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SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, May 17, 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

KATHY CARRERA, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

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

3 MS. JOYCE: Roll call, please.

4 MS. KRAKE: Mr. McGoff. Mr. Rogan.

5 MR. ROGAN: Here.

6 MS. KRAKE: Mr. Loscombe.

7 MR. LOSCOMBE: Here.

8 MS. KRAKE: Mr. Joyce.

9 MR. JOYCE: Here.

10 MS. CARRERA: Mrs. Evans.

11 MR. JOYCE: Dispense with the
12 reading of the minutes.

13 MS. KRAKE: THIRD ORDER. 3-A.
14 SINGLE TAX OFFICE FINANCIAL STATEMENTS FOR
15 THE YEAR ENDED DECEMBER 31, 2010.

16 MR. JOYCE: Are there any comments?
17 If not, received and filed.

18 MS. KRAKE: 3-B. TAX ASSESSOR'S
19 REPORT APPEAL HEARINGS FOR MAY 30, 2012.

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

22 MS. KRAKE: 3-C. APPLICATIONS ALONG
23 WITH THE DECISIONS RENDERED BY THE ZONING
24 HEARING BOARD ON WEDNESDAY, MAY 9, 2012.

25 MR. JOYCE: Are there any comments?

1 If not, received and filed.

2 MS. KRAKE: 3-D. AGENDA FOR THE CITY
3 PLANNING COMMISSION MEETING HELD MAY 16,
4 2012.

5 MR. JOYCE: Are there any comments?
6 If not, received and filed. Clerk's notes?

7 MS. KRAKE: No, Mr. Joyce.

8 MR. JOYCE: Do any council members
9 have announcements?

10 MR. LOSCOMBE: Yes, I guess I could
11 do this now during announcements. I just
12 wanted everyone to know for the Armed Forces
13 parade this week, this Saturday, ECTV will
14 be videotaping the parade and they will be
15 rebroadcasting it several times on Channel
16 19.

17 And on that note, I would like to
18 wish Mark Migliore's grandmother, who runs
19 ECTV, Irene Migliore, a happy 80th birthday.
20 Three months ago she was hospitalized with
21 heart surgery and she will be coming home
22 tomorrow actually, so I would like to wish
23 her a happy 80th birthday, and hope she is
24 not upset I told everyone how old she is.
25 Thank you.

1 MR. JOYCE: Councilwoman Evans is
2 not feeling well and will not be in
3 attendance in tonight's meeting.

4 Also, we did receive this in our
5 mailbox, I'll get it out, and I just wanted
6 to congratulate the West Side Hyde Park
7 Neighborhood Watch, we received a letter
8 from the National Sheriff's Association
9 addressed to them and on behalf of the
10 National Sheriff's Association and their
11 president, Sheriff Paul H. Fitzgerald, they
12 would like to inform everyone that the West
13 Side Hyde Park Neighborhood Watch has been
14 selected by the National Neighborhood Watch
15 Advisory Board, and they are also a field
16 experts as a winner of the 2012 award for
17 excellence in neighborhood watch. So I
18 think that's something that's very
19 noteworthy and I think that's something that
20 they should be congratulated for.

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

23 MR. JOYCE: Our first speaker
24 tonight is Martina Scoggin.

25 MS. SCOGGIN: Good evening, Council

1 members. I'm here on behalf of the Scranton
2 Public Library to talk about a great event
3 that we are having next Friday, May 25, from
4 5 to 8 p.m. It's our annual fundraiser for
5 "Swinging on Vine", and it's going to be
6 held at 5 p.m., like I said, right in front
7 of the library rain or shine. We are hoping
8 for great weather so everybody can be
9 outside, but we have food donations coming
10 in from local businesses as well as we have
11 raffle donations so right now we have about
12 15 raffle baskets and by end of next week we
13 expect to have close to 20, so it's a great
14 event and we just hope that everyone will
15 come out for it. It's \$15 in advance, \$20
16 at the gate that evening, where there is
17 also going to be cocktails, you have to be
18 21 or older to attend, but once you get
19 inside everything is included except for
20 just paying extra for the raffle baskets,
21 which we have got some great baskets all
22 totaling \$50 or more a piece. So it will be
23 good if somebody winning that.

24 So just we want to thank everyone
25 for listening and please come out for the

1 great event.

2 MR. LOSCOMBE: Thank you.

3 MR. JOYCE: Thank you very much.

4 Our next speaker is Scott Thomas. Our next
5 speaker is Bill Jackowitz.

6 MR. JACKOWITZ: Good evening,
7 Scranton City Council. Bill Jackowitz,
8 South Scranton resident and member of the
9 Taxpayers' Association, founder of the
10 Legion of Doom, and very proud of that, and
11 also a cosponser of the "Kids Swim Free" for
12 the last five years at Nay Aug Park, proud
13 of that, also.

14 I've got some facts and figures
15 here. 20.3 years ago, 10 January 1992,
16 7,433 days ago, 1,061 weeks ago Scranton was
17 declared a distressed city, according with
18 Act 47. Do you know that there have been
19 six leap years since Scranton has been
20 declared a distressed city? Six. And they
21 only come about every four years.

22 Legion of Doom has spoken on this
23 matter many times. We have always been
24 ignored. Citizens have been arrested,
25 cameras have been removed, Doomers have been

1 searched, Doomers have been denied access to
2 city council meetings, Doomers have been
3 threatened, they have been threatened with
4 the lost of their jobs in some cases. We
5 have been ruled out of order for expressing
6 our opinion, but you know what, we kept
7 coming back and as everything -- as the
8 outcome has shown in the past 7,433 the
9 people who have come to this meeting and the
10 Doomers, the Legion of Doomers, have been
11 right about just about everything.

12 The city council members in the past
13 have been wrong. Our mayor has been wrong
14 for 12 years -- well, 11 years really, but
15 no one -- and to this day we are still not
16 listened to, we are ignored. We are -- we
17 come up here with suggestions and ideas and
18 really no one really cares about it. Again,
19 I mean, we have got 1,061 weeks, weeks of
20 being a distressed city in Act 47. Now we
21 are talking about a new Recovery Plan? The
22 first Recovery Plan didn't work.

23 You know, why don't we just pack our
24 bags and pack it in and say, hey, there is
25 no way out. There really isn't. The

1 citizens can no longer afford this. We are
2 talking about raising taxes for the next ten
3 years, any tax increase cannot be afforded.
4 It's as simple as that. We need to tell
5 this mayor and his city administrators, I
6 don't see anybody here again. Where are
7 they? Where is our city council at? Don't
8 you have any power or any authority to get
9 anybody here? You are elected officials,
10 they are elected officials, you should be
11 working together.

12 I'm appalled that week after week
13 after, I stayed away for five weeks from
14 this meeting myself because I come here and
15 I don't get paid, but yet we can't get an
16 administrator here or we can't get anybody
17 from an Authority here and we have been
18 distressed for 7,433 days and nobody cares
19 except the Legion of Doom and the citizens
20 who came here and asked for your help, and
21 when I say your help I'm talking about city
22 council, our elected information, past,
23 present and future if there is a future for
24 the City of Scranton.

25 Come on, people, get these people

1 here. Get this mayor. If you got to go sit
2 down at his office and sit on his front
3 porch then sit on his front porch. If you
4 have to sit on Mr. McGowan's front porch,
5 sit on Mr. McGowan's front porch.

6 But I, for one, am tired of it. I'm
7 tired of being laughed at because I live in
8 Scranton, a distressed city. I'm tired of
9 it, and I hope other citizens are tired and
10 I hope more people start coming to these
11 meetings and express their opinion because
12 it's out of control. We are talking about
13 more tax increases, you know what? Tax
14 increases don't solve problems they create
15 problems, and this city has enough problems.

16 We have Lackawanna County, for
17 example, our county commissioners, the only
18 thing they are worried about is a baseball
19 field, a baseball stadium. We have the
20 highest unemployment in the state. We have
21 the lowest wages in the state but yet we are
22 worried about a baseball stadium. People
23 can't afford to go to that baseball stadium.
24 Our county commissioners hold meetings at
25 10:00 in the morning on a Wednesday, the

1 middle of the week, nobody can go to those
2 meetings. If they really cared about the
3 citizens of this city and this county they
4 would hold their meetings at 7:00 at night
5 and invite the public here.

6 Our school board, they don't even
7 abide by their own ethics policies. They do
8 whatever the hell they want, pardon my
9 language.

10 I'm tired of it. And I hope more
11 people in this city get tired of it. Our
12 swimming pools, they are not even going to
13 open. We will be lucky to get two swimming
14 pools open this year. Swimming -- the cost
15 to swim at Nay Aug Park went up to \$4. \$4 a
16 day to use the pool and the slide and we are
17 supposed to be happy about it?

18 Doug Miller has been trying to get
19 an answer about the lights, the light show,
20 the cost. I have been trying to get an
21 answer about how much money has been
22 collected from Nay Aug Park on the pools for
23 swimming at \$4 a person. No answers. Why?

24 These people are appointed to serve
25 the people of the City of Scranton and they

1 don't do it, and I'm giving you forewarning
2 right now city council, get some people in
3 this meeting. It's about damn time. We,
4 the citizens and the residents and taxpayers
5 of this city, this county, get answers.
6 And, county commissioners, hold your
7 meetings at night so we can attend the
8 meeting. I still work full-time. I can't
9 get off at 10:00 in the morning to go to a
10 county commissioner's meeting.

11 MR. JOYCE: Thank you. Our next
12 speaker is Andy Sbaraglia.

13 MR. SBARAGLIA: Andy Sbaraglia,
14 citizen of Scranton. Fellow Scrantonians,
15 your 26, was it, or 28 million you want to
16 borrow, has it as unfunded debt. What
17 unfunded debt are we referring to?

18 MR. JOYCE: The unfunded debt is the
19 \$9.85 million.

20 MR. SBARAGLIA: Okay. And that's
21 the unfunded debt, so the only other thing
22 is you are taking part of that, how are you
23 going to do that? You are selling bonds
24 out, but you have a -- your little notation
25 there where you are charging a surcharge for

1 ten years at 10 percent or whatever onto
2 unfunded debt. Now, how are you going to
3 differentiate that from the bonds? Are you
4 going to have one bond specifically saying
5 110.8 million?

6 You know, of course, any time you
7 get a bond this, that or it cost us or
8 whatever, but it usually doubles, I don't
9 care what anyone says, when you like at the
10 charts and so forth, amortization chart, it
11 usually doubles. How are going to
12 differentiate that or are you going to
13 differentiate it?

14 MR. HUGHES: It's differentiated in
15 the series of bonds. The Series A bond is
16 going to be \$9.85.

17 MR. SBARAGLIA: Oh, okay.

18 MR. HUGHES: Then there is the
19 Series B, C and D, one of which is taxable
20 is going to depend on then and they are
21 going to be floated for different things
22 depending on the interest on the 2003 bonds
23 and the -- the 2003 bonds or 2011 and 2012,
24 a portion of that will be broken out into
25 what's going to be a taxable bond, some of

1 them have to be taxable. However, it's
2 possible that by the year end if they are
3 not sold they can then repackage it for next
4 year and they will be tax free at probably a
5 lower interest rate.

6 MR. SBARAGLIA: But there will be 9
7 point whatever eight million or whatever it
8 cost, 12 or 13 million, whatever them bonds
9 come out to be, to separated from the other
10 bonds.

11 MR. HUGHES: That's a separate
12 series; correct.

13 MR. SBARAGLIA: So we now, I was
14 wondered just how you were doing this being
15 this is Court -- you know, what it says
16 here. Of course this isn't worked out yet.

17 There is lot of things happening
18 within the city besides this. We are
19 actually -- we know we are in trouble. I
20 know you didn't bring up the Parking
21 Authority, I have been doing it for so many
22 years I'm trying of bringing it up, but I'm
23 waiting for you members of council to say to
24 the board members of the Redevelopment
25 Authority and the Parking Authority to

1 request their resignations. When you
2 bankrupt anything you should be out of
3 there. Take a lesson from the bank. You
4 saw what they did, the people that were in
5 charge of them bonds, they are no longer
6 there. They lost their \$2 billion it's
7 gone. We didn't lose \$2 billion, but we
8 lost what is two some million. But I
9 haven't seen anybody get up there and say
10 it. Just because they are Democrats or
11 appointed that's not the way to do it. When
12 you actually do damage to the city you
13 should be asked to resign, there is no
14 question about that. If you were in private
15 business they would have already been out of
16 there, but you not a private business, you
17 became a charity, and that's not what you
18 were elected to be. You are not there to
19 bail out the Parking Authority or
20 Redevelopment Authority, plus you didn't
21 even see what's going to happen when they
22 have to pay for the pizza place and the hot
23 dog place. That's still on the books. I
24 don't know where they are getting that money
25 from, probably from our out of our pocket.

1 This has got to stop. You got to
2 get rid of them people that are incompetent.
3 If the mayor did what he said to you, I
4 would have sent him a letter asking him to
5 resign. Have gumption. You got to have
6 gumption. The city is teetering, actually
7 it's over the edge. Like I told Janet many
8 times over, you should have went with
9 Chapter 11. I know there was some thoughts
10 that the employees, the pension and so forth
11 and so on, but the judges in this county are
12 all Democrats, most of them anyway, and they
13 probably wouldn't do anything for the
14 pensions that were there, the medical and so
15 forth and so on, they probably wouldn't even
16 bother that, but we need to redeem them to
17 pay our debt and possibly a lot more revenue
18 sources.

19 Carbondale finally listened to me
20 and broke out the police from their budget
21 and charged them all for police reduction.
22 I told you should have done that with police
23 and fire, you got to get the nonprofits and
24 the only way you are going to ever get money
25 out of the nonprofits is put a gun to their

1 head and offer them say a choice they can't
2 refuse, that's the only way. To sit there
3 and say give it to us, forget it, and it
4 doesn't work, it never will work. Thank
5 you.

6 MR. LOSCOMBE: Thank you.

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

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

11 MR. JOYCE: Good evening.

12 MR. MILLER: I'd like to begin on a
13 topic that we've obviously been discussing
14 here the last few weeks and that's our
15 financial situation. You know, it just
16 truly frustrates me to once again stand here
17 tonight and talk about this. You know, last
18 week we discussed the legislation on the
19 agenda, 6-A and 7-A, dealing with the
20 unfunded debt and the up to possibly \$26
21 million of borrowing to once again bail this
22 mayor out.

23 And I just have to say tonight, and
24 I see this is in Seventh Order, before we
25 even consider giving this mayor another dime

1 we tonight need to demand that he come
2 forward right here in this chamber once and
3 for all and come forward publically and
4 explain himself and hold himself
5 accountable, but the games, the bailouts the
6 nonsense, it's got to stop now.

7 You know, we have sat here and
8 talked and talked, we have tried to reach
9 out to the mayor, we have to tried to build
10 a working relationship, he doesn't want it,
11 okay? He can't be trusted, he has proven it
12 for ten years, he needs to come forward and
13 hold himself accountable up to the people.

14 But most of all, more people need to
15 start packing this chamber. You know, I
16 have been coming here for a long time, and
17 so has a lot of other people here, and I
18 think Mr. Jackowitz summed it up pretty well
19 tonight in his five-minute comment, people
20 need to come forward. We have been coming
21 forward ten years and fighting for everyone
22 else in this city and yet they want to sit
23 back and they don't want to help themselves.
24 You know, they're concerned, oh, what time
25 is Dancing with the Stars on, and all that

1 other nonsense, but they need to come
2 forward and they need to demand
3 accountability. This is your town, too.
4 You know, you want to sit back and you want
5 to complain, but you don't want to do
6 anything to help yourself. We had a
7 mentality in this town far too long that we
8 want other people to solve our problems and
9 we don't want to help ourselves. Well, that
10 needs to stop now.

11 We're over \$313 million in long-term
12 debt and that's not even including these
13 authorities, which I don't even to get into
14 that it's just unbelievable. Now we have a
15 Parking Authority coming forward looking for
16 another handout, now it's \$1.4 with Bob
17 Scopelliti and his nonsense. I mean, you
18 got to be kidding me. These guys they just
19 don't want to hold themselves accountable.

20 And while we are on that subject, I
21 know last week we sent a request to have
22 Mr. Scopelliti and Mr. McGowan come forward
23 in a caucus, did we hear anything back? I
24 doubt it?

25 MR. JOYCE: I'll address that during

1 motions. No, we didn't hear anything back
2 from Mr. Scopelliti yet.

3 MR. MILLER: That's a big shock.
4 Again, another example of not handing
5 another dime to an authority until they come
6 forward. How many requests have we sent to
7 the Authority with questions? Take a look
8 at the budget they sent us down. I wouldn't
9 even call it a budget. I think a third
10 grade from probably Francis Willard could
11 probably come up with something better,
12 don't you think? Mr. Hughes sent a letter
13 back in October, November, still hasn't
14 received a response. You got to be kidding
15 me. I mean, where are we going here?

