

COUNCIL FOR THE CITY OF SCRANTON

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HELD:

Tuesday, November 10th, 2020

LOCATION:

VIA ZOOM

Maria McCool, RPR
Official Court Reporter

1 C O U N C I L M E M B E R S :

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- WILLIAM GAUGHAN, PRESIDENT
- KYLE DONAHUE, VICE PRESIDENT
- MARK MCANDREW
- JESSICA ROTHCHILD
- THOMAS SCHUSTER

- LORI REED, CITY CLERK
- KATHY CARRERA, ASSISTANT CITY CLERK
- KEVIN HAYES, COUNCIL SOLICITOR

1 (Pledge of Allegiance.)

2
3 MR. GAUGHAN: Please remain standing
4 for a moment of silent reflection for our
5 service men and women throughout the world and
6 also for those who have passed away in our
7 community.

8 Let us also take another somber
9 moment of silence for all of the people in our
10 community and our country and around the world
11 who have passed away from the coronavirus.
12 This pandemic has turned our world upside down.
13 But we must remain hopeful and strong.

14 We continue to pray for the
15 doctors, nurses, researchers and all medical
16 professionals who seek to heal and help those
17 affected and who put themselves at risk in the
18 process. May they have protection and peace.

19 Whether we are home or abroad,
20 surrounded by many people suffering from this
21 illness or only a few, let us stick together,
22 endure together, mourn together and in place of
23 our anxiety, let us have hope and peace.
24 Thank you. Okay, roll call, please, Miss
25 Carrera?

1 MR. SCHUSTER: Present.

2 MR. MCANDREW: Present.

3 ATTY. HAYES: She's muted.

4 MS. CARRERA: Mr. McAndrew. Dr.
5 Rothchild.

6 DR. ROTHCHILD: Here.

7 MS. CARRERA: Mr. Donahue.

8 MR. DONAHUE: Here.

9 MS. CARRERA: Mr. Gaughan.

10 MR. GAUGHAN: Here. And, I'm sorry
11 if we didn't catch the beginning, Councilman
12 Schuster and Councilman McAndrew are here as
13 well. Sorry about that. And Councilman
14 Donahue?

15 MR. DONAHUE: I would like to make a
16 motion to take from the table Resolution No. 87
17 of 2020.

18 DR. ROTHCHILD: Second.

19 MR. GAUGHAN: On the question? This
20 piece of legislation is being taken from the
21 table and is being placed in Seventh Order for
22 a final vote. This is the agreement with
23 Northeastern Pennsylvania Alliance to provide
24 underwriting services to the City and OECD.
25 The signed disclosures have been provided as

1 requested. All those in favor signify by
2 saying aye.

3 MR. SCHUSTER: Aye.

4 MR. MCANDREW: Aye.

5 MR. DONAHUE: Aye.

6 DR. ROTHCHILD: Aye.

7 MR. GAUGHAN: Aye. Opposed? The
8 ayes have it and so moved. Mrs. Reed, could
9 you please dispense with the reading of the
10 minutes?

11 MS. REED: Thank you. Third Order.

12 3-A. AGENDA FOR THE ZONING HEARING
13 BOARD MEETING TO BE HELD NOVEMBER 11, 2020.

14 3-B. CORRESPONDENCE RECEIVED FROM
15 MAYOR PAIGE G. COGNETTI DATED OCTOBER 30, 2020
16 REGARDING DECOMMISSIONED EQUIPMENT AUCTION.

17 3-C. MINUTES OF THE COMPOSITE
18 PENSION BOARD MEETING HELD SEPTEMBER 16, 2020.

19 3-D. CORRESPONDENCE RECEIVED FROM
20 KOHANSKI COMPANY PC DATED OCTOBER 30, 2020
21 REGARDING CITY OF SCRANTON AUDIT UPDATE.

