provide the requested information.

b. How much has the city spent in 2024 and 2025 related to other employee labor contracts in addition to any other employee/former employee related litigation? Mr. McAndrew was supplied with the overall litigation information for his information as provided by City Solicitor Jessica Eskra in December's department budget meetings with the Council.

- i. Solicitor Eskra has been in contact with Council's solicitor relative to this request and is compiling the information requested. A report will be forthcoming. The City's vendors are currently in the process of providing invoices for work performed through the end of 2025.