16 You know, I think Pat, you said it
17 best last week, I agree with you, let the
18 authority fail and let's take these matters
19 into our own hands. It's my opinion that
20 Bob Scopelliti should be fired. He has no
21 business being in the position he is in. He
22 shows the way he runs that Authority he is
23 incompetent. I mean, it's just truly
24 frustrating. I come up here every week and
25 I know I sound pretty repetitive, but, you

1 know, to be honest with you we are dealing
2 with the same issues consistently and we
3 don't seem to be resolving anything. You
4 know, it's just it's amazing how one man can
5 single-handily destroy the future of this
6 city in a ten-year period.

7 You know, I have talked to many
8 young individuals my age bracket recently
9 and they tell me they have no intention of
10 staying here, and I can't tell you how much
11 that upsets me to hear that because
12 obviously, as you know, for coming here this
13 long I do care about this city. I do have a
14 passion for the community I live in and I
15 want to see us move forward.

16 But, unfortunately, when we see some
17 things like that and had we have fiscal
18 mismanagement in the city, you know, it
19 makes you ask yourself are we really going
20 to turn this thing around? And sometimes I
21 doubt it, but until we get people to come
22 forward and demand that Chris Doherty and
23 the authorities and everybody else that we
24 have sent numerous requests to come forward
25 right here publically we probably won't

1 solve any of our problems. You have, the
2 mayor and all of these authorities need to
3 remember one thing, they work for us. We
4 are their boss, not the other way around.

5 And, you know, I have been talking
6 about an issue with the electric bill up at
7 Nay Aug that I have made numerous requests
8 on, just another example of falling on deaf
9 ears. I did file my appeal with the state,
10 I don't know where that's going to take me,
11 but I'm going to do what I can to get an
12 answer on that because I'm not going to back
13 down from it, when I make a request I expect
14 to get an answer and when the city council
15 makes a request I certainly hope to get an
16 answer, but, unfortunately, that's not
17 happening.

18 So, like I said, until we get the
19 mayor to come forward and everybody else
20 involved I wouldn't hand this man another
21 dime. Let's not jeopardize the future of
22 this city. Thank you.

23 MR. JOYCE: Thank you.

24 MR. LOSCOMBE: Thank you.

25 MR. JOYCE: Our next speaker is

1 Ozzie Quinn.

2 MR. QUINN: Ozzie Quinn, Taxpayers'
3 Association, resident of Scranton.

4 MR. LOSCOMBE: Good evening.

5 MR. QUINN: Good evening. I want to
6 announce that the Scranton/Lackawanna County
7 Taxpayers will meet Tuesday night here in
8 city council chambers and the guest speaker
9 will be a resident of the county who was
10 initiating a start of a referendum in the
11 county to change the Home Rule Charter in
12 the county so that when there is a tax
13 increase it would have to go for a
14 referendum, okay? So it should be
15 interesting.

16 Last Monday there was an editorial
17 in the Times about the -- the commuter tax
18 about SAPA and Mrs. Evans and Mr. Loscombe
19 saying that the only time you go there is
20 when, you know, you need them and so on.
21 You know, I know I pay county taxes, you
22 know, and I think that money goes to a lot
23 of these boroughs, you know, for work that's
24 being done in the boroughs, and I know I pay
25 federal taxes and I know they have Community

1 Development Block Grant money and a lot of
2 that money goes to the boroughs to help them
3 with the boroughs, you know, so I think it's
4 a give and take situation, there is no doubt
5 about it. We are paying taxes on that money
6 and we don't really get anything from the
7 county and the city. It's mostly boroughs,
8 okay? So, you know, I have to disagree on
9 one thing, in fact, that I think there
10 should be some kind of a fee if you come in
11 here and work in the city and using our
12 services.

13 But, you know, I want to follow-up
14 with what these gentlemen were saying about
15 the fact that, you know, Mr. Doherty is not
16 here and, you know, you see these
17 editorials, but you have never seen the
18 Scranton Times' editorialize that
19 Mr. Doherty should be at these meetings.
20 For ten years you have seen the Scranton
21 Times cover up for Mr. Doherty. Cover up
22 and cover up. No investigations. Spend,
23 spend, spend, never question, and I didn't
24 see any stories this week at all about this
25 meeting tonight about the \$6 million bond

1 issue and the tax increase and so on, you
2 know?

3 And I think that should have been
4 out front and people should know what's
5 going on because of the fact that
6 Mr. Doherty is to blame for all of this.
7 You people aren't to blame. These people
8 aren't to blame, it's Mr. Doherty.
9 Mr. Doherty and his cronies and, you know,
10 it's ashame, and it's really ashame because
11 we were talking before the meeting and I
12 agree that you people have a tough job
13 because of the fact that rubber stamping
14 councils before us and the way that the
15 Scranton Times has been able to hide
16 Mr. Doherty from the public coming here
17 before the city council and to defend him in
18 any way whatsoever, protect him, put a spin
19 on things and whatnot and let him spend our
20 money is a grand total over \$300 million in
21 long-term debt, we are looking at a \$26
22 million bond issue, a tax raise, maybe two
23 tax raises in January, and yet he don't show
24 and either does any of his, what's it, his
25 cronies, Mr. Scopelliti and Mr. McGowan.

1 It's ashame and maybe it's time to start
2 subpoenaing some of these people to get them
3 in here, okay? Thank you very much.

4 MR. JOYCE: Thank you. Our next
5 speaker is Gary Lewis.

6 MR. LEWIS: Good evening.

7 MR. JOYCE: Good evening.

8 MR. LEWIS: My name is Gary Lewis.
9 I am a resident downtown I'm also a
10 consultant specializing in distressed debt
11 and distressed finances. I'm here tonight
12 to talk to you about the city's financial
13 situation. In a follow-up to the letter
14 that I distributed to every member of
15 council as well as the mayor last week.

16 Scranton is broke, completely and
17 utterly broke. The city has a \$10 million
18 structural deficit. We have a pension fund
19 that's been deemed severely distressed by
20 the state. We have over \$215 million in
21 governmental liabilities, not including the
22 \$26 million new bond issuance or any Court
23 awards, workers' compensation claims, all of
24 these other things that total the \$300
25 million number that was quoted earlier. I

1 expect the 2011 audit of Scranton to show
2 net assets of zero, if not negative amounts.
3 The city cannot continue down it's current
4 path.

5 The way out of this, in my opinion,
6 is Chapter 9 bankrupt. Chapter 9 does three
7 major things. The first one is that it
8 temporarily suspends any ongoing litigation;
9 the second one is it allows the city to
10 refinance its debt, and thus reduce its debt
11 service payments; and the third thing is
12 that it allows the city to renegotiate its
13 union contraction.

14 These final two points, refinancing
15 debt and renegotiating contracts, are
16 absolutely critical. Currently, employee
17 compensation and debt service account for
18 more than \$50 million of annual
19 expenditures. This amount is in excess of
20 all taxes received by the city. It's more
21 than -- it's almost 100 percent of real
22 estate taxes. That means you need to double
23 your real estate tax collection to balance
24 the budget based on how we currently are.

25 Additionally, 10 percent of that

1 employee compensation, more than \$45
2 million, goes to 255 union employees and
3 retirees from the police and fire unions.
4 These contracts are unconscionable and they
5 are raping this city financially.

6 A Chapter 9 reorganization will help
7 the city's expenditures get under control
8 and allow the city to finally balance the
9 budget with minimal, if any, tax increases.
10 We have a spending problem, not a revenue
11 problem. You cannot increase the revenue
12 and expect that just because you put a 10
13 percent tax increase on paper that you will
14 see a concurrent increase in tax revenue.

15 Every conversation I have seen has
16 revolved around raising taxes. No one is
17 taking into consideration this concept of a
18 default currently. We are at a critical
19 point in the tax base in the city where if
20 you raise taxes I honestly think you will
21 see people just completely defaulting, and
22 as you increase taxes the default rate
23 increases and you see a negative rate of
24 return, so at some point you hit this
25 tipping point where raising taxes doesn't

1 solve the problem. I think we are there and
2 I think the answer to this is to look at the
3 expense side of the equation.

4 As representatives of the city, I
5 urge you to pursue all possible alternatives
6 before raising the cities taxes again.

7 Thank you.

8 (While the speaker was at the podium
9 Mr. McGoff takes the dais and joins the
10 meeting.)

11 MR. JOYCE: Our next speaker is Lee
12 Morgan.

13 MR. MORGAN: Good evening, Council.

14 MR. LOSCOMBE: Good evening.

15 MR. MORGAN: You know, the last
16 speaker probably is echoing what a lot of
17 people at this podium have said about
18 bankruptcy for a long time. I'm just glad
19 to see another person come here today and
20 talk about some figures that evidently he
21 pulled out of the budget, and it's really
22 amazing that we have elected numerous
23 councils who haven't used their power of
24 subpoena for all this time, decades, as this
25 city has gone downhill.

1 And, you know, a lot of speakers
2 have talked about the mayor creating this
3 problem, we were distressed in '92 before
4 the mayor became the mayor, so I'm not going
5 to try to defend anybody on what their
6 performance was, but there isn't a doubt in
7 my mind from walking this city that people
8 are fleeing, and I just think that if we
9 increase taxes we are going to lose more
10 residents, and we can't sell houses that are
11 already vacant.

12 And, you know, a speaker got up and
13 spoke about maybe we should make people
14 resign in government. If we did that, I'm
15 not sure we'd have any elected officials
16 because we have either been sending them to
17 prison or they are been acknowledging that
18 they have committed crime and making plea
19 agreements, and that's Democrats and
20 Republicans, and we probably have the worst
21 political -- just the worst -- we are out
22 there trying to free other people in other
23 countries from tyrants and we are electing
24 our own who don't even care what we think
25 because they are just going to do whatever

1 they want and tell us that's the way we are
2 going to proceed. It's really a very
3 troubling thing.

4 I'm totally against the borrowing
5 for the \$26 million. I think we need to
6 table that and just move away from it
7 because borrowing money isn't going to solve
8 our problems. We have been doing that for
9 decades, and it hasn't brought one iota of
10 prosperity in this city, not one bit.

11 The gentleman here was speaking
12 before, I believe, that we have got \$40
13 million in the pension fund and we are
14 spending a million a month, that's another
15 problem that's in front of us, and all of
16 these employees came to work in good faith
17 and the city government made promises to
18 everybody. I don't know what the elected
19 officials are going to do about that, but I
20 guess that since they made promises to all
21 of us when they get elected and then we see
22 what happens I think they break every
23 promise they have ever made just to sit in
24 seats of power to abuse the electors.

25 I honestly believe that there should

1 be no commuter tax. The residents of this
2 city by not voting, by not being involved,
3 but not wanting somebody else to carry their
4 water. You see them, they are not here.
5 Evidently they weren't concerned. They
6 thought that this was a comedy show and they
7 have enjoying it. Believe me, at a lot of
8 doors they though council meetings were
9 funny. Well, it's time to start laughing
10 now.

11 And as far as SAPA, SAPA was the way
12 out. SAPA had a lot of promise for the
13 city, it was going to do great things.
14 Mr. Loscombe was at the debates, President
15 Evans talked about maybe we should present
16 that at the debate, I brought the issue up.
17 It was like crickets were in the room.
18 There was nothing. That's the way for this
19 city to turn around. SAPA needs to be
20 reintroduced and it needs to be voted in,
21 and the other thing is this, this city needs
22 to maintain it's Class 2A status, because if
23 SAPA is voted in then that could be a
24 catalyst for economic development, all
25 right, because the legislature will pass

1 legislation because it is will only affect
2 the city and maybe we can stimulate this
3 economy to create economic growth through
4 help of the Commonwealth, okay?

5 I mean, we seem to think that we are
6 going to run this city like a business.
7 Government isn't a business, government is
8 supposed to provide service to the people
9 who pay taxes, and that's not what's going
10 on in this whole country. Every layer of
11 this country's government is broke from the
12 federal government, who is massively
13 overextended, all the way down to the city,
14 the county, and the truth of the matter is
15 they have all lost sight of reality. They
16 all sitting down with special interests and
17 making deals and it's all costing the people
18 something.

19 When I was a kid everything was made
20 here, and you know something, businesses
21 don't create wealth. You might think they
22 do, but they don't. People, workers create
23 wealth, and the people that own the means of
24 manufacturing collect that wealth and
25 redistribute it and try to package some

1 illusion that they are working in the best
2 interest of the people, but the people who
3 work every day they pay their taxes every
4 week out of their check and the people who
5 own businesses they pay theirs at end of the
6 year after they can get every tax deduction
7 they can find that the legislatures and
8 government produce for them to avoid their
9 obligations to support the society that we
10 are all part of.

11 We are sitting in the city where
12 there's a lack of adequate, fire, police,
13 Department of Public Works and, yes, even
14 clerical employees. Why? Because this city
15 has been mismanaged for decades, and you
16 know, you have to take a look at an article
17 the Scranton Times wrote about playground
18 programs that was recently in the paper.
19 You know, at one time I would say that 98
20 percent of woman stayed home and raised the
21 family. But you know something, they
22 created a playground program so kids would
23 be safe and have a safe place to hang out
24 together during the summer. We have got
25 overwhelming drug problems and no citywide

1 playground program. We have a lack of safe
2 places for children to swim, and I think
3 politics need to end and I think the
4 Democrat and Republican party are
5 responsible for where we are. 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: What that Mr. Lewis
13 said was spot on. We need more people to
14 come here like him and speak their peace,
15 and a lot of other speakers responded, too,
16 and I agree with what they have to say. I
17 think it's time for this council to get some
18 backbone. I know you have met with
19 Mr. Doherty lately, tell him he is not going
20 to receive a penny until he gets his butt
21 here and listens to the people of this city.
22 I know for a fact that Mayor Layton in
23 Wilkes-Barre attends every council meeting
24 he can and he gets along with their city
25 council, and Chris Doherty has come here two

1 times in 11 years, once was to ask for money
2 and once was to put Mr. McGoff where he is
3 now. So tell him to his face he doesn't get
4 a penny unless he gets in here. It's time
5 to bow your backs and tell him to his face
6 to get in here.

7 And this 10 percent tax hike for ten
8 years, I said it last year, you can't do
9 this to the people of this city. Like I
10 said, there is people like myself that have
11 to work two jobs just to make ends meet. We
12 can't afford a 10 percent tax increase for
13 ten years. I know at least two of you,
14 possibly three of you were up for reelection
15 next year, if you raise taxes for 10 years
16 you are not going to be reelected, I can
17 guarantee that.

18 And I have supported this super
19 majority from day one, I have supported
20 Mrs. Evans since she was been sitting up
21 there, if I get hit with a 10 percent tax
22 hike for ten years I can't support anybody
23 that does that to me. I hope you think
24 about that when it comes time to vote
25 tonight.

1 Next thing, I want to talk about the
2 pit bulls again. Last Saturday night on
3 Channel 16 there was a story about two
4 people in Pottsville, they had two pit
5 bulls, the pit bulls were fighting, the
6 people want to break them up, their own pit
7 bulls attacked them. These people had to be
8 flown to the hospitals, and I said I don't
9 know how many examples I have come here with
10 about these viscous animals, and it's past
11 city council and this city council it just
12 falls on deaf ears. We need a dangerous dog
13 legislation.

14 The past council solicitor, Minora,
15 said we can't be breed specific. Yes, we
16 can. They are in Pottsville. Last time I
17 checked that's in Pennsylvania. "Pottsville
18 does have an aggressive dog ordinance which
19 went into effect last year after numerous
20 incidents of pit bull attacks. Owners will
21 be fined if a dog attacked. After a dog
22 attacks a third time it must be put to
23 sleep."

24 Time for this council to make an
25 ordinance like this, maybe the streets will

1 be safer for people to walk. Like I said, a
2 long time ago when I got my dog he was
3 attacked by two pit bulls. Thank God is
4 anything okay. Nothing was done to those
5 people and the people have since moved,
6 thank God, because I know they were selling
7 drugs in that house.

8 The next thing, this commuter tax,
9 does council have any plan how they are
10 going to enforce this because I know when it
11 was -- when they instituted it under Mayor
12 Connors they couldn't enforce it. Some
13 people paid and some people didn't. If you
14 are going to have this tax you have to have
15 a way for every single person is going to
16 pay. I know people who work for business
17 they could have -- the business could have
18 it taken out of their checks. A doctor, a
19 lawyer works for themselves, you can't
20 enforce them, so unless council comes up
21 with a plan to enforce it on every single
22 person then I don't think you should do it
23 to anybody.

24 That's all I have to say this week.
25 Thank you for your time.

1 MR. JOYCE: Thank you. Our next
2 speaker is Gerard Hetman.

3 MR. HETMAN: Good evening, Council.
4 Gerard Hetman from the Lackawanna County
5 Department of Community Relations. First,
6 just let me say to follow-up on some of the
7 comments made by some of your earlier
8 speakers, our department is here in
9 existence and I'm hear at council meetings
10 and other municipal meetings that I'm
11 assigned to do work with city residents and
12 county residents to find answers to their
13 questions and solutions to their problems,
14 their issues, and the issues that present
15 themselves to these municipalities that are
16 with county government.