22 3-E. FUEL CARD ANALYSIS RECEIVED
23 FROM OFFICE OF THE CITY CONTROLLER FOR THE
24 PERIOD SEPTEMBER 24 THROUGH OCTOBER 23, 2020.

25 3-F. CORRESPONDENCE RECEIVED FROM

1 PENNSYLVANIA ECONOMY LEAGUE DATED
2 NOVEMBER 2, 2020 REGARDING REVIEW OF TAXATION
3 PROPERTY EXEMPTIONS.

4 3-G. MINUTES OF THE REGULAR MEETING
5 OF THE SCRANTON REDEVELOPMENT AUTHORITY HELD
6 OCTOBER 7, 2020.

7 3-H. MINUTES OF THE CIVIL SERVICE
8 COMMISSION MEETING HELD OCTOBER 1, 2020.

9 MR. GAUGHAN: Are there any comments
10 on any of the Third Order items?

11 MR. SCHUSTER: Just one,
12 Mr. Gaughan, we when we're looking at 3-F, we
13 got correspondence from the Pennsylvania
14 Economic League on the review of taxation
15 exempt properties. In that it said that the
16 coordinator does not perform this function.

17 But I guess my question would be,
18 who is it that is able to perform the review of
19 these nonprofit organizations? And would it be
20 the right place to say to make a motion in
21 Fifth Order to have Mr. Hayes explore the
22 possibility of reviewing these?

23 MR. GAUGHAN: Yeah, so I know the
24 answer to that. We had asked the -- it would
25 be the administration that would be able to do

1 that. And that would be their responsibility.
2 And the administration did respond to a
3 question that we had posed to them.

4 And they said that they have not
5 been able to perform a tax exempt analysis this
6 year. But they do have plans to do one in
7 2021. And the Mayor was sending pilot request
8 letters to all tax exempt entities this month.

9 MR. SCHUSTER: All right. Thank
10 you.

11 MR. GAUGHAN: Okay. Thank you.
12 Anyone else with any comments on any of the
13 Third Order items? Okay, if not, received and
14 filed. Do any Council members have
15 announcements at this time?

16 MR DONAHUE: I have one, just a
17 reminder about the 2020 Fall Leaf Pickup and
18 Recycling Program. All leaves must be placed
19 in biodegradable brown paper bags.

20 Unfortunately, the City has run out
21 of their share of biodegradable bags. I guess
22 we went through about 15,000 of the brown paper
23 bags in the last month. You know, but I think
24 you could still -- you could still get them at
25 Lowe's, Home Depot, Gerrity's or any other home

1 hardware store.

2 All collections are curbside of
3 streets and avenues, no collections in courts
4 or alleys, no loose piles, no plastic bags, no
5 household trash in the leaf bags.

6 The remaining weeks for the pickup
7 are this week then the week of November 24th,
8 which is Thanksgiving week. And then the week
9 of December 7th.

10 MR. GAUGHAN: Thank you. Does
11 anyone else have any announcements?

12 MR. MCANDREW: Yeah, I have a
13 couple. So, first of all, tomorrow is Veterans
14 Day and thank you to all of our vets for your
15 service. With that said, Victor Alfieri's Club
16 will be having a dinner, spaghetti dinner
17 tomorrow 4 to 8 p.m. All right. It's \$10.
18 But it's free for veterans. So I hope they get
19 the chance to take part of that.

20 Also I have something else coming
21 up. So every year this is -- this is a proud
22 announcement I like to make. Every year my
23 family, we have this McAndrew Family Cookies
24 For Kids Cancer bake sale, all right. This is
25 our eighth year coming up.

1 And, you know, the past two years we
2 gave two local children that were -- had this
3 horrible disease, you know, half the money that
4 we raised. This year we racked our brains out
5 with how we could still continue to do this
6 because of COVID. And during COVID presented
7 some challenges.

8 But when we found out from this
9 organization, you know, I'm a member of that a
10 little kid -- I don't know if you could see his
11 face here, this little kid named Arthur who is
12 battling brain cancer himself. He's six years
13 old. He had his own bake sale last year and
14 raised 17,000.