17 And I want to remind everyone here
18 I'm here for the whole meeting every meeting
19 and my colleagues at every meeting for the
20 whole meeting through the end of the meeting
21 and we are here to work with residents to
22 find answers to those questions so if there
23 are issues or questions regarding the
24 breakdowns on county spending or county
25 responsibilities with some things that

1 residents may have questions for we are here
2 to answer them for or if we can help them
3 find answers.

4 For some things, for example,
5 sometimes service is provided by the City of
6 Scranton, when it comes to our smaller
7 municipalities in the county there may be
8 county offices or county departments that
9 help provide those services to those smaller
10 municipalities, things such as the Community
11 Development Block Grants. I believe
12 Scranton and Carbondale have their own
13 economic development departments which I
14 believe handle those requests every year and
15 those issues every year. Sometimes it is
16 then provided at the county level for some
17 municipalities.

18 But we are here to answer those
19 questions when it comes to things like the
20 county budget, county ordinances, and also
21 our baseball document archive. I remind
22 everyone that archives are available on the
23 county website at www.LackawannaCounty.org,
24 and some of them go back with baseball all
25 the way to the start of Triple-A baseball in

1 Northeastern, Pennsylvania, and the
2 ordinances I believe goes back to the early
3 1980's, if not longer. So there is some
4 history there and those tools are there, but
5 when residents need help we are here to help
6 them.

7 And again, I'm here until the end of
8 the meeting and you can talk to me and
9 access me whenever they need to at these
10 meetings to discuss that. Of course,
11 keeping in cooperation with your ordinances
12 on speaking here and your rules on speaking,
13 so that' why I said until the end of the
14 meeting, please.

15 With that said, we would like to
16 remind of the 2012 Armed Forces Day parade
17 is taking place this Saturday, May 19, in
18 downtown Scranton, and the parade steps off
19 sharply at 11 a.m. It's 1100 hours I
20 believe or 1100 hours from the Gino Merli
21 Veteran's Center on Penn Avenue, and again,
22 this is an initiative that has been in
23 existence now for a little over a decade,
24 and it has the full support of the
25 Lackawanna County Commissioners and

1 Lackawanna County government. It's a
2 program that we see here in downtown
3 Scranton and it's something we hope to
4 continue to build on. Our department has
5 only been on the job for just over two
6 months, so we haven't been able to do as
7 much for this year's parade as we would
8 like, but for the future and going forward
9 we hope to see this development and hope to
10 work with city council, with the school
11 board, with everyone in Lackawanna County to
12 build this into a positive event that will
13 show respect and pay tribute to the services
14 of our veterans, and our current military
15 personnel and other groups, police,
16 firefighters that participate in the parade
17 from all of our municipalities.

18 So with that in mind, again,
19 Saturday, May 19, this Saturday, at 11:00
20 a.m. stepping off from the Gino Merli
21 Veteran's Center and wrapping up on the
22 courthouse square in downtown Scranton.
23 I'll be there, as well as some of my family,
24 and many of my colleagues and we hope to see
25 lots of you out there as well. That's all I

1 have for this evening. Thank you.

2 MR. LOSCOMBE: Thank you.

3 MR. JOYCE: Thank you. Our next
4 speaker is Dave Dobrzyn.

5 MR. DOBRZYN: Good evening, Council.

6 MR. LOSCOMBE: Good evening.

7 MR. DOBRZYN: Dave Dobrzyn, resident
8 of Scranton and taxes paid. Why did we vote
9 for who we did, not vote for tax bills and
10 foreign vote so many times, what can you
11 say.

12 I don't know what to say about the
13 borrowing, if we want to go home with hefty
14 paychecks and whatever that's the way it's
15 going to be, but, well, I'm not going to
16 commit myself to voting for somebody else
17 because my often than not you get worse the
18 second time around anyway.

19 But in retrospect I think it's time
20 that we look into the feasibility, and I
21 have heard from the leader of the Hill
22 Section Committee that it's okay or legal to
23 box in nonprofits, and we have been stooped
24 for years with people from SAPA or whoever
25 dumping their nonprofits in this town and

1 they get the benefit, we get the tax bill,
2 so box in all nonprofits now, no further
3 expansion whatsoever, don't bother applying
4 for a grant, don't bother applying for a
5 loan, don't bother anything, property tax on
6 all land and structure if feasible within
7 the constitution and it's time to do it now
8 because we can't take this. That's where
9 our problem is coming in.

10 35 percent of the city is nontaxable
11 and we are stuck holding the bill for the
12 whole Lackawanna County, we have a
13 politicians from Up Valley complaining and
14 people complaining about having to pay a
15 commuter tax, well, okay, yeah, they are the
16 one person that's stuck paying the bill out
17 of how many that don't work in Scranton, but
18 do benefit from the hospitals and the
19 colleges and so forth.

20 And we still haven't changed our
21 character in this town. I was on the school
22 board meeting where they voted to close
23 Audubon, well, it's six or seven million
24 dollars to fix Audubon and, you know, they
25 cried poor and we can't afford it and this

1 and that, going back and forth, well, I can
2 add and subtract because as soon as they
3 voted to close Audubon they said maybe we
4 can build a nice new school some day for \$17
5 million and you know that will double by the
6 time they get around to it, so I can add and
7 subtract, unfortunately, I learned my
8 lessons in school somewhat.

9 And another food for thought, we get
10 all of these promises out of these mega
11 corporations and we all are going to school
12 and fly off and become rocket scientists and
13 soar to greater heights, and I remember a
14 lot of promises during the Clinton
15 administration over NAPTHA and the Chinese
16 trade packs, when wage tax goes down so the
17 do the taxes that get paid, so if you want
18 somebody to carry it the only way you are
19 going to do it is to tax somebody that's
20 making 25, 30, 40 percent less on the job
21 that they got after they lost their job.
22 It's just ridiculous. It's a small world
23 after all. I mean, you know, things that
24 happen outside of this city, this isn't a
25 microcosm or an island of economic

1 development or economic events.

2 And, okay, the golden parrot,
3 Eduardo Severin denounced his citizenship to
4 avoid paying taxes for Facebook profits.
5 Now, I'm not on Facebook, I heard somebody
6 Up Valley was robbed because they announced
7 that they were on Facebook going on
8 vacation, so that the thieves came right in
9 and busted in their house and robbed
10 everything. His family asked for asylum
11 from Brazil, he was educated in the US, and
12 kudos to Schumer and Casey because they want
13 to deny his return if he does.

14 And then there is a Vandsloot of
15 Iowa he blames lost business on customers
16 and media despite his donations against his
17 customer's interest. Well, guess what, I
18 don't drink Coke, I don't drink Pepsi
19 because they donated money to ALEC and I'm
20 not eating at Wendy's and I'm not eating at
21 McDonald's anymore. Take a hike, gang.

22 And in Florida, this is why we have
23 a stand our ground law, a lady was sentenced
24 for firing a handgun into the ceiling into
25 the air to ward off her abusive husband who

1 was reported two times prior, and this is
2 the third incident of abuse, you know, so I
3 thought we had a stand your ground law. I
4 mean, do we have to get to beaten up for 20
5 years? Excuse me, Florida, I think we got
6 too much Alzheimer's down there. Have a
7 good night and bawk, bawk.

8 MR. JOYCE: Thank you. Is there
9 anyone else who cares to address council?

10 MS. SCHUMACHER: Good evening,
11 Council. Marie Schumacher, city taxpayer.

12 MR. LOSCOMBE: Good evening.

13 MS. SCHUMACHER: You know, awhile
14 back I asked that the prayer include the
15 taxpayers, and I think we should start that
16 again because we need all of the help we can
17 get.

18 First question on 7-A tonight, two
19 weeks ago I asked what the deficit was going
20 to be at the end of 2012 and, Mr. Joyce, you
21 told me \$4 million; correct?

22 MR. JOYCE: Yes.

23 MS. SCHUMACHER: Why was that not
24 included with this -- with the current
25 borrowing in 7-A? I mean, it seems to me if

1 we are paying of somewhere between a quarter
2 and a half-million dollars to get this bond
3 issue going we are going to have to pay the
4 second time it would seem to be me at the
5 end of the year if there is another unfunded
6 debt. I don't know how else we are going to
7 pay it, so why was it not included in this
8 one since we already know that we are going
9 to be \$4 million short?

10 MR. JOYCE: There have been talks
11 about how to address that actually in the
12 Recovery Plan as far as how to address the
13 \$4 million that's expected to be short at
14 the end of the year and it's not through
15 borrowing.

16 MS. SCHUMACHER: What is the funding
17 source then?

18 MR. JOYCE: Well, I'm not obliged to
19 release any information at this point.

20 MS. SCHUMACHER: About?

21 MR. JOYCE: About the \$4 million or
22 about the source just because it was marked
23 not for public release.

24 MS. SCHUMACHER: Okay. Thank you.
25 That brings me to my next point, which is

1 transparency. I attended a lot of rallies
2 and I heard a lot about transparency and
3 sadly I believed those things, but we are
4 suffering from lack of transparency. I
5 think the latest issue of the revised
6 Recovery plan should be posted on the city's
7 website. If the mayor won't do it then on
8 the council's website. It's a very, very
9 sobering document, and I have to agree with
10 anybody else, I don't know how we dig our
11 way out of this one. It's just -- I just
12 don't know, and I definitely think that it
13 should be posted and give people who have
14 computers at least an opportunity to read
15 about it and talk to their friends and
16 family about the really, really sad shape
17 that this city is in.

18 And then the next item on
19 transparency, I had come to Mr. Loscombe on
20 the police investigation that the chief said
21 was going to take probably two weeks and we
22 have heard nary a word. We still don't know
23 what the misconduct charge was, we don't
24 know if that person is still working on the
25 force and I think that's sad --

1 MR. LOSCOMBE: I can answer that
2 now.

3 MS. SCHUMACHER: Pardon?

4 MR. LOSCOMBE: I can answer that
5 now.

6 MS. SCHUMACHER: Well, you can do it
7 in Fifth Order, that's okay, but I'll hear
8 it tonight because, you know, where there is
9 smoke there is fire, the state police
10 wouldn't have investigated it and they
11 wouldn't have handed it back to the police
12 chief if something hadn't gone on, and I
13 think while Old Forge is certainly in sad
14 shape with respect to their uniformed
15 personnel at least they know what's going
16 on. We know nothing and I think that's sad.

17 And then I would next like to ask,
18 in the Treasurer's sale there doesn't seem
19 to be -- I think there was one property for
20 the City of Scranton, and I think there is
21 something like 350 roughly, if you just
22 count how many per page, properties that are
23 listed as the owner is City of Scranton and
24 they may not be delinquent in taxes because
25 they don't pay it, but I'm certain that a

1 lot of those properties should be put into a
2 sale for somebody to get them back on the
3 tax rolls. Certainly we are not using all
4 350 of those properties, so I think that
5 list needs to be gone over and I was upset
6 by the offering because I think it is
7 essentially an upset sale, so everybody has
8 to do their own research to see how much you
9 are really going to pay and their website
10 did not have a lot of information. I had to
11 physically call to make sure that you
12 weren't going to own the property free and
13 clear so I think that left something to be
14 desire, too.

15 One final pitch, I just hope people
16 just because ECTV is going to show the Armed
17 Services Day parade at a later date I hope
18 that doesn't deter anyone from coming out in
19 person and showing their support to our
20 armed services. Thank you. The rest I'll
21 bring next week.

22 MR. JOYCE: Thank you. Is there
23 anyone else who would like to address
24 council?

25 MR. ANCHERANI: Good evening,

1 Council. Nelson Ancherani, resident and
2 taxpayer, exercising my First Amendment
3 Rights.

4 MR. LOSCOMBE: Good evening.

5 MR. ANCHERANI: Last week I sat in
6 the audience when Council President Evans
7 brought up the emergency certificate of
8 funding sent to council, there was the \$1.4
9 emergency fund certificate for the Scranton
10 Parking Authority, so they wouldn't default.
11 I find it very interesting that the Scranton
12 Parking Authority is looking for \$1.4
13 million when a couple of years ago the
14 Scranton Parking Authority got a \$35 million
15 loan basically for the Connell building
16 parking and whatever else they were going to
17 use it for. 35 million. A lot of money.

18 What I have been saying since the
19 Scranton Parking Authority got that loan is
20 that the interest on that loan is \$59
21 million. 59 million interest along with the
22 35 million for a total pay back of 94
23 million. I believe they also got
24 approximately 1.5 million more after that 35
25 million. I can't remember what was that

1 of it.

2 MR. SLEDENZSKI: All right. Thanks,
3 Jack.

4 MR. JOYCE: Is there anyone else who
5 would care to address council?

6 MS. KRAKE: 5-A. MOTIONS.

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

9 MR. MCGOFF: Yes, thank you. I'm
10 sorry I wasn't here earlier. I would like
11 to just make one announcement again for the
12 Scranton Celtic Festival, which will be held
13 this weekend at Sno Cove, Sno Mountain, Sno
14 Cove on Saturdays, it's from noon to the
15 9:00 p.m. and Sunday from 11 a.m. to 6:00
16 p.m. Music, vendors, family activities,
17 food, drink, it's a great attempt to do
18 something for the community. I hope that
19 everyone will come out and support it,
20 especially any of us from Celtic heritage to
21 go and support what I think is a worthy
22 venture on the part of the committee that is
23 putting this on. That's Saturday and
24 Sunday, noon to nine on Saturday, and 11
25 a.m. to 6 p.m. on Sunday.

1 Secondly, I have been talking about
2 people responding to requests from council,
3 I made a phone call and spoke with
4 Mr. Dougher at the DPW and had a meeting
5 with him to discuss some of the issues that
6 have been sent to DPW. What we did was he
7 had a stack of letters, I'll say from
8 council, and what he does with them is the
9 letters are received, they are sent to the
10 various departments that would deal with
11 them and appropriate action is taken on each
12 request.

13 It's basically the same process, I
14 don't know if it was a year or two years ago
15 when I met with Mr. Brazil when he was
16 director of DPW and pretty much did the same
17 thing. I went through the list of responses
18 that he -- or through the list of letters,
19 took a look at some of the items that were
20 there that have been brought up at council.
21 Some of the items have been completed, the
22 work at Rockwell Park -- or, excuse me, at
23 Pinebrook, I actually took a ride by the
24 softball field the grass has been cut, you
25 know, appropriate actions have been taken.

1 Actually, it looks in better shape than it
2 has in a number of years, at least back to
3 when I was umpiring softball games.

4 Potholes requests they are starting,
5 they have just received hot patch, the
6 company that supplies it has just kind of
7 opened for business now that there is warmer
8 weather. They are meeting those demands as
9 they can.

10 Paving, their list of things that or
11 lists of place that can be paved by the
12 city, also, a list of places that are or
13 streets that will be paved through OECD that
14 that we have funding there.

15 Other things, as I said, Rockwell
16 Park I did ask about Nay Aug Zoo and I know
17 somebody had asked about how and why the
18 metal was removed from there, they said it
19 was done maybe over a year ago and they
20 asked for any dealers, that they wanted all
21 of that removed for some reason, and someone
22 came and removed it for the city. It was at
23 the city's request. I asked if there were
24 any plans for the building at this time,
25 they said -- Mr. Dougher said that there is

1 not any concrete plan for the actual
2 building, it didn't seem as though there was
3 anything that was -- there may have been
4 actually some indication that they would
5 like to remove the building because it
6 apparently has no use at this time.

7 But anyhow, all of these things or
8 many of the things that have been requested
9 are in the process of being done, and I
10 think that when we criticize, you know, or
11 do not responding to letters perhaps the
12 response is in the actions that are taken.
13 Perhaps we should go out and, you know, if
14 we make a request go out and see if some of
15 these things are actually being taken care
16 of rather than just relying on a letter
17 being returned.

18 I did want to speak about the
19 Recovery Plan a little bit. At one point in
20 time I was pretty optimistic that we would
21 have a Recovery Plan in place that was
22 mutually agreed upon and that would be
23 functional for the next however many years.
24 That optimism is very quickly turning to
25 pessimism. It seems that every time we talk

1 about the Recovery Plan council seems to
2 have one more impediment and every time one
3 of these impediments is brought up and
4 agreed to there is another one and another
5 one and another one. Just today we
6 received, you know, an e-mail with council
7 requests or I don't think it was actually
8 requests, but revisions, these were not
9 suggestions, it seems as though were
10 demands. It said, "Required revisions."

11 We are not in the process of even
12 negotiating these anymore. Now it's come to
13 demands that need to be met if we are going
14 to have a Recovery Plan. It seems that
15 council is intent upon creating a crisis
16 with this Recovery Plan, an economic crisis
17 that I don't know if we are going to get out
18 of it.

19 We need to -- we need to sit down
20 and I agree there needs to be a little bit
21 more openness about what we are doing with
22 this Recovery Plan. These things cannot be
23 conducted in secret. Let's put out there
24 what it is that we are looking to do with
25 this Recovery Plan. Let's put out there

1 what the suggestions are. What I received I
2 will, you know, kind of acquiesce to the
3 request that was on there to not make them
4 public, although, other council members have
5 not treated me in the same way in the past,
6 but we need to make these more open. We
7 need to get these -- we need to get these
8 things into the public eye, we need to
9 discuss them now, we need to come to an
10 agreement on them, not as demands, but as
11 negotiations and we need to come to a
12 Recovery Plan that is acceptable to everyone
13 so that we can move along.