15 But he came up with a fantastic idea
16 that we're going to implement this year. It's
17 called a cookie tree. So it's just a safer way
18 to raise money. And all this information is on
19 our Facebook page. We have one. And basically
20 all you need to remember to do is three things,
21 you can bake some cookies, okay, you could
22 deliver them to family members safely, to
23 friends with a little note that we have some
24 templates on our website. And then you make a
25 donation.

1 It's a page link to Cookies for
2 Kids' Cancer. And then, you know, this
3 continues the chain. So I very much love, you
4 know, the fact that our community always
5 supported us. We raised tens of thousands of
6 dollars.

7 But this was our way to continue our
8 mission and I'm very excited about. That is
9 all I have.

10 MR. GAUGHAN: Thank you, Councilman
11 McAndrew. And thank you and your family for
12 doing that. That's a really great cause.
13 Anyone else have any announcements?

14 MR. SCHUSTER: I would just like to
15 say Happy Veterans Day to all the veterans out
16 there tomorrow.

17 MR. GAUGHAN: Thank you. I have a
18 few announcements. First, tomorrow, Wednesday,
19 November 11th, City Hall will be closed in
20 observance of Veterans Day. And to all
21 veterans of all branches, thank you for your
22 sacrifice, your bravery and the example you set
23 for all of us here in the United States.

24 Thank you for your courage in
25 fighting for our people in the United States

1 and our values, for your service to defend our
2 nation and our freedom and to all those who
3 have served in our City and our state and our
4 country and those who continue to serve, Happy
5 Veterans Day. May God bless and protect all of
6 our active military and veterans.

7 And I also want to wish a Happy
8 Birthday to the United States Marine Corps,
9 turned 245 years old today, so semper fi. My
10 dad is a proud United States Marine. So Happy
11 Birthday to the Marines.

12 DPW will also be off on Wednesday
13 for the holiday. Refuse and newspaper
14 collections will be one day behind for the
15 remainder of the week after Tuesday
16 collections.

17 This Thursday, November 12th, at
18 6 p.m., Council will hold a work session for
19 the purpose of discussing the 2021 operating
20 budget with the Mayor and the Business
21 Administrator. This work session will be
22 livestreamed and broadcast on ECTV for the
23 public to view.

24 A second public work session is
25 planned for the following Thursday, November

1 19th at 6 p.m., as well. So the plan would be
2 to take a look at and have the administration
3 present the budget -- tentative budget this
4 Thursday to Council, work through any questions
5 and then the final budget will be -- that's
6 presented to the public will be on our agenda
7 for Tuesday, next Tuesday.

8 And then we'll have a followup
9 session with the administration next Thursday,
10 the 19th at 6 p.m. And that's all I have.
11 Anyone else? Okay. Mrs. Reed?

12 MS. REED: Thank you. FOURTH ORDER.
13 CITIZENS PARTICIPATION.

14 MR. GAUGHAN: Okay. And during this
15 the Citizens Participation portion of the
16 meeting we have Mr. Carl Deeley here tonight
17 who is our Business Administrator who requested
18 to give a presentation on healthcare savings
19 and a general update I think on healthcare in
20 the City. Mr. Deeley, I'll turn it over to
21 you.

22 MR. DEELEY: Thank you. Good
23 evening, Council. I do believe we have our
24 administrator in the waiting room if we can let
25 them in.

1 MR. GAUGHAN: Yeah, you know what, I
2 didn't let them in because I didn't know who
3 they were. So how many people are there? It
4 seems like there is quite a few. I want to
5 make sure we're not letting in any --

6 MR. DEELEY: Maximum of three.

7 MR. GAUGHAN: Okay, there's one,
8 two, three, four, five. Do you know the names
9 of these people, Carl?

10 MR. DEELEY: It's Charles Walters,
11 Denise Lang and Brian --

12 MR. GAUGHAN: Yeah, Brian. How
13 about Melissa Hughes?

14 MR. DEELEY: Oh, Melissa -- she's
15 welcome.

16 MR. GAUGHAN: I'll let them all in
17 then and hope for the best.

18 MR. DEELEY: Great. Excellent. So
19 we did send a presentation I think ahead of the
20 meeting. If you've got that that we can maybe
21 put up on the screen or maybe you would like me
22 to share. Either way is fine.