14 We are not going to get out of this
15 crisis until there is a plan in place, and I
16 know that we have been, you know, taking
17 things secondhand, at least I have, in
18 dealing with some of the responses from the
19 banking community and others. I made a few
20 phone calls, spoke to a number of people
21 that have been involved, a number of people
22 in the banking community that have been
23 involved with the unfunded debt, with the
24 TAN, with other things that are going on in
25 the city and to a person they said they are

1 not moving on anything until there is a
2 Recovery Plan in place and one that will
3 work. They are not looking for some
4 idealistic plan with fabricated numbers.
5 They want something that they see will
6 provide economic stability in the future.

7 Right now we are looking at an
8 unfunded debt, we are going to vote on
9 something tonight that really unless there
10 is a Recovery Plan in place is a meaningless
11 vote. The reluctant partner that we now
12 have for the unfunded debt is not going to
13 move until there is a Recovery Plan in
14 place.

15 MR. SPINDLER: Vote it down.

16 MR. MCGOFF: We -- excuse me. Thank
17 you. And there is no -- if there was an
18 indication from anyone that there may be
19 other banks out there who are willing to
20 deal with the unfunded debt I was told
21 point-blank there is no banking solution
22 available at this time. There not one
23 person that I spoke to, any of the banks
24 that is willing to involve themselves, their
25 bank, in this unfunded debt.

1 And they said over the past couple
2 of weeks, couple of months that things that
3 have been said, the criticisms that have
4 been made of the bank willing community and
5 especially things that were said about
6 defaulting on loans have made the banks
7 extremely reluctant to be involved. That
8 they are not, they are -- they said if the
9 city in any way defaults on a loan, even one
10 that they are only guarantors for that they
11 will be in Court and the minute they go to
12 Court there is not one bank that will do any
13 business with the city and that jeopardizes
14 everything that's in the budget that relies
15 upon the banking community.

16 We need to move forward. We need to
17 open up discussions. We need to get things
18 done. We can't sit back and criticize. We
19 can't sit back and blame. We need to be
20 proactive. It may be too late to be
21 proactive, but I think that we need to
22 really get out and stop with the
23 impediments, stop with the obstructionist
24 views and move forward and until we do we
25 are in -- we are going to create more and

1 more crisis for the city and at some point
2 in time, as it was said to me, at some point
3 in time the banks are just going to stop and
4 say, "We've had enough."

5 And when that happens then maybe we
6 are looking at bankruptcy, and personally
7 I'm not in favor of the city going bankrupt.
8 I don't know think that that's an
9 alternative, I don't think that the state
10 sees it as an alternative for us, we need to
11 work out our own problems. We as council
12 persons, we as an administration, we need to
13 solve our own problems. We can't go looking
14 for anyone to do it for us.

15 And as far as the thing that have
16 been mentioned about the Recovery Plan and
17 about things, I agree with some of the
18 things that have been said. I'm not sure
19 that a commuter tax is the panacea for, you
20 know, our problems. We have talked here on
21 numerous occasions it's been mentioned about
22 turning businesses away from the city.

23 If we implement a commuter tax what
24 new businesses are going to move to the city
25 if they know that they are -- you know,

1 possibly many of their employees would, you
2 know, be subject to this commuter tax? I
3 think it's an impediment to new businesses.
4 I don't think that new businesses will move
5 out because of it, but I think we have just
6 put another impediment in the way of
7 businesses moving to the say.

8 I'm not saying that maybe the
9 commuter tax is a bad thing, I'm just saying
10 I think it needs to be looked at and
11 investigated and, you know, more than just
12 saying it's a demand that we must have this
13 in place if we are going to have a Recovery
14 Plan.

15 I just think there are a lot of
16 things that need to be discussed and I think
17 that in the coming weeks we need to do that
18 more openly and more efficiently until we
19 come to a mutually agreeable plan for the
20 future, and that's all. Thank you.

21 MR. HUGHES: If I could briefly
22 respond, Mr. Chairman, on two issues. First
23 of all, the fact that -- I don't know who
24 sold the cages, but in accordance with the
25 Home Rule Charter no city asset can be sold

1 without the permission of the council. It
2 has to be by appropriate legislation. If
3 they thought it was scrap, it had to come by
4 law to council to be approved. It was sold
5 illegal in contravention of the Home Rule
6 Charter, number one.

7 Number two, I gave an opinion on
8 this when the Recreation Authority attempted
9 to lease Nay Aug to Lackawanna College for
10 100 years, that could only be done with
11 legislation approved by council, so that any
12 asset that's sold, I don't care if it was
13 the cages, I don't know what that scrap was
14 worth, anybody that made that decision
15 legislation should have been approved and
16 should have come to council to determine did
17 they want to destroy that and just have the
18 shell of a building there without the cages.

19 Secondly, the banks, if they have
20 the best interest of the city at their heart
21 they should be putting the pressure on the
22 Scranton Parking Authority. The Scranton
23 Parking Authority is the one that gives us
24 legislation that they want \$1.4 million
25 without any identification as to where it's

1 going to go, what bond payment is coming up
2 for payment, what their funds are in their
3 sinking funds. I wrote that letter seven
4 months ago. Seven months ago. Haven't even
5 had a one-word reply that any of the items
6 we requested.

7 As I said at the last meeting, they
8 gave us a Mickey Mouse budget, it was
9 rejected by council and what have they done
10 for the last five months? They have done
11 nothing but thumbed their nose at us, and I
12 believe that this council would act
13 inappropriately, and I would recommend
14 against any ordinance that with approve any
15 money to the Parking Authority without a
16 specific designation as to what bond fund is
17 going to be in default, was the insurance
18 company given notice as it required in the
19 bond fund, what the balances are in the
20 sinking funds in order to make that payment.

21 They just -- it's just like a
22 panhandler sitting on the corner and you
23 want to give them a \$10 bill and he said,
24 "Don't give me any money, give me your
25 check. Just sign the check so I can fill it

1 in."

2 And to this day I don't know if I
3 would recommend that council not even put
4 legislation on for the Parking Authority
5 until my letter is answered and until
6 Scopelliti comes before this council and
7 answers those questions and we have a budget
8 that we know is a legitimate budget and not
9 something that's just drawn up on the back
10 of a piece of paper.

11 And that's where -- that's where
12 these banks should be putting the pressure
13 on the Parking Authority. If they are going
14 to go in default and they don't have the
15 money, now, the banks don't have it, it's
16 only the bond -- it's only the bonding
17 trustee, they can put that pressure on them.

18 I even requested seven months ago
19 when they were crying that they are going to
20 go in default, and they wanted council to
21 put it in the budget, I said, "Have you
22 given notice to the insurance companies that
23 are insuring those bonds?"

24 They could have written back in
25 accordance with question five of your

1 letter, "No." Or "Yes."

2 I mean, they are just playing to
3 council for their own benefit, and it's the
4 banks that should be putting the pressure on
5 the Parking Authority and not on council.

6 I think as they say in the movies,
7 it's a rogue agency. It's out there on its
8 own doing what they want to do.

9 MR. MCGOFF: Thank you for your
10 response to what I said and, once again, we
11 get involved in criticism of the banking
12 community and we are reliant on them for,
13 you, know moving forward with a lot of
14 things and I think the more criticism we
15 level at the banking community the more
16 difficult it is going to be to do business
17 with them. Thank you.

18 MR. JOYCE: Mr. Rogan, do you have
19 any motions or comments?

20 MR. ROGAN: Yes. I guess I'll start
21 also with the Parking Authority. I agree
22 with what Attorney Hughes said last week and
23 this week and Mr. McGowan did send out an
24 e-mail to all of council and I want to read
25 a little bit of what was included in this

1 e-mail. First I'll start with the section
2 that was in bold and specifically addresses
3 the Scranton Parking Authority. It states,
4 "The contingency funds for the Scranton
5 Parking Authority were set aside in the 2012
6 budget as by city council. The transfer
7 must be completed or the Scranton Parking
8 Authority will default on their June 1,
9 2012, debt service payment."

10 First of all, as business
11 administrator I think Mr. McGowan should
12 know this, money in a contingency fund is
13 not earmarked for any specific purpose.
14 That money is not earmarked to pay the
15 Scranton Parking authority. When the mayor
16 issued and sent his budget to council there
17 was I believe it was \$1.4 million earmarked
18 for the Parking Authority. Council took it
19 up because we knew by passing a budget with
20 money earmarked for an authority it would be
21 signed away. We would have no recourse.
22 There would not be a vote on whether to give
23 the money to the authority if that was
24 placed as a line item in the budget. The
25 budget would have been the final vote and

1 they would have got the money.

2 Instead, council placed it into
3 contingency, which gave us control over
4 those funds to withdraw the money out of the
5 fund from council.

6 Mr. McGowan goes on stressing how
7 important it is that we protect the
8 authority, and obviously it's not up to Mr.
9 McGowan or his boss, who has almost
10 single-handily bankrupted the city, we are
11 broke. We do not have the \$4 million to
12 give to an authority, and especially we are
13 not going to give money to an authority when
14 we can't get the head of the authority to
15 come in and at least make a case of why they
16 need the funds.

17 Additionally, the budget they
18 submitted was worse than a high school class
19 president's budget. It was three pages.
20 Something that could have been drafted in
21 ten minutes. I wish I had a copy of it here
22 to show to everyone. It was a joke.

23 In the same e-mail from Mr. McGowan
24 he speaks about Blue Cross and health care
25 and the amount that's owed. He goes onto

1 say, "From numerous discussions that have
2 taken place in the past few months each of
3 you are fully aware we must become current
4 with Blue Cross in the near future or we
5 risk having no health care for 1,300
6 individuals. This is a risk that I am not
7 willing to take."

8 I agree with Mr. McGowan. I'm not
9 willing to take that risk either. Let's use
10 the funds in the contingency fund to pay for
11 health care for our employees instead of
12 bailing out the Parking Authority. He
13 states, "The city currently has \$574,000 in
14 the general fund and a balance of
15 approximately \$3.5 million in accounts
16 payable."

17 He goes onto talk about these funds
18 and where they should be used -- or he goes
19 on, you know, saying that we need the
20 unfunded debt for this while we have money
21 sitting in contingency. Now, I think the
22 reason for a contingency fund is for an
23 emergency. City employees losing health
24 care certainly is an emergency, so maybe
25 that's something that should be considered

1 by the mayor and Mr. McGowan, if we are on
2 the brink of losing this health care
3 coverage.

4 Moving on, I was reading the
5 Wilkes-Barre city's Citizens' Voice who was
6 also having issues with parking, and it says
7 were there is a value on Wilkes-Barre
8 parking assets. "Wilkes-Barre Parking
9 Authority will discover today whether it's
10 \$20 million prospect for a 30-year lease of
11 parking garages, lots and meters is
12 realistic and that the discovery could have
13 a big impact on whether or not the lease
14 moves forward. Parking Consultant
15 Associates released the value of 30 to 50
16 year leases this afternoon."

17 This is something that members of
18 council have been saying over and over
19 again, that we could lease the parking
20 garages as a way to bring in revenue for the
21 Parking Authority. Approximately \$20
22 million is the estimate on the lease. And
23 the best part about a lease is when the
24 lease is over you still own it. Our mayor
25 wanted to sell our parking meters for \$6

1 million to the Authority. Six million
2 dollars in our pocket and then they are
3 gone. We never receive another dime for
4 them.

5 I don't support leasing the meters,
6 but I do support leasing the garages, but
7 you are not bringing in money, just another
8 thing that the authority should be looking
9 into.

10 And I find it very arrogant for
11 Mr. Scopelliti and Mr. McGowan to come to
12 council requesting \$1.4 million, more money
13 than most of us here will ever see in our
14 lifetime, and won't even come to city
15 council and explain what it's needed for.
16 Won't come here and explain why his salary,
17 I believe it's around \$80,000, more than
18 almost everyone in this city makes, why his
19 salary is set where it is, what he has been
20 doing to try to tighten the budget and take
21 control of his own house, because the most
22 frustrating part about an authority for all
23 of us up here we don't have any oversight.
24 We don't make the appointments to the
25 authority, the mayor does, and we don't have

1 any control. The mayor appoints his people
2 to the authority and it is his right to
3 appoint those people and then they do what
4 the mayor wants them to do and that's why we
5 are in the shape we are in.

6 Moving onto some of the comments
7 that Mr. McGoff made. I was just wondering
8 did the flooding on Cameron Avenue come up
9 at all in your conversations with
10 Mr. Dougher?

11 MR. MCGOFF: I did not ask him.

12 MR. ROGAN: How about Pike Street?

13 MR. MCGOFF: He said that -- he said
14 that they are making some repairs to Pike
15 Street and that they are trying to determine
16 how best to make more permanent repairs to
17 Pike Street.

18 MR. ROGAN: That's good news. And I
19 also reached out to PennDOT concerning
20 drainage issues on Keyser Avenue that is
21 state owned and PennDOT will be addressing
22 that, so at least that part of it is moving
23 in the right direction.

24 The potholes that are forming above
25 the golf course lot, those letters were sent

1 might have been last summer.

2 MR. MCGOFF: I did not get into
3 specific --

4 MR. ROGAN: Okay.

5 MR. MCGOFF: -- spots as far as
6 potholes were concerned. What he did say
7 was that they have a list of requests, that
8 they are moving on those requests as they
9 can.

10 MR. ROGAN: Mrs. Krake, I will
11 e-mail these to you tomorrow so we could
12 submit these again.

13 Next, I guess I'll speak on some of
14 the comments Mr. McGoff had on the Recovery
15 Plan, some that I strongly agree with, some
16 that I disagree with. As far as the
17 conversation being open and public, I could
18 not agree more. When we initially went to
19 put our suggestions in for the Recovery Plan
20 we were all asked to submit them in writing
21 and council president would distribute them
22 to everyone, which I did, I submitted mine
23 in writing, and I was hopeful, and I think
24 many of us were hopeful, that council as a
25 whole, the mayor, PEL, DCED and all the

1 parties involved would sit down and talk.
2 That has not happened. Because of the
3 Sunshine Law, three of us cannot meet during
4 the day. We could have a caucus right here
5 before a council meeting. We could schedule
6 a special meeting to have everyone here and
7 discuss. Personally, I would like it to be
8 televised and open to a public. If that's a
9 sticking point, that the meeting is not
10 going to happen because of it, just open it
11 up to the public and have a meeting.

12 MR. MCGOFF: May I just --

13 MR. ROGAN: Sure.

14 MR. MCGOFF: PEL had requested to
15 come here for a caucus and they have been
16 denied.

17 MR. ROGAN: Well, I'll say that no
18 one ever asked me whether I supported it or
19 denied it.

20 MR. MCGOFF: I know.

21 MR. ROGAN: I do support having them
22 come in. I think PEL has been doing a
23 terrible job over the past years, but I'm
24 willing to sit down with them and listen to
25 what they have to say and I think it's part

1 of our jobs, we all have to.

2 Again, with the mayor, I don't agree
3 with the mayor's philosophy on a lot of
4 things, but I'm willing to sit down and talk
5 if we can get an agreement. That hasn't
6 happened.

7 You know, I know it was reported in
8 the paper that Mrs. Evans and the mayor have
9 been working together, that's great, but
10 there is five people on council not one.

11 Moving on to another issue is the
12 agenda items. I am going to make a motion
13 to table Item 7-A. Before I do that I do
14 want to speak a little bit on the reasoning.
15 In the past, Mayor Doherty did come to
16 council to give a pitch for borrowing and
17 that was when he had more favorable council
18 he was still willing to come and give the
19 pitch. I think that we are not doing a
20 service to the community unless we are
21 waiting -- unless we have the people come in
22 here and if we have to wait another week to
23 get them in, fine, but we need to know what
24 the mayor's plan is in moving forward.

25 One of my biggest problems with the

1 two agenda items tonight, one in Sixth Order
2 and one in Seventh Order, not only that's
3 it's borrowing and a tax increase, which I
4 staunchly oppose, but that it's not the end
5 of the line. This does not address -- this
6 doesn't even touch the union awards. We
7 don't even have a dollar amount yet of how
8 much we owe. This decision was rendered
9 half a year ago, maybe even longer, and we
10 still don't have a dollar amount on how much
11 we owe. This borrowing isn't going to do
12 anything to save the city, you know, and I
13 know people say, well, if we don't get it
14 the city is going to shut down, this is
15 going to happen and this is going to happen,
16 but we pass this we are going to be in the
17 same situation six months, a year from now
18 when the union -- with the money that's owed
19 to the unions.

20 If we are going to borrow to address
21 a hole you do it all at once and never do it
22 again. You dig your way out. You don't dig
23 out of a hole by keep digging. That's part
24 of the problem with the federal government,
25 state, local, we see it everywhere. We

1 can't afford to keep borrowing.

2 Additionally, in the past councils
3 have been accused of being rubber stamp
4 councils. I tend to agree with that
5 sentiment that was made, but if this council
6 who ran against rubber stamping of
7 borrowing, tax increases, more debt for the
8 people, if we voted without the mayor even
9 coming in here or speaking to us, we are
10 actually worse than the people we replaced.