23 MR. GAUGHAN: Yeah, Carl, you could
24 share that. That would be great.

25 MR. DEELEY: All right. Can we see

1 that?

2 MR. GAUGHAN: And you know what,
3 Carl, if you want to have all of the people
4 that just came in identify themselves just for
5 the record so that we know who is in this
6 meeting and who they represent.

7 MR. DEELEY: Absolutely. So Willis
8 Towers Watson recently appointed consultants
9 benefits broker so on the call here -- so
10 maybe, Chuck, if you could introduce the team?

11 MR. WALTER: Sure. My name is Chuck
12 Walter. I'm with Willis Towers Watson. Also
13 on the call with me is Brian Terpak who is the
14 financial consultant for the City as well as
15 Denise Lang who is the client advocate.

16 MR. DEELEY: Great. Thank you.

17 MR. GAUGHAN: And then we also have
18 I think Melissa Hughes. And is she with PFM?

19 MS. HUGHES: Good evening.

20 MR. GAUGHAN: Good evening. Okay.
21 Go ahead, Carl. Thank you.

22 MR. DEELEY: Okay. So we have a few
23 slides that we're going to go to and review
24 where we are so far. And so, Chuck, I'll
25 leave it up to you. Just tell me when you want

1 to progress to the next slide.

2 MR. WALTER: Perfect, yeah. So
3 thank you for giving us the time to present and
4 give you guys an update. We are excited about
5 the opportunity to work with the City of
6 Scranton. And we wanted to kind of walk
7 through where we are in the last 60 days that
8 we've been working on this.

9 So I'll just kind of maybe do a
10 quick background. We're looking to maybe get
11 about 20 minutes of your time. If you guys
12 want more, that's fine. But we don't want to
13 take up too much time.

14 So when we were first appointed, one
15 of the things we wanted to do was really review
16 all of the programs you have, do a deep dive
17 and see if there were opportunities for
18 savings, savings that did not impact employees,
19 did not impact the benefits that were offered
20 by City but just efficiencies and ways of just
21 negotiating better terms and conditions.

22 So we went through all of the data.
23 And one of the things we do is we kind of
24 compare it to our benchmarks. So we look at,
25 you know, what are you paying for certain

1 services, what are discounts, what are the
2 contractual languages within the programs to
3 see if they're up to standards and if there's
4 ways to improve the efficiencies.

5 And I think we had some pretty good
6 successes in the first 60 days. That's kind of
7 what we wanted to present here today. Carl, if
8 you go to slide two? So we're going to talk
9 about not all of your lines of coverage, but
10 we're going to talk about the ones where we had
11 some impact.

12 So that would be your pharmacy, your
13 stop loss marketing. So we did market your
14 stop loss insurance. Stop loss insurance if
15 you're unaware is basically insurance -- the
16 City is self-funded for your medical and
17 prescription programs.

18 And when you are self-funded you
19 need protection from large claims as a whole
20 and overall bad claims experience. So we did
21 shop the stop loss. And we did find some
22 efficiencies there. We'll talk about Highmark
23 administration. We'll talk about the
24 Performance Health Program.

25 Performance health is a program --

1 there's six hospitals and about 70 medical
2 facilities within the area that if employees go
3 to these, they get -- the City is supposed to
4 get better discounts on these. And the
5 employees benefit because they don't have to
6 pay their copays.

7 We went through that contract and we
8 negotiated it for you. We got some savings
9 there. We'll talk about the Benistar Retiree
10 Program and then we'll talk about the reduction
11 in the fees commissions and then give you a
12 total savings analysis at the end.

13 Carl, slide three. Okay. I'm going
14 to turn this over to Brian Terpak. And again,
15 he's your financial consultant. He'll walk
16 through the pharmacy. By all means, if you
17 have some questions, please speak up because
18 some of this can be confusing if you don't
19 (audio interruption.)

20 MR. TERPAK: Yep, thanks, Chuck. So
21 I'll pick it up from here. Good evening,
22 everyone. My name is Brian Terpak. As Chuck
23 mentioned, I'm the financial consultant for the
24 City. And we're going to go through a few of
25 these -- some of the early success that we've

1 had.

2 So as it relates to your pharmacy
3 program, it's a very significant portion of the
4 total dollars spent on the medical programs,
5 probably about 20 -- 20 percent and growing
6 every year.

7 And so what we found when we looked
8 when we start diving deeper into the program
9 that there were a some clear efficiencies that
10 we would be able to gain while not interrupting
11 any employee experiences or member experiences.

12 So we compared the contract that's
13 in place with what we're used to seeing with a
14 group of Scranton's size. And we're really
15 able to find savings through two avenues. The
16 first is, better discounts. So every time a
17 member goes to the pharmacy and fills a script,
18 you're getting some type of discount with your
19 pharmacy program right now.

20 And so what we saw was, that you
21 were lagging behind some of the major
22 categories of both brand and generic drugs. So
23 we negotiated with Elixir. And we were able to
24 as you'll see in purple there under negotiated,
25 we obtained some better discounts that will

1 have an immediate impact on pharmacy spend
2 moving forward in 2021.

3 The dollar amount estimated
4 associated with the discounts is about
5 \$220,000. That can change plus or minus, you
6 know, five percent or so depending on what kind
7 of year you're having.

8 But in terms of, you know, trying to
9 control, minimize and contain some of the
10 growing pharmacy cost, that was certainly an
11 important juncture. So the second component
12 is towards the bottom of the page. So being a
13 self-funded plan sponsor, the City receives
14 pharmacy rebates from these drug manufacturers.

15 And these rebates are not
16 insignificant. They -- the City has been
17 receiving about \$400,000 of rebates annually
18 from Elixir. So the dollar amount of these
19 rebates that you're getting every time a member
20 fills a 30 day, a 90 day or mail order
21 specialty script are fair. They're where the
22 market should be.

23 But you were only receiving 80
24 percent of the total rebates that the City was,
25 you know, was allotted. And so we negotiated

1 that again with Elixir and now the City moving
2 forward will be getting 95 percent of those
3 rebates.

4 And that was an incredibly
5 conservative figure of a hundred thousand
6 dollars of annual rebates that you'll get next
7 year. We've seen, you know, 10 to 20 percent
8 growth in rebates year over year. So I would
9 not be surprised if that were to exceed that
10 number but conservatively about \$320,000 of
11 total savings through the pharmacy program.

12 Are there any questions on that?
13 Okay. So the second thing we're going to talk
14 about is the stop loss. So and stop loss is
15 incredibly tedious. It's a -- there's a lot of
16 nitty-gritty in terms of all the different
17 contract provisions.

18 But, you know, one of the things
19 that we, you know, we pride ourselves in is
20 we've got these preferred pricing arrangements
21 with certain carriers.

22 So we took your current contract and
23 marketed to some of our preferred vendors. And
24 we were able to find that just simply through
25 the marketing we were seeing something around

1 \$74,000 of savings to your current cost. And
2 there's about an \$86,000 reduction to the best
3 renewal we got from your -- the incumbent stop
4 loss carrier Vista.

5 So that's -- as Chuck mentioned,
6 this is a benefit that does not phase
7 employees. This is all on the back end. So
8 not only did we find some efficiencies in the
9 savings, we're also able to secure a far
10 superior contract terms.