11 That being said, I will make a
12 motion -- I would like to make a motion to
13 table Item 7-A until Mayor Doherty is
14 willing to come in and speak to the
15 residents and council.

16 MR. LOSCOMBE: May I address our
17 solicitor?

18 MR. JOYCE: Yes, you may.

19 MR. LOSCOMBE: Attorney Hughes --

20 MR. ROGAN: A motion has been made.
21 Can we deal with that first?

22 MR. JOYCE: A motion has been made,
23 all in favor --

24 MR. HUGHES: There has to be a
25 second.

1 MR. JOYCE: Oh, sorry. Is there a
2 second for the motion to table Item 7-A?

3 MR. MCGOFF: I'll second it so we
4 can discuss it.

5 MR. JOYCE: On the question?

6 MR. LOSCOMBE: On the question, what
7 I had addressed Attorney Hughes about was
8 what impact would this have in the
9 immediate, and also, as Mr. McGoff stated
10 that he had spoken to some bankers that said
11 this is a moot point until we have a
12 Recovery Plan anyway, would that be the
13 case?

14 MR. HUGHES: First of all, whatever
15 the banker's say is strictly hearsay in a
16 Court of law. I take it with a grain of
17 salt, number one.

18 Number two, in my reading of the
19 ordinance it says that the city will have --
20 I don't have the exact words, I don't have
21 the ordinance with me, it says that the city
22 will have a Recovery Plan. There is
23 nothing in the ordinance that requires the
24 adoption of a new Recovery Plan. The city
25 right now has a Recovery Plan in place so,

1 therefore, in my opinion, it meets the
2 requirements -- the ordinance as set forth
3 and what the city has in place on the
4 Recovery Plan meets the requirements of the
5 ordinance which is the condition of M & T
6 for funding.

7 MR. LOSCOMBE: Thank you.

8 MR. HUGHES: I don't have it me, I
9 wish I had the exact language because I went
10 over it, there is nothing in there that says
11 the city must adopt a new Recovery Plan,
12 must adopt amendments to the Recovery Plan,
13 it just says the city will have a Recovery
14 Plan in place. Mrs. Krake just handed it to
15 me, if you give me a second I'll find it.

16 MR. MCGOFF: While Attorney
17 Hughes -- if you don't mind while Attorney
18 Hughes is looking for that, I don't believe
19 that we should table this. I believe it's
20 something that we need to do to move
21 forward. Is it a final solution? No.
22 Obviously, it's not. But it is a step
23 toward the solution. If we don't take the
24 step then, again, all we are doing is being
25 stagnant and we need to keep moving forward

1 with addressing this problem.

2 As far as the Court awards for the
3 unions, no, there is no figure as of yet.
4 It was the unions that were compiling that
5 number and presenting it to the city and I
6 think when the city receives that number
7 they are going to do their due diligence in
8 auditing those numbers to determine whether
9 it is acceptable, you know, I don't think
10 that we are just going to -- I don't think
11 that the city should just take whatever
12 number the union gives them and says, okay,
13 this is what the award is, I think there is
14 probably a bit more to the process of
15 determining what those numbers will be
16 before we actually arrive at a final number,
17 so I don't think that you can address
18 something for which you don't have a final
19 number and I don't think that should -- I
20 don't think that should hinder you from
21 taking action on issues.

22 Will there be a necessity for some
23 action when that final number is achieved?
24 Yes. But again, that's something to look at
25 in the future, and I think that we need to

1 deal with the unfunded debt now.

2 MR. ROGAN: I would just reply, and
3 I do appreciate a second so we could
4 discuss, I don't believe borrowing any
5 amount of money that doesn't address the
6 need that is there currently is a step
7 forward. It's a step backwards. We are
8 going to be increasing our debt, which will
9 make us even less attractive to a bank in
10 the future. You can use credit -- you can
11 only run the credit card through the machine
12 so many times.

13 Additionally, and I agree that the
14 union shouldn't be taken at its word when
15 given a dollar amount to the administration,
16 I guess it's what you owe, but I think it
17 would be the job of the business
18 administrator to calculate the figure, not
19 the union. The union won the award. It was
20 the city's wrongdoing. The union shouldn't
21 be forced to calculate it.

22 MR. MCGOFF: They are not being
23 forced to, they have volunteered to. It's
24 their award, they said this is what is going
25 to be owed to us.

1 MR. ROGAN: If they are willing to
2 help with calculating the figure that's
3 great, but ultimately it's the
4 administration that should be calculating
5 the award --

6 MR. LOSCOMBE: Or at least
7 concurring.

8 MR. MCGOFF: Either way it works
9 it's going to be a process to arrive at a
10 final number. Neither side is going to
11 accept what is presented. I think they are
12 trying to do that to get to a final number,
13 it's just not going to be something that is
14 done tomorrow.

15 MR. ROGAN: Well, it's been over six
16 months, and if my understanding is correct
17 we are paying interest each day it goes by,
18 so the dollar amount gets higher and higher.
19 By borrowing this money, more interest, more
20 fees and to boot we didn't -- I didn't want
21 to bring this up yet because this is another
22 item on the agenda, it's paid for by a 10
23 percent tax increase over ten years. It's a
24 very long period of time. You know, we are
25 asking a lot out of the residents.

1 And another concern I have with the
2 tax increase, and I don't know if anyone can
3 answer this, would it be a separate line
4 item on the budget or would it be included
5 with the real estate taxes?

6 MR. JOYCE: I believe it would be
7 included with the real estate taxes and then
8 it would be separately sorted out by the
9 Treasurer's Office.

10 MR. ROGAN: And again, and this is
11 another piece of legislation, but the two of
12 them are tied in together, you don't have
13 the tax increase without the borrowing, my
14 fear is if it's passed, and I'm hoping it
15 doesn't, if council passes a 10 percent tax
16 increase for ten years it doesn't
17 automatically go away on their own here, and
18 we know government has a habit of initiating
19 one time taxes and keeping them. The
20 federal government, the state government,
21 local governments, they have all done it, so
22 I don't even believe that the tax increase
23 would only be ten years because then whoever
24 is on council and the mayor ten years from
25 now would have to rescind that tax. It

1 doesn't automatically expire until the debt
2 is paid off, so there may be a tax of 100
3 years because there is no end date. If the
4 tax increase is specifically to pay for the
5 borrowing it should expire the date the
6 parking is paid.

7 Getting back to the motion, and I
8 apologize I did get a little bit off track,
9 I do believe that council should not vote on
10 any borrowing until we all meet. The
11 business administrator, the mayor, all five
12 members of council, and other interested
13 parties, the public, should certainly be
14 invited to attend and I would like to hear
15 the mayor's thoughts on why this is the only
16 way, why there is no other way to address
17 the financial problems in the city. I am
18 not willing to accept that increased
19 borrowing and increased taxes is the only
20 way.

21 MR. JOYCE: Regarding the question,
22 I just wanted to ask our council solicitor
23 one question regarding the -- I know it came
24 up with the Supreme Court award, in a
25 typical situation such as this, I know that

1 you are an attorney and I'm not sure if
2 you've worked with -- and I'm sure you have
3 worked with settlements and what not and
4 decisions, is it typical in a union versus
5 municipality situation such as this where
6 the unions won an award that they would come
7 up with a figure and the city would then
8 audit those figures?

9 MR. HUGHES: I don't know what's
10 typical, but I don't think anything in this
11 city between the city and the unions is
12 typical, so I don't know why the union is
13 figuring it, I could see where they would
14 figure it and the city would also figure it,
15 the administration, and if they come to
16 different figures then they would have to
17 compromise. I don't see why it's taken six
18 months, you know.

19 And just relying on the union to
20 calculate it, I think the administration
21 should be calculating it and come up with a
22 figure and then they meet with union if the
23 union have a different figure, I mean, but
24 this is what the figure is.

25 MR. LOSCOMBE: I agree with

1 Solicitor Hughes, especially if there is
2 interest building up every day. You think
3 the city would be interested in getting this
4 behind them.

5 MR. HUGHES: I mean, to me it's --
6 well, it really isn't rocket science, it's
7 really computer science. I mean, somebody
8 sits down, you have a calculation, you have
9 a program, you throw it through a computer,
10 I don't know what's taking six months. I
11 mean, there is a lot of variables. I
12 haven't seen the award. I have no idea what
13 it is, but certainly, you know, you have
14 actuaries, you have people that they can
15 program this, put all the variables in,
16 these people are in for so long, they get
17 this much, they're retired, this guy died,
18 he is out, boom, boom, boom, he would have
19 got this. I mean, all of these variables
20 can be calculated in a formula. You run it
21 through a computer.

22 And I really think that, you know,
23 as Pat says that what's that unfunded
24 liability? Why are we voting on debt until
25 we know what the full thing is, but, I mean,

1 that's my opinion. But, I mean, I really
2 think that by now, you know, somebody should
3 have had -- somebody should have calculated
4 from the administration standpoint and the
5 union should certainly have something by
6 now, I don't see why it's taken six months.
7 That's my opinion, but I don't think it's
8 typical.

9 MR. ROGAN: Getting back to the
10 motion to table, I would just ask that my
11 colleagues would consider in tabling this
12 borrowing and next week if the borrowing is
13 tabled the tax increase as well until we
14 meet with the mayor, hear him out and look
15 the every other option that may be
16 available.

17 MR. MCGOFF: I think that that was
18 the purpose of having a caucus with the
19 business administrator and the bond
20 counselor and the financial advisor. We had
21 them in here for over an hour and half.

22 MR. ROGAN: In that caucus we only
23 talked about the specifics of the bond
24 issues because there were so many different
25 complexities.

1 MR. MCGOFF: That's what we talked
2 about was the unfunded debt and how we can
3 move forward with it. You are asking for us
4 to redo what we have already done.

5 MR. ROGAN: I'm not asking to redo
6 as far as, you know, they came in and
7 explained their proposal, you know, it was
8 very confusing and I give Attorney Hughes a
9 lot of credit for helping explain it, but
10 why does it have to be borrowing? Why can't
11 we sell a city asset like the Sewer
12 Authority? It could be valued at tens of
13 millions of dollars that I have been
14 bringing up for the two years I have been on
15 council. Why does council have to be forced
16 to bail out the mayor?

17 MR. MCGOFF: We are going to go back
18 and forth and we can go back and forth on
19 this forever, but all of the things that you
20 are mentioning, you know, sale of the sewer
21 catch basins and so on, things have been
22 suggested for the Recovery Plan.

23 MR. ROGAN: I suggested that.

24 MR. MCGOFF: The unfunded debt is
25 something that we included in the 2012

1 budget. We have already voted to do this.
2 Now all we are doing is approving the
3 process. You know, as far as I'm concerned
4 we are looking to -- you are looking to undo
5 something that we already voted -- that you
6 already voted for.

7 MR. ROGAN: When you have a budget,
8 when you have two options, one that raises
9 taxes, I don't know remember what it was, I
10 think it was 25 percent of the mayor's
11 budget --

12 MR. JOYCE: It was 29 percent.

13 MR. ROGAN: One that raises taxes 29
14 percent, one that raises it 5 percent, it's
15 a pretty clear decision to make. Did I like
16 everything in the budget? No. I have
17 stated, I believe it was a few weeks ago,
18 that in the future amendments should be
19 voted on item by item. It will make for a
20 very long meeting, but I think each council
21 should be able to have a say on each
22 individual thing and we have already against
23 -- I'm not sure there were many things in
24 there that you did support that you could
25 have voiced our support because it's one

1 vote on a block of a set of amendments
2 instead of line item. I have said my peace.
3 Let's vote on the motion to table, unless
4 anyone else has a question?

5 MR. JOYCE: Does anyone else have
6 any comments to add? All in favor of the
7 motion to table Item 7-A signify by saying
8 aye.

9 MR. ROGAN: Aye.

10 MR. JOYCE: Opposed?

11 MR. MCGOFF: No.

12 MR. LOSCOMBE: No.

13 MR. JOYCE: No. The nos have it and
14 Item 7-A is not tabled.

15 MR. HUGHES: I have looked through
16 the ordinance, Mr. Chairman, it's not in the
17 ordinance, it's in the placement memorandum.
18 It's a document to be delivered in closing
19 to be certified by the city clerk as true
20 and correct. I believe it's in the
21 document. Mrs. Krake was going to go get
22 the case memorandum, I believe it's article
23 -- it's like Article 12-G, it might be
24 12-G-10 document, something like that. I
25 was just going from memory from a couple of

1 weeks ago, but it's not in the ordinance,
2 it's in the placement memorandum about the
3 copy of the Recovery Plan, which there's a
4 Recovery Plan in place, so it's my opinion
5 it qualifies.

6 MR. ROGAN: I guess I had a few
7 other things I wanted to mention tonight, I
8 don't want to hold up the whole meeting for
9 other issues that could wait until next
10 week, so there are a few things, I will save
11 them until next week, and I will hold the
12 remainder of my comments for when we vote.

13 MR. JOYCE: Mr. Loscombe, do you
14 have any motions or comments?

15 MR. LOSCOMBE: Just a few comments.
16 I agree with lot of what you said,
17 Mr. Rogan. This is probably one of the most
18 difficult votes that we have had to make as
19 council persons. We did have the caucus
20 here where a lot of this was explained. As
21 far as selling an asset, I mean, that's
22 still on the table. Perhaps we can do
23 something like that and get rid of this debt
24 at that point. What I'm afraid of right now
25 is the payless paydays, the health insurance

1 default and the stuff like that. You know,
2 I don't want to pay more taxes no more than
3 anyone else, but I think our back is against
4 the wall.

5 As Mr. McGoff stated earlier, the
6 city is in dire straights. We are in dire
7 straights. The problem is -- and also, you
8 know, about pushing for a Recovery Plan and
9 he suggested that we had demands in there,
10 well, the problem is we are in dire
11 straights, our back is against the wall, but
12 we have been here a little over two years.
13 We didn't create the mess that has
14 accumulated over 12 years. I can't imagine
15 if we didn't tighten the purse strings two
16 years ago where we would be at this point.
17 It's very frustrating.

18 But the demands that -- if you want
19 to call them demands, our requests that we
20 put into this Recovery Plan, were basically
21 to protect the taxpayers. We have a history
22 of PEL and the Recovery Plan and this
23 administration with the Recovery Plan and
24 it's not a pretty history. That's why we
25 are here. That's why we are at this point.

1 I mean, you can call those last few Recovery
2 Plans mock Recovery Plans because they
3 didn't abide them, only certain parts, and
4 that's what we are afraid of. If we are
5 going to make this city fiscally sound, you
6 could call them demands or whatever they
7 are, but they are in -- PEL is in this city
8 working for us. And, yes, we are demanding
9 that they start paying attention to the
10 taxpayers of this city. That's what they
11 are and if you want to call them demands,
12 fine. They are requests to protect the
13 public and the taxpayers so that the stuff
14 that's been going on doesn't continue to
15 happen and bury us deeper, that's what they
16 are.

17 I mean, I'm as frustrated as many of
18 the taxpayers that spoke here tonight and
19 our regular speakers. Mr. Jackowitz, you
20 know, if I was on the other side of the
21 podium I would be just like him. I get
22 frustrated here and I think people see it
23 sometimes.

24 Mr. Sbaraglia, I have to agree with
25 you, anyone that has been on these

1 authorities and boards that have put them at
2 a point where they are bankrupt or
3 overlooking opportunities to help themselves
4 out they don't belong there and I would ask
5 for them to leave or resign definitely.
6 That's a no brainer. Any company, like you
7 said, that has a board of trustees or
8 whatever if that company is going downhill
9 they are out the door. We have to get
10 people in there that are going to protect
11 your interests and that my response on that
12 to Mr. Sbaraglia.

13 Mr. Miller, I do agree the mayor
14 should be here and he has got to come here.
15 We have to get together and he has to be
16 just like he came once before for large
17 borrowing, the problem is we are at the 11th
18 hour now and we can't jeopardize this, but
19 he has to come here and answer to us and the
20 taxpayers. He is the head of this city. He
21 has to answer where we are going in the
22 future. He has to do his state of Scranton
23 address to the public, the taxpayers, not an
24 invited group, and we have said that many
25 times here, but you could see he continues

1 to be the same ole', same ole'.

2 We have got directors of the
3 different departments that are unresponsive.
4 Mr. McGoff said he spoke to Mr. Dougher.
5 But, you know, we did ask Mr. Dougher to
6 respond to us for a caucus, did he mention
7 he would be here for a caucus or anything?

8 MR. MCGOFF: That request was for
9 when, I'm not sure?

10 MR. LOSCOMBE: At his availability
11 before a meeting.

12 MR. ROGAN: About the flooding on
13 Keyser Avenue.

14 MR. LOSCOMBE: There is several
15 issues, yeah.

16 MR. MCGOFF: I did not ask him about
17 that.

18 MR. LOSCOMBE: Okay. And the
19 Recreation Authority, as Mr. Hughes
20 expressed before, first of all, before I get
21 into some of this stuff about the Recreation
22 Authority I do want -- can we initiate some
23 kind of investigation, I think a legal
24 investigation or a police investigation on a
25 removal of that equipment? Would that be

1 done through our police department or
2 requested through the District Attorney's
3 Office? Do you have any opinion on that?
4 That's theft of city property.

5 MR. HUGHES: First let me look into
6 it. I know the section of the Home Rule
7 Charter that says before any city asset is
8 sold it must be approved by council. Let me
9 find that.

10 MR. LOSCOMBE: Okay.

11 MR. HUGHES: Then the thing is that
12 who made the decision? I mean, somebody had
13 to be there with the acetylene torches. I
14 was on the zoological society for many
15 years, I'm very familiar with the zoo. I
16 loved the zoo when we had lions, tigers,
17 elephants --

18 MR. MCGOFF: And bears.

19 MR. HUGHES: -- everything, but I
20 was on it during that period, had many fund
21 raises for it and we raised more money out
22 of Luzerne County than we did Lackawanna
23 County to keep the zoo open, but let me take
24 a look at it because I don't know how they
25 could dismantle it and what happened to it

1 but just before we go off and do anything
2 let me come up with an opinion on it, okay,
3 please?

4 MR. LOSCOMBE: Okay. I definitely
5 think it should be investigated, it is city
6 property, no one was notified and someone
7 profited from it definitely, and I did
8 notice in the legal ads on May 11 requests
9 for sealed quotes, Scranton Municipal
10 Recreation Authority for professional
11 services, and I'm just curious to what this
12 is for. In the lower body it says, "The Nay
13 Aug Park improvements, 1900 Mulberry Street,
14 Scranton, Pennsylvania, 18510. The quote
15 must be divided into three consecutive
16 phases that provide all required
17 professional services from planning to final
18 inspection at project completion. This will
19 include preliminary park planning,
20 construction documents, construction support
21 services. Anthony Maranucci, President."

22 Now, I'm just curious that they're
23 seeking bids for park improvements? I
24 thought the park was improved over the past
25 few years. We have many parks out there

1 right now that are falling apart.
2 Obviously, this is dichotomous because it's
3 the Rec Authority and they handle Nay Aug,
4 but at the same time they are charging --
5 they have money to spend for studies like
6 this and consultants, yet, they are charging
7 children to swim up there.

8 MR. MCGOFF: May I respond to part
9 of that?

10 MR. LOSCOMBE: Yes.

11 MR. MCGOFF: I believe that either
12 the city or the authority received I think
13 it's a \$50,000 grant that's project specific
14 that was written through the Parks and
15 Recreation and that is where the funding is
16 for the project that is out on proposal.

17 MR. LOSCOMBE: So it probably cost
18 more than that 50 for a consultant. I would
19 think they would just take that grant and
20 dump some piles like they did originally
21 that cost us \$700,000 and placed some grass
22 on it. I'll consult them for \$5.

23 MR. MCGOFF: I would suggest that if
24 you are that concerned that you go and find
25 the RFP which should explain what work is

1 going to be done.

2 MR. LOSCOMBE: I just happened to
3 see this in the paper, they are supposed to
4 send stuff to us, aren't they? We have
5 asked them to respond here to meetings, they
6 haven't yet.

7 At the same token, since we are
8 discussing the Rec Authority, they are an
9 authority and they run Nay Aug, on that
10 insurance policy are we are actually
11 carrying property at Nay Aug, too. That
12 should be something that they paid the
13 insurance on, and speaking of that, have we
14 ever received a response from the Library
15 Authority or Knowels Associates regarding
16 the insurance questions that we sent them on
17 overpayments of buildings that are not
18 insured by the city that are owned by the
19 authorities? We haven't received anything
20 on that, have we, Mrs. Krake?

21 MS. KRAKE: No, we have not.

22 MR. LOSCOMBE: Well, I would like to
23 have those questions answered, too. And
24 they have a 50,000 grant for Nay Aug, maybe
25 they could use it for swimmers.

1 MR. MCGOFF: It's project specific.

2 MR. LOSCOMBE: It's specific you
3 said to a certain program?

4 MR. MCGOFF: I believe it was a
5 project specific grant.

6 MR. LOSCOMBE: Well, then whatever
7 project it's specific to they can do it
8 without a consultant, I believe, or I think
9 that, you know, the board of director
10 members may have some experience in the
11 parks. That's my opinion only, excuse me.
12 But, you know, money is going everywhere but
13 where it should go.

14 We discussed the Parking Authority
15 and Mr. Scopelliti before, and I have to
16 agree with our solicitor and Mr. Rogan's
17 comments on that. They have been given
18 every opportunity for the past couple of
19 years to help themselves out. They have
20 been given advice from council, they have
21 been given opportunities to generate
22 revenue, and they thumb their nose at us.
23 They have provided us with bogus budgets and
24 now their back is against the wall again.
25 If they are autonomous, and this isn't

1 guaranteed, I would say it's time to show
2 them a lesson, and let this be a lesson to
3 the other authorities that continue to run
4 rough shot. We are all the same taxpaying
5 body. We have to get things under control
6 at this point.

7 Another issue, Perry Avenue where
8 they wanted to make a park at one time.
9 It's a city-owned property. Well, the grass
10 is up over the knees right now so I'm glad
11 they didn't transform it into a park or they
12 wouldn't be able to play in there as it is,
13 but that is a city park, and I will get Mrs.
14 Krake to request that the city maintain it.
15 It is a city property.

16 The other day we had several
17 flooding issues. We have had heavy rains,
18 but it seems, you know, we spent a lot of
19 money on flooding programs in the city, the
20 river flooding and the stream flooding, yet,
21 we continue to ignore the storm water
22 flooding from the heavy rains. The same
23 neighborhoods, the same people are getting
24 inundated time after time after time and
25 some of them -- some of the problems have

1 simple solutions. As a laymen, I could see
2 that. Some of them are much more
3 complicated and may cost us some money, but
4 I believe at this point these people that
5 are living under these conditions have to
6 see some resolution, and I think it's going
7 to take a meeting with the Sewer Authority,
8 our Department of Public Works, our city
9 engineer, PennDOT, and any of us that are
10 interested in being involved and resolving
11 this resolution once and for all.

12 I mean, my phone rings off the hook
13 every time it rains. I'm usually out on the
14 road checking those areas anyway. I have
15 probably 120 pictures in my camera from the
16 same areas that constantly flood. And
17 again, like I said, probably 30 to 40
18 percent of those we could alleviate the
19 problem very simply, very cost effectively.
20 Some of the problems are going to take some
21 engineering and some other solutions, but
22 that's what we are here for. That's what
23 our departments are supposed to be doing.

24 But I'm going to try and setup a
25 meeting with all of these officials that I

1 had mentioned and try and resolve this and
2 if any possible way I would like to have it
3 public so those that are affected could come
4 here and voice their concerns and I will be
5 working on that.

6 Paving issues, those are regular
7 issues.

8 Lastly, Mrs. Schumacher, regarding
9 the police issue, it's not the same thing as
10 Old Forge because Old Forge has been -- the
11 District Attorney and the state police have
12 become involved and they have opened up.
13 With the city situation, they determined
14 there were no criminal charges relegating it
15 back it our police chief to do his own
16 internal investigation and determine what
17 his decision would be, and since it's an
18 internal investigation and it is a human --
19 under personnel issue I am legally not
20 liable to mention any names, because there
21 have been no criminal complaints or no
22 criminal charges. Pardon me?

23 MS. SCHUMACHER: Next week.

24 MR. LOSCOMBE: Well, I am only
25 telling you -- I'm not the police chief, I'm

1 not the mayor, I'm only a city councilman
2 handling the public safety. I don't get
3 paid for it like the chief does, I don't get
4 paid for it like the mayor does. I can only
5 do what I can legally do in my position. I
6 am not at liberty to mention any names, all
7 I can tell you is that police officer was
8 brought back to the rank of patrolman and
9 that's all I can tell you. I apologize. I
10 would like to stand here and scream it out
11 myself, but I'm not going to take -- get
12 myself involved in a Court case for
13 something that I have no control over. Once
14 it's a personnel issue and it's not criminal
15 issue, it's out of my hands and that's
16 actually the result of it.

17 But, you know, if you have any
18 further questions you can go see Chief Duffy
19 the mayor and see if he will provide you
20 with anymore information, but that's all I
21 have at this point. I probably have a lot
22 more, but --

23 MR. HUGHES: If I could,
24 Mr. Chairman, it's not in the ordinance,
25 it's in the placement agreement, and the

1 first one is under Article 8-C, "At the time
2 of closing, the Act 47 plan shall be
3 approved by the city and shall be in full
4 force and effect and shall not have been
5 amended, modified or supplemented."

6 Now, there is a Recovery Plan in
7 place. Then they go to, that's 8-C, you go
8 to 8-G-3, "The most recent Act 47 plan
9 certified to be an appropriate -- certified
10 by an appropriate officer of the city as
11 having been duly approved and adopted by the
12 city council and the mayor."

13 There is one in effect, so there is
14 nothing in here about any type of amendment,
15 so the city has met all of the conditions of
16 the placement agreement and of the ordinance
17 because this is a document that has to done,
18 so anybody that's trying to say there has to
19 be a new Recovery Plan, there is no
20 contractual commitment on behalf of the city
21 that that's true.

22 However, there is one thing in here,
23 and it's article 8-G-11, this is a condition
24 of the closing, "A copy of the rating letter
25 from Standard and Poors Corporation

1 assigning the city an underlying rating of
2 BB minus or higher," well, BB minus is a
3 junk bond that's not investment grade,
4 cannot be put in any trust agreement in
5 Pennsylvania by any fiduciary so that would
6 be the status of the city's bond. It would
7 be a junk bond in financial parlance. I
8 have nothing further.

9 MR. LOSCOMBE: I just failed, and I
10 did want to thank -- last week I was
11 critical of an employee of the DPW, but I do
12 want to thank them through all this
13 rainstorm they were out there, the DPW
14 workers and the Sewer authority, trying to
15 do what they could with the situation that
16 we had at hand, and there was a mudslide up
17 on West Mountain on the road, that was
18 actually removed the next day, so I want to
19 thank them for that, also.

20 You know, often we're critical about
21 different situations, but I do want to thank
22 them when they are due a thank you. That's
23 all. Thank you.

24 MR. JOYCE: First of all tonight, I
25 just want to say I'm really flabbergasted by

1 the Parking Authority and their Director
2 Mr. Scopelliti. I have been asked in an
3 e-mail through Ryan McGowan whether
4 legislation was going on the agenda for the
5 \$1.4 million to be withdrawn from the
6 contingency.

7 First of all, the business
8 administrator should know that I don't have
9 the authority to place legislation on the
10 agenda and to not place legislation on the
11 agenda. That's something only the council
12 president can do. But let me just say this,
13 you are looking for \$1.4 million out of the
14 contingency fund, and this is the letter
15 that went to Mr. Scopelliti.

16 "Dear Mr. Scopelliti, Scranton City
17 Council requests your attendance a public
18 caucus to be held in council chambers prior
19 to it's weekly meeting. Before the caucus
20 can be scheduled, you must fully respond to
21 Attorney Hughes' letter to you of October
22 27, 2011, which is months ago, which was
23 nearly seven months ago, to which these have
24 never been responded.

25 You must produce all documents

1 requested and submitted in accordance with
2 the budget set forth in Item 7, the letter,
3 except that for the budget use actual
4 figures to December 31, 2011. All copies of
5 the documents and figures requested to date
6 must be updated to the date of your
7 response. Before any meeting is scheduled
8 with council, all of the documentation
9 requested in the budget must be submitted to
10 council at least one week prior to
11 scheduling a public caucus.

12 Since the Scranton Parking Authority
13 is currently operating without an approved
14 budget, the budget must be properly and
15 adequately prepared for the supporting
16 financial documentation it can be placed on
17 the council's agenda for adoption.

18 Council must adopt the Scranton
19 Parking Authority budget for 2012 before it
20 will consider an ordinance to provide
21 funding to the Parking Authority."

22 Now, let me ask you this, if you
23 sitting out there and, you know, you are
24 wondering, you are the executive director of
25 the Parking Authority, you get this letter,

1 you have a \$1.4 million obligation to pay, I
2 think that the first thing you would want to
3 do is get this done. I don't understand why
4 Mr. Scopelliti, and maybe I'm mistaken, has
5 Mr. Scopelliti provided any correspondence
6 to this office?

7 MS. KRAKE: No.

8 MR. JOYCE: I don't understand how
9 they could be suggesting that we just hand
10 them a check for \$1.4 million when they
11 won't even appear to say exactly what it's
12 going for. And correct me if I'm wrong,
13 does anyone know exactly what this is --
14 what the \$1.4 million is going to pay?

15 MR. HUGHES: No. It was just the
16 ordinance came down with \$1.4 million. It's
17 giving money to a drunken sailor. It's
18 like, you know, it's falling into a black
19 hole in space over in the corner of
20 Washington and Linden Street.

21 MR. JOYCE: And, you know, after
22 reading this letter that was sent out from
23 the office I can understand why legislation
24 hasn't been placed on the agenda. Though I
25 have no authority to say what goes on the

1 agenda and what does not go on the agenda, I
2 wouldn't place it on the agenda unless I had
3 the required information either. I think I
4 think it's mandatory that they submit the
5 budget and they tell us exactly what they
6 are going to pay with the \$1.4 million.

7 Now, over the past meeting or two
8 there has been a good deal of dialogue
9 regarding unfunded debt borrowing as well as
10 refinancing over the past three meetings.
11 Now, I'm going to try to take this time and
12 clear this the air and shed some light on
13 the few things regarding the legislation on
14 the agenda tonight, Item 6-A and Item 7-A.

15 First, regarding the unfunded
16 borrowing, it was not council's original
17 idea to engage in unfunded borrowing. This
18 was advised by PEL and the administration
19 confirmed as well. Council in 2011
20 unknowingly -- or into 2011 unknowingly that
21 the 2010 was not yet paid. This was not
22 included as a part of the 2011 budget
23 submitted by the administration, therefore,
24 we started the year with a hole.

25 Eventually, that hole became what it

1 was and then council was placed to a
2 legislation that was approved by all council
3 members for the city to petition the Court
4 of Common Pleas -- or Commonwealth Court
5 rather to borrow \$9.85 million because at
6 this time council had no other choice. Our
7 original plan was to borrow against parking
8 meters because one of the suggestions that
9 the administration had was to sell the
10 parking meters for \$6 million, which we
11 didn't approve of.

12 Now, the city was granted permission
13 for the unfunded borrowing and by the Court
14 and at the same time the Court order that
15 there must be a Court mandated millage
16 increase to cover the cost of the unfunded
17 borrowing, which is the piece of the
18 legislation that you see in 6-A.

19 Subsequently, and correct me if I'm
20 wrong, Attorney Hughes, if council doesn't
21 approve this millage increase since it was
22 mandated by the Court is it true that we
23 wouldn't be able to engage in the unfunded
24 borrowing?

25 MR. HUGHES: That's a condition of

1 the approval of the unfunded borrowing is
2 that there be specific -- that there would
3 be a raising of the taxes or at least a
4 specific amount of the taxes to pay that
5 bond issue for each of the ten years, so
6 even if you approve the borrowing you have
7 to approve the ordinance in accordance with
8 the Court to raise the taxes in accordance
9 with the Court order.

10 MR. JOYCE: Right.

11 MR. HUGHES: The two not only go
12 hand in hand, but if they are not approved
13 there is an issue is the city in violation
14 of the Court order. So, I mean, the city
15 went in in order to get approval to borrow,
16 to have this mechanism determined whether
17 the taxes are going to go into an escrow
18 account, and I don't know -- I don't want to
19 state to what you said before, Mr. Chairman
20 might not be correct, but I would believe
21 that since an escrow fund is being
22 established to pay these bonds that that
23 would be a separate line item in the budget.
24 I believe it would be because those monies
25 are not going to be commingled with other

1 city monies that tax revenue, they are going
2 to be segregated by the tax collector and
3 put into an escrow account to pay those
4 bonds, so I think that would be a separate
5 line item.

6 But you can't approve the borrowing
7 without approving the raising of the taxes,
8 and as I said last week, it's going to be a
9 question of where that it doesn't mean that
10 the millage is automatically going to go up
11 10 percent because there were other cuts
12 made in the budget, it's just that that
13 amount to pay these bonds is going to come
14 from the real estate tax revenue.

15 MR. JOYCE: Right.

16 MR. HUGHES: And that will be
17 determined later, so that assuming that
18 there is extra revenue that's coming in from
19 other items in the budget and that there is
20 cuts made, it's conceivable that there might
21 not be a tax increase, but that the amount
22 of the real estate taxes that are necessary
23 to pay these bonds is going to be set aside
24 and is going to be escrowed. That's what
25 the legislation is saying.

1 MR. JOYCE: Right. So you are
2 saying that technically the legislation is
3 saying that it's not a 10 percent increase
4 in taxes, it's a 10 percent separation of
5 taxes for it's --

6 MR. HUGHES: It might be less from
7 the standpoint that once the bonds are
8 floated and you have an exact figure as to
9 what those payments, principal and interest
10 are going to be, it might be 9 percent, but
11 whatever will be put into escrow, if it is
12 10 percent, then it would be a surplus in
13 that fund. That's the way that I see it.
14 It will be a surplus in that fund so that
15 the next year, depending on what it is, you
16 would have a carryover and you might not
17 need as much.

18 MR. JOYCE: Okay.

19 MR. HUGHES: I'm being very
20 optimistic.

21 MR. JOYCE: Unfortunately, if we are
22 not able to engage in unfunded borrowing the
23 city won't be able to pay it's overdue
24 bills, including employee health care. And
25 costs to run day-to-day operations.

1 Now, regarding the refinancing of
2 the debt, though the mayor states that this
3 is in their budget, it was in his budget
4 submitted to council on November 15 of last
5 year as well. The refinancing of debt is in
6 the budget for this year, and it's a planned
7 part of the original Recovery Plan sent from
8 PEL for next year as well.

9 Mayor Doherty stated at the meeting
10 at Fidelity Bank last year that if we
11 refinanced early enough we would be able to
12 save \$6.4 million, which is the amount that
13 the -- the amount of savings that was --
14 that the budget was amended to. This was
15 also confirmed by PEL.

16 If refinancing was not a part of the
17 budget for this year, the city would have
18 needed to levy an enormous tax increase on
19 it's residents to make up the difference.
20 You are looking at \$5 million, that would
21 have been -- that could have been nearly a
22 50 percent tax increase in one year.

23 Now, as far as getting the
24 refinancing done early enough, the city was
25 not able to find a lender quick enough to

1 realize the full savings that could have
2 been part of the refinancing. In fact, it
3 was told to me that banks did not even
4 really want to touch the city, by business
5 administrator Ryan McGowan, and that's why
6 we have this bond issue. We don't just have
7 some regular loan because right now the City
8 of Scranton is in a lot of trouble. We are
9 in a crisis. It's safe to say that and
10 right now this is the only way -- or this is
11 the only lending that we could get.

12 Now, regarding the Recovery Plan
13 recently I did send various requirements of
14 council to Business administrator Ryan
15 McGowan. I received an e-mail back
16 regarding various issues and he advised me
17 you to alter his spreadsheets that he put
18 together in regard to what the
19 administration already had in regard to the
20 Recovery Plan. There have been a number of
21 meetings that have occurred on the Recovery
22 Plan between primarily myself, Councilwoman
23 Evans, the mayor, and business
24 administrator.

25 Now, let me make this quite clear,

1 as a part-time legislator it's not my job to
2 alter spreadsheets. As the business
3 administrator, this is his job to alter any
4 spreadsheets with any suggestions or
5 requirements that we come up with. With the
6 situation that the city is facing, if the
7 administration wants the Recovery Plan
8 revised I suggest they get working fast with
9 council suggestions.

10 Now, Mrs. Krake, with this in mind
11 can you please contact Mr. McGowan and ask
12 him to alter any spreadsheets with the
13 requirements for the Recovery Plan that I
14 originally sent over.

15 And that's all and I'll save my
16 other comments for the vote.

17 MR. HUGHES: Mr. Chairman, if I
18 could and what I said before, and I don't
19 want to take too much time, but in my letter
20 seven months ago to Mr. Scopelliti, and it
21 was very specific, that Item No. 2, "The
22 balances of all funds, included, but not
23 limited to, the debt service account, the
24 sinking fund, the debt service reserve
25 account, the bond redemption improvement

1 fund, any applicable bond escrow funds for
2 redemption of any bonds held by the trustee,
3 Bank of New York Trust Company, NA,
4 successive trustee of JP Morgan Trust
5 Company, for all of the trust indentures,"
6 so that every bond issue they have we would
7 have knowledge and we would have the actual
8 information what the trustee, which is Bank
9 of New York -- or, I'm sorry, the New York
10 Trust Company, has in all of these debt
11 services accounts, the balances.

12 They can tap these debt services
13 accounts, because that's what they are there
14 for, to make the payments. Now, there is a
15 requirement that if they are going to be in
16 default that they have to give -- there is
17 two bonding companies that are involved in
18 these bonds, Radiant Asset Assurance.

19 "No. 5, a copy of all documents to
20 Radiant Asset Assurance, Inc., by the SPA or
21 the Bank of New York as required by for
22 supplemental trust indenture between the SPA
23 and Bank of New York at any time since
24 January 6, 2009, to date.

25 (6) A copy of all documents

1 submitted to Financial Guarantee Insurance
2 Company by the SPA or Bank of New York as
3 required by the third supplemental trust
4 indenture between the SPA and Bank of New
5 York any time since January 1, 2009, to
6 date."

7 They are the insurance, they are the
8 ones that have given the insurance so those
9 bonds can never be in default. Have they
10 given then notice? So they are saying that
11 they need money on June 1 to make bond
12 payments, right? They have never answered
13 this, so how could you even look at
14 legislation. They could have millions of
15 dollars, well, hundreds -- millions, in
16 these various -- in these various
17 supplemental accounts that are required by
18 the trust indenture that if you are going to
19 be in default they can take out then they've
20 got to replenish it, just like an escrow
21 fund. That's what they are.

22 Have they given the insurance
23 companies, the two insurance companies, you
24 know, Radiant and Financial Guarantee notice
25 that they are going to be in default. If

1 they have, you would think they would have
2 sent over the legislation we need \$1.4
3 million. That's what I said last week, it's
4 like, you know, they are running around
5 Chicken Little, you know, the sky is
6 falling. "We are going to be in default, we
7 are going to be in default."

8 There is no evidence that they have
9 given us that they are in default, so the
10 only conclusion I can come to they ignore
11 the letter for seven months, they are not
12 going to be in default, they want \$1.4
13 million for the city for some purpose.
14 That's Boyd Hughes' opinion.

15 MR. JOYCE: And that's all I have
16 for tonight.

17 MS. KRAKE: Mr. Joyce, before I
18 continue with the rest of the agenda, we
19 have a student here from Scranton Prep which
20 brought it to my mind, would you be so kind
21 as you recall, be able to ask permission to
22 remove our suit coats, since there is no air
23 conditioning working at this time, would it
24 be all right wit the president of council to
25 alter the dress code a little if need be?

1 MR. JOYCE: Yeah. That's fine by
2 me.

3 MS. KRAKE: I'm sure you recall
4 having to do that in class at the meeting?

5 MR. JOYCE: Yes.

6 MS. KRAKE: Thank you very much for
7 that.

8 MR. JOYCE: That's fine.

9 MS. KRAKE: 5-B. ESTABLISHING A NO
10 PARKING ZONE IN THE 900 BLOCK OF NORTH
11 WASHINGTON AVENUE (S.R. 3023) ON THE WESTERN
12 MOST SIDE OF SAID STREET PURSUANT TO THE
13 HIGHWAY OCCUPANCY PERMIT APPLICATION OF THE
14 COMMONWEALTH MEDICAL COLLEGE FROM SR 3023
15 SEGMENT 0090 OFFSET 1000 TO SR 3023 SEGMENT
16 0090 OFFSET 1219 FOR A DISTANCE OF TWO
17 HUNDRED NINETEEN (219) FEET.

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

21 MR. ROGAN: So moved.

22 MR. MCGOFF: Second.

23 MS. JOYCE: On the question? All
24 those in favor of introduction signify by
25 saying aye.

1 MR. MCGOFF: Aye.

2 MR. ROGAN: Aye.

3 MR. LOSCOMBE: Aye.

4 MR. JOYCE: Aye. Opposed? The ayes
5 have it and so moved.

6 MS. KRAKE: 5-C. AUTHORIZING THE
7 MAYOR AND OTHER APPROPRIATE CITY OFFICIALS
8 TO EXECUTE AND ENTER INTO ON BEHALF OF
9 THE CITY OF SCRANTON A DEVELOPMENT AGREEMENT
10 WITH LWA ASSOCIATES LP. RELATED TO THE LAND
11 DEVELOPMENT KNOWN AS LAUREL WOODS WITHIN THE
12 CITY.

13 MR. JOYCE: At this time I'll
14 entertain a motion that Item 5-C be
15 introduced into its proper committee.

16 MR. ROGAN: So moved.

17 MR. MCGOFF: Second.

18 MS. JOYCE: On the question? All
19 those in favor of introduction signify by
20 saying aye.

21 MR. MCGOFF: Aye.

22 MR. ROGAN: Aye.

23 MR. LOSCOMBE: Aye.

24 MR. JOYCE: Aye. Opposed? The ayes
25 have it and so moved.

1 MS. KRAKE: 6-A. READING BY TITLE -
2 FILE OF COUNCIL NO. 32, 2012 - AN ORDINANCE
3 - AUTHORIZING THE MAYOR AND OTHER
4 APPROPRIATE CITY OFFICIALS TO LEVY A REAL
5 ESTATE TAX MILLAGE INCREASE FOR A PERIOD OF
6 (10) YEARS DEDICATED TO RETIRING THE
7 UNFUNDED DEBT INCURRED IN CALENDAR YEAR 2012
8 IN THE AMOUNT OF NINE MILLION EIGHT HUNDRED
9 FIFTY THOUSAND DOLLARS (\$9,850,000.00) AND
10 DIRECTING THE CITY TREASURER TO SEPARATE THE
11 PROPER PORTION OF THE REAL ESTATE TAXES
12 RECEIVED FROM THE SINGLE TAX OFFICE DURING
13 SUCH TEN (10) YEAR PERIOD AND FORWARD SAME
14 TO A SEPARATE ACCOUNT TO SERVICE AND RETIRE
15 THE UNFUNDED DEBT.

16 MR. JOYCE: You've heard reading by
17 title of Item 6-A, what is your pleasure?

18 MR. MCGOFF: I move that Item 6-A
19 pass reading by title.

20 MR. LOSCOMBE: Second.

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

23 MR. MCGOFF: Aye.

24 MR. LOSCOMBE: Aye.

25 MR. JOYCE: Aye.

1 MR. JOYCE: Opposed?

2 MR. ROGAN: No.

3 MR. JOYCE: The ayes have it and so
4 moved.

5 MR. HUGHES: 7-A. FOR CONSIDERATION
6 BY THE COMMITTEE ON FINANCE FOR ADOPTION
7 -FILE OF COUNCIL NO. 31, 2012 - AN ORDINANCE
8 OF THE CITY OF SCRANTON, LACKAWANNA COUNTY,
9 PENNSYLVANIA, SETTING FORTH ITS INTENT TO
10 ISSUE ONE OR MORE SERIES OF FEDERALLY
11 TAXABLE AND/OR TAX EXEMPT GENERAL OBLIGATION
12 BONDS OR NOTES OF THE CITY IN AN AGGREGATE
13 PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-SIX
14 MILLION SIX HUNDRED THOUSAND DOLLARS
15 (\$26,600,000) (COLLECTIVELY, THE "BONDS")
16 PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY
17 OF THE COMMONWEALTH OF PENNSYLVANIA, PA.C.S.
18 53, CHAPTERS 80-82, AS AMENDED, KNOWN AS THE
19 LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT");
20 FINDING THAT A PRIVATE SALE BY NEGOTIATION
21 IS IN THE BEST FINANCIAL INTERESTS OF THE
22 CITY; DETERMINING THAT SUCH BONDS SHALL
23 EVIDENCE NONELECTORAL DEBT OF THE CITY;
24 SPECIFYING THAT SUCH INDEBTEDNESS TO BE
25 INCURRED TO PROVIDE FUNDS FOR A CERTAIN

1 PROJECT OF THE CITY CONSISTING OF ALL OR ANY
2 OF THE FOLLOWING: (1) FUNDING UNFUNDED DEBT
3 OF THE CITY; (2) REFUNDING A PORTION OF THE
4 CITY'S OUTSTANDING GENERAL OBLIGATION BONDS,
5 SERIES A OF 2003; (3) REFUNDING A PORTION OF
6 THE CITY'S OUTSTANDING GENERAL OBLIGATION
7 BONDS, SERIES B OF 2003; (4) REFUNDING A
8 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
9 TAXABLE GENERAL OBLIGATION PENSION FUNDING
10 BONDS, SERIES C OF 2003; (5) REFUNDING A
11 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
12 TAXABLE GENERAL OBLIGATION BONDS, SERIES D
13 OF 2003; AND (6) FUNDING NECESSARY RESERVES
14 AND PAYING THE COSTS AND EXPENSES OF
15 ISSUANCE OF THE BONDS; SETTING FORTH THE
16 REASONABLE ESTIMATED USEFUL LIVES OF THE
17 CAPITAL PROJECTS THAT ARE TO BE FINANCED AND
18 REFINANCED BY THE BONDS; ACCEPTING A
19 PROPOSAL FOR THE PURCHASE OR ARRANGEMENT OF
20 THE PRIVATE PLACEMENT OF SUCH BONDS AT
21 PRIVATE SALE BY NEGOTIATION TO FINANCIAL
22 INSTITUTIONS, QUALIFIED INSTITUTIONAL BUYERS
23 AND/OR ACCREDITED INVESTORS; PROVIDING THAT
24 SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A
25 GENERAL OBLIGATION OF THE CITY; FIXING THE

1 DENOMINATIONS, SERIES DESIGNATIONS, DATED
2 DATE, INTEREST PAYMENT DATES, MATURITY
3 DATES, INTEREST RATES, REDEMPTION
4 PROVISIONS, OPTIONAL AND MANDATORY
5 REDEMPTION PROVISIONS (IF APPLICABLE) AND
6 PLACE OF PAYMENT OF THE PRINCIPAL OF AND
7 INTEREST ON SUCH BONDS; AUTHORIZING
8 SPECIFIED OFFICERS OF THE CITY TO CONTRACT
9 WITH THE PAYING AGENT FOR ITS SERVICES
10 IN CONNECTION WITH THE BONDS; SETTING FORTH
11 THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING
12 THE DEBT; AUTHORIZING EXECUTION AND
13 ATTESTATION OF SUCH BONDS; PROVIDING
14 COVENANTS RELATED TO DEBT SERVICE APPLICABLE
15 TO SUCH BONDS TO THE EXTENT REQUIRED BY THE
16 ACT AND PLEDGING THE FULL FAITH, CREDIT AND
17 TAXING POWER OF THE CITY IN SUPPORT THEREOF;
18 CREATING A SINKING FUND FOR EACH SERIES
19 OF BONDS IN CONNECTION WITH SUCH SERIES OF
20 BONDS, TO THE EXTENT REQUIRED BY THE ACT;
21 DESIGNATING THE PAYING AGENT TO BE THE
22 SINKING FUND DEPOSITARY; PROVIDING A
23 COVENANT TO INSURE PROMPT AND FULL PAYMENT
24 FOR SUCH BONDS WHEN DUE; SETTING FORTH
25 REGISTRATION AND TRANSFER PROVISIONS WITH

1 RESPECT TO SUCH BONDS; AUTHORIZING THE
2 EXECUTION OF ONE OR MORE INVESTMENT
3 AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY
4 (IF APPLICABLE) AND THE PURCHASE OF CERTAIN
5 U.S. TREASURY OBLIGATIONS OR ANY OTHER
6 SECURITIES OR INVESTMENTS IN CONNECTION
7 WITH THE PROJECT AND THE REFUNDING OF THE
8 PRIOR BONDS; AUTHORIZING AND DIRECTING
9 SPECIFIED OFFICERS OF THE CITY TO DO, TO
10 TAKE AND TO PERFORM CERTAIN SPECIFIED,
11 REQUIRED, NECESSARY OR APPROPRIATE ACTS TO
12 EFFECT THE ISSUANCE OF THE BONDS, INCLUDING,
13 WITHOUT LIMITATION, THE PREPARATION OF A
14 DEBT STATEMENT AND BORROWING BASE
15 CERTIFICATE, AND THE FILING OF SPECIFIED
16 DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY
17 AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY
18 THE ACT; DECLARING THAT THE DEBT TO BE
19 EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL
20 OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE
21 IN EXCESS OF ANY APPLICABLE LIMITATION
22 IMPOSED BY THE ACT; AUTHORIZING PROPER
23 OFFICERS OF THE CITY TO DELIVER THE BONDS
24 UPON THE APPROVAL OF THE DEPARTMENT OF
25 COMMUNITY AND ECONOMIC DEVELOPMENT; IF

1 APPLICABLE, SETTING FORTH CERTAIN COVENANTS
2 PRECLUDING THE CITY FROM TAKING ACTIONS
3 WHICH WOULD CAUSE THE BONDS TO BECOME
4 "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY
5 BONDS," AS THOSE TERMS ARE USED IN THE
6 INTERNAL REVENUE CODE OF 1986, AS AMENDED
7 (THE "CODE"), AND APPLICABLE REGULATIONS
8 PROMULGATED THEREUNDER; AUTHORIZING THE
9 EXECUTION OF A CONTINUING DISCLOSURE
10 CERTIFICATE AND COVENANTING TO COMPLY WITH
11 THE PROVISIONS THEREOF, IF APPLICABLE;
12 AUTHORIZING THE EXECUTION OF ONE OR MORE
13 ESCROW AGREEMENTS BY AND BETWEEN THE CITY
14 AND THE ESCROW AGENT NAMED THEREIN IN
15 CONNECTION WITH THE REFUNDING OF THE PRIOR
16 BONDS; APPROVING THE FORM OF AND RATIFYING
17 THE PREPARATION, USE AND DISTRIBUTION OF A
18 PRELIMINARY PLACEMENT MEMORANDUM AND A
19 PLACEMENT MEMORANDUM BY THE PURCHASER OR
20 PLACEMENT AGENT IN CONNECTION WITH THE
21 MARKETING OF THE BONDS; AUTHORIZING AND
22 DIRECTING THE PREPARATION, EXECUTION AND
23 DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND
24 THE TAKING OF ALL OTHER REQUIRED ACTION;
25 PROVIDING WHEN THIS ORDINANCE SHALL BECOME

1 EFFECTIVE; PROVIDING FOR SEVERABILITY OF
2 PROVISIONS; AND REPEALING ALL ORDINANCES OR
3 PARTS OF ORDINANCES INsofar AS THE SAME
4 SHALL BE INCONSISTENT HEREWITH.

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

8 MR. MCGOFF: Second.

9 MR. JOYCE: On the question?

10 MR. ROGAN: Yes. I guess I'll say a
11 little bit more, I said most of what I
12 wanted to say in regard to this item and the
13 tax increase during motions. You know you
14 are being sold snake oil when it takes ten
15 minutes just for the legislation to be read.

16 When I ran for council both the
17 first time and I was unsuccessful, and the
18 second time with Mr. Joyce and Mrs. Evans
19 successfully, I stated I was committed to
20 fiscal responsibility, fighting against tax
21 increases, fighting against the increased
22 borrowing, and I made a pledge to the voters
23 that I wouldn't do those items unless every
24 other option was explored, and I truly
25 believe that, that that's how business

1 should be conducted.

2 Now, I agree with my colleagues when
3 it comes to the Parking Authority. They
4 want -- we all want Mr. Scopelliti to come
5 in, explain his case, why should the City
6 give them \$1.4 million. Well, why don't we
7 ask at the same time for the mayor and the
8 business administrator and PEL to come in
9 and explain why borrowing is the only option
10 left? There have been numerous attempts by
11 this council to address our financial woes.
12 Some of them very small, some of them very
13 large.

14 The StreetSmart program that
15 Councilman Loscombe brought up, would have
16 generated more money to the city, we
17 wouldn't be in as big of a hole as we are
18 in. The sale of some city assets, such as
19 the Sewer authority, I have been banging my
20 head against the wall for two years just
21 trying to get the mayor to put out proposals
22 to see what it's valued at, just see what
23 it's valued at then move forward. If that
24 was done two years ago we would know the
25 valuation of the Sewer Authority.

1 My personal belief it's in excess of
2 the money we are borrowing right here, so by
3 selling that we would avoid having to borrow
4 money and increase taxes on the residents
5 until the year 2023. Try to comprehend
6 that. It's 2012. 2023. Not only would we
7 be passing a tax increase for 10 years,
8 there is no actual end date.

9 Now, I know that Attorney Hughes
10 mentioned that it may be separate, Mr. Joyce
11 said it may be together, we'll get that
12 sorted out, we still have another week on
13 that piece of the puzzle, but I look at
14 these two items, the unfunded borrowing and
15 the tax increase as one, because they really
16 are. You know, if you are voting "yes" on
17 one you have to vote "yes" on both because
18 you need the tax increase to pay for the
19 borrowing.

20 There is no set end date for the
21 legislation for the tax increase, and that's
22 been another thing that concerns me. As I
23 said before, Mayor Doherty came to council
24 in the past to lobby for borrowing. Even
25 when he had friendly councils, and many more

1 speakers who were opposed came to council
2 back in those days, he still came here.

3 It infuriates me that this is going
4 to be rubber stamped by this council. I am
5 not going to be one of them, but it
6 infuriates me this is going to be passed
7 through without the mayor even coming in
8 here, and when we took office -- thank you.

9 When we took office two years ago
10 the media dubbed the term supermajority,
11 which I thought at the time was fitting. As
12 months go on, and especially after last
13 week's meeting and this week's meeting, I
14 really feel like I'm a minority of one
15 sitting on council as the only person
16 standing up against these tax increases and
17 borrowing. I will be voting "no". I will
18 stand behind my vote. Don't fall for the
19 scare tactics the administration is going to
20 try to sell you that the city is going to
21 fall off a cliff if we don't borrow tens of
22 millions of dollars and raise taxes. He has
23 been selling the same snake oil for a
24 decade. And that is all I have to say. I'm
25 voting "no".

1 MR. JOYCE: Anyone else on the
2 question?

3 MR. LOSCOMBE: Yes. Just, you know,
4 it would be easy to sit here and say, "I'm
5 not voting for it."

6 MR. ROGAN: No, it's not an easy
7 decision to say you are not voting for it.
8 It's easy to say approve it like everyone
9 has been doing in the past. I'm the only
10 one standing up saying, "Let's try something
11 else."

12 It's getting frustrating.

13 MR. LOSCOMBE: The problem is, the
14 problem is we have been asking to try
15 something else for two years now and we are
16 getting no response.

17 MR. ROGAN: So why give in? We are
18 elected officials --

19 MR. LOSCOMBE: We are not just
20 effecting ourselves, we are effecting
21 everyone's lives out here whether you want
22 to believe it or not. If everything goes in
23 default next week then what's --

24 MR. JACKOWITZ: Then so be it. It's
25 not our fault.

1 MR. LOSCOMBE: Of course it's not
2 your fault and it's not ours either.

3 MR. JACKOWITZ: So be it.

4 MR. LOSCOMBE: We have been here two
5 years trying to make up for the mess that's
6 occurred over ten years.

7 MR. JACKOWITZ: Talk to the people
8 who were here four, five or six years ago on
9 council who voted in favor of all of this.
10 Talk to them.

11 MR. LOSCOMBE: It's our job here to
12 try and rank this ship and I think that's
13 what we are been doing. We could have
14 passed a 29 percent tax increase at the
15 beginning of the year and let the budget
16 fly, but we didn't.

17 MR. JACKOWITZ: Then do it. Do it.

18 MR. LOSCOMBE: I'm talking 10
19 percent now.

20 MR. JOYCE: Excuse me, if I may.

21 MR. LOSCOMBE: Not 29 percent.

22 MR. JOYCE: Citizens' participation
23 is over for this meeting. I ask that
24 Mr. Loscombe be able to say his peace.

25 MR. LOSCOMBE: I'm not just -- trust

1 me, I don't want to pay another dollar
2 taxes. My mother can't afford to pay
3 another dollar in taxes.

4 MR. JACKOWITZ: Then vote "no".

5 MR. LOSCOMBE: The problem is at
6 this point we have no choice. We have no
7 choice. It's easy to sit there and say, "Do
8 this, do that, do this."

9 We have been trying. We have been
10 trying to get people to respond to us and
11 answer us. It's easy to stand at that
12 podium and tell us what to do, but until a
13 better idea comes up I have to listen to my
14 solicitor and the condition we are in right
15 now. I put my faith and trust in my
16 solicitor and our financial chairman here.
17 That's their expertise. I have to listen to
18 what their advice is and what they feel. I
19 have to protect this city. That's why I am
20 here, and it's not an easy issue. It's not
21 an easy vote.

22 But, you know, I had to look at the
23 whole picture and, you know, I'll probably
24 be unpopular, but at this point I think it's
25 our only option right now. For further

1 discourse, we do have to come up with money
2 to pay awards and stuff like that. I do
3 demand the business administrator and the
4 mayor to come here and tell us how, and we
5 have had PEL here for years that, you know,
6 have not guided us in the proper direction.
7 I still don't feel comfortable no matter
8 what Recovery Plan is in there as long as
9 it's under their stewardship, but as for the
10 immediate moment you know, I don't want us
11 to fall off this cliff.

12 We didn't create it, I think we have
13 gone on the best advice that we have.
14 Again, and I agree a lot with what Mr. Rogan
15 said, trust me. He is right on the money
16 with most of it, but I just can't walk away
17 and wash my hands and, you know, not worry
18 about what's going to happen tomorrow.

19 MR. ROGAN: We are not washing our
20 hands with it, and you mentioned and I agree
21 with you, like you said, I agree with a what
22 of what you said, also. You said you demand
23 the mayor and the business administrator to
24 come in. By voting "yes" and appeasing
25 Chris Doherty he is going to continue the

1 behavior of thumbing his nose at council and
2 not coming in. By voting "yes" it's giving
3 him -- it's exactly what he wants. So why
4 demand him come in when you are going to
5 vote against my motion to table it until he
6 comes in, which was the first option, then
7 vote against -- and then vote for the
8 legislation. We could have stopped him
9 today. It could have been stopped today,
10 put on hold for a week until the mayor came
11 in.

12 Mr. McGoff, even though we disagree,
13 seconded the motion so we could discuss, and
14 not one person agreed that the mayor should
15 come in. If you agreed the mayor should
16 come in you would have voted for the motion
17 to table.

18 MR. LOSCOMBE: I agree the mayor
19 should come in, but I think it's beyond the
20 point. We did have a caucus here with the
21 people who are involved as our solicitor
22 stated.

23 MR. ROGAN: The caucus just went
24 over the specifics of the bond issue,
25 nothing else was discussed during the caucus

1 except the bond issue with the attorneys.
2 We didn't discuss any other options with the
3 mayor at that caucus, and the mayor wasn't
4 present. And the business administrator
5 didn't do most of the talking, it was mostly
6 the attorneys doing the talking trying to
7 make the legal language so everyone up here
8 can understand it so the public could
9 understand it.

10 MR. MCGOFF: I would like to call
11 for a vote, Mr. President.

12 MR. JOYCE: I would just like to say
13 one thing, you know, this is a tough vote.
14 6-A was a tough vote, and one thing about
15 being a council member sometimes, a lot of
16 times there is tough decisions to make and
17 you have to make those decisions with what
18 you feel is in the best interest of the city
19 and that's the best interest of all of the
20 people. And I'm sitting here tonight and
21 I'm looking at unfunded borrowing and
22 borrowing in order to refinance debt. This
23 is something that was done in the 2012
24 operating budget. This was something that
25 was passed for one with Mr. McGoff being the

1 only dissenting vote. The mayor vetoed that
2 budget. Then it was overridden 4-1 with
3 Mr. McGoff being the only dissenting vote,
4 and Mr. Rogan did vote for the 2012
5 operating budget.

6 Now, what do you suggest that we
7 should do? What are the other options? If
8 you say you want to privatize the Sewer
9 Authority, who is going to do it? Are we
10 going to say, "Mayor Doherty, you have to
11 privatize the Sewer Authority."

12 Yeah, you know what? Sure, that's
13 easy, I would love to say that, but you know
14 what he is going to do, he is going to say,
15 "Goo pound sand."

16 And plus you have to have a board
17 that agrees to do it. It's not as easy as
18 it seems. I think we have come to a point
19 where we have exhausted a lot of options,
20 and this was an option that we all voted
21 for, like Mr. McGoff did state before during
22 motions, in the 2012 budget and now the
23 process is coming up where in a way we are
24 by voting "no" trying to unravel that
25 process.

1 MR. ROGAN: I would just state, as I
2 stated to Mr. McGoff, when it came to vote
3 for a budget there were two options on the
4 table. Obviously, the budget that mostly
5 you and Mrs. Evans put together, the
6 amendment, was far superior to the budget
7 that Mayor Doherty and Ryan McGowan put
8 together. And as I also stated before, I
9 don't think there is one person up here that
10 agreed with every line item in the budget.
11 It was voted on as a package. It was a take
12 it or leave it vote. You didn't have the
13 option of saying, "Well, I like items one
14 through ten and I don't like number 11 and
15 12," you have to weigh the good with the bad
16 and I felt on a whole avoiding a massive tax
17 increase for the residents, making some cuts
18 that needed to be made, obviously, and I
19 have stated it before, I wanted more to be
20 made in some departments, avoiding the
21 mayor's budget going into effect outweighed
22 the negatives of the parts that I didn't
23 like in both budgets.

24 And again, that's why I advocate in
25 the future, and I think we should vote line

1 item by line item, and even a lot of them
2 maybe 4-1 on one, one way another some of
3 them will still wind up passing. Council
4 will know where each member stood on each
5 vote.

6 Going back to the unfunded debt, if
7 I recall there was a special council
8 meeting --

9 MR. JOYCE: I believe so.

10 MR. ROGAN: -- regarding the unfunded
11 debt that was called on very short notice.
12 I was out of town. I was unable to attend
13 that meeting. Had I been at that meeting I
14 would have voted "no" then as well.

15 And as far as what Mr. Joyce said,
16 you know, we have our ideas and the mayor
17 has told us to pound sand in the past, he is
18 right he has, and that's the problem, and
19 the way to deal with it isn't to just give
20 in and say, "Well, you know, we are council,
21 we are just going to let the mayor run the
22 city. We will give him the reigns."

23 That's not what you do. You fight
24 back and you fight for what you believe in.
25 You don't give into the mayor or whoever it

1 may be. I believe in fighting for what I
2 believe for and I'm going to continue to do
3 that and I think we all should. It seems in
4 this situation that council is appeasing the
5 mayor by not even asking him to come into
6 explain his case and not even allowing
7 council to offer a counter proposal on
8 anything in the process.

9 MR. JOYCE: So let me ask you
10 this --

11 MR. MCGOFF: Mr. Joyce, I think we
12 have talked this back and forth, I think
13 it's time to vote.

14 MR. JOYCE: It's still on the
15 question. I think we have been for a long
16 time, I think we can stay for another few
17 minutes, but let me ask you this, you are
18 saying to me that you voted for the budget
19 and to override the veto, which had unfunded
20 would borrowing it, and which had the
21 refinancing in it, but if you were at that
22 meeting, which was around the same time of
23 the budget, you would have voted against
24 what was in the budget?

25 MR. ROGAN: There were two options

1 when it came to budget time. There were two
2 options, and when it came to overriding the
3 veto, you either -- if I voted to override
4 the veto the amended budget became law. If
5 I voted to sustain the veto or I missed that
6 meeting or whatever if I -- if it wasn't a
7 4-1 vote the mayor's budget was to raise 30
8 percent, and it didn't cut any of the fat
9 out of the budget, it would have taken
10 effect.

11 Weighing that with some of the
12 negatives that were in the budget I felt
13 that there was -- the positives outweighed
14 the negatives. Do I agree with everything
15 that was in it? No. But you pick your
16 battles. At that time I was concerned about
17 keeping taxes low. I was concerned about
18 cutting waste in government, and we did a
19 lot of that. There was a lot of good in the
20 budget done by council. I can't deny that.

21 MR. JOYCE: So then what is your
22 alternative if we don't vote for this
23 tonight? How would we makeup that \$9.85
24 million hole?

25 MR. ROGAN: Well, at this point it's

1 MR. ROGAN: If I created a budget
2 the vote would have went down three for
3 council's budget we did pass, one for my own
4 and one for Mayor Doherty's. The mayor's
5 budget would have become law. I was the
6 deciding vote on the budget. If I did not
7 vote with yourself and Mr. Loscombe and
8 Mrs. Evans, Mayor Doherty's budget would
9 have became law. I had two options. That
10 was it.

11 You need four votes to override a
12 veto. Without four votes, it doesn't
13 matter, I could have proposed anything I
14 wanted with one vote it would have went
15 anywhere, so I went with the better of the
16 two plans that were in front of me and if I
17 could go back and do it again I would have
18 done the same thing because we avoided the
19 massive tax increase and we are able to cut
20 the size of government. It was the right
21 thing to do at the time and I defend that
22 vote. I don't agree with all of it, but on
23 core principal it was a good piece of
24 legislation. There was some things that I
25 didn't agree with.

1 Now we have another vote in front of
2 us that addresses some of the items that I
3 disagreed with it, so now I have the
4 opportunity to vote "no" on the items I
5 didn't agree with.

6 MR. JOYCE: And let me make this
7 clear, if -- one, do I want to raise taxes
8 on the residents of this city? Absolutely
9 not. That's not one thing I want to do.
10 It's not one thing that I have ever thought
11 of doing, but this is the thing, we have a
12 budget, it has unfunded debt borrowing, it
13 has refinancing in it. The Court mandated
14 this tax increase. If we don't vote for it,
15 we don't get the borrowing. If we don't get
16 the borrowing, employees don't get paid,
17 health care gets shut off, city services get
18 shut down. So with that I'll be voting
19 "yes". Roll call, please.

20 MS. KRAKE: Mr. McGoff.

21 MR. MCGOFF: Yes.

22 MS. KRAKE: Mr. Rogan.

23 MR. ROGAN: No.

24 MS. KRAKE: Mr. Loscombe.

25 MR. LOSCOMBE: Yes.

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MS. CARRERA: Mr. Joyce.

MR. JOYCE: Yes. I hereby declare
Item 7-A legally and lawfully adopted. If
there is no further business, I'll entertain
a motion to adjourn.

MR. MCGOFF: 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
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