11 I'm not going to go through
12 everything that's on the bottom of the page.
13 But suffice it to say that, you know, the
14 current plan had some provisions that your
15 spend could have easily been a million dollars
16 more last year if, you know, certain claimants
17 had particularly bad years.

18 But, you know, we're able to get --
19 we were able to get a better contract and
20 better contract terms for the City through
21 marketing. So, Denise, I believe you're going
22 to take the administration?

23 MS. LANG: Sure. Thank you,
24 Brian. So here this is for the Highmark
25 administration, the medical plan. And so here

1 it's showing us that for the Highmark PPO
2 administration where there are currently 536
3 employees, the current Highmark is -- the total
4 monthly administration cost is almost \$32,000
5 again monthly.

6 It amounts to total annual
7 administration cost of 300 -- almost \$380,000.
8 That's under the current plan. The initial
9 Highmark renewal increased the monthly
10 administration cost to almost \$35,000 which
11 would have made it total annual administration
12 cost of almost \$417,000.

13 With some additional negotiation
14 with Highmark, they agreed to a flat renewal
15 based on the current plan. And so they kept
16 the monthly administration cost at the \$31,652
17 with a total annual administration cost so
18 \$379,829.

19 So this flat renewal represents an
20 administration that is increased current --
21 excuse me, I'm sorry. The initial cost would
22 have increased the current medical
23 administration expenses by \$37,000. But again,
24 because we were able to negotiate with
25 Highmark. There will be no increase to this

1 particular spend.

2 So for the Performance Health
3 administration also taking effect January 1st,
4 2021, again the current PPM is \$10 which is the
5 percent of savings fee is about 10 percent and
6 estimated cost of percentage of savings fee is
7 \$160,000.

8 The total administration and
9 percentage of fee cost is currently \$227,560.
10 The initial renewal was a flat renewal so it
11 would have remained -- the current spend would
12 have remained in effect. But with some
13 additional negotiation we were able to achieve
14 some savings.

15 So the PPM went from then \$10 to \$3.
16 The percentage of savings fee went to 7
17 percent. And the estimated cost of percentage
18 of savings fee is now \$112,000 which makes this
19 a total administration and percentage of fee
20 cost of \$132,268. So the cost difference is
21 minus 41.9 percent.

22 And the dollar cost difference is
23 \$95,282. So again, with negotiations, we were
24 able to reduce the Performance Health cost by
25 \$95,000.

1 MR. WALTER: Just, you know, to add
2 onto this, I mean, this program -- our
3 understanding of it from employees is some
4 employees are aware of it, some employees are
5 not aware of it. It really depends on what
6 card you give at time of service if you go
7 through the Performance Health, Commonwealth
8 Health folks or if you go through Highmark.

9 What we had found and what Brian did
10 some analysis of this is the cost that you were
11 paying to have Performance Health in effect was
12 actually offsetting the discounts they were --
13 the additional discounts they were getting by
14 negotiating with these hospitals.

15 So we really felt at the end of the
16 day you weren't gaining by having this in
17 effect. And really, it was just costing the
18 City money. You know, obviously we don't want
19 to take away any benefits. But we went back
20 and we feel that at this point by saving this
21 \$95,000 it should at least make it worthwhile.

22 But I think this is a program that,
23 you know, I think we all need to have a
24 discussion on as we move into 2021. One
25 additional note I'll put on here is, you know,

1 we did the analysis based on 1.6 million
2 dollars in usage that went through that in
3 2019. And we used 2019 because it's not
4 impacted by COVID.

5 So it was a true year. And there
6 was 1.6 million dollars in gross claims. And
7 they get 10 percent of that 1.6 million
8 dollars. So it was a pretty good deal.
9 Getting it down to where it is now I think is a
10 much better deal for you guys. And I still
11 think that they are being paid fairly. Any
12 questions on that?

13 MR. SCHUSTER: Yeah, Mr. Walter and
14 Miss Lang, now will that -- that's going to be
15 for the 2021 year. How many years will that go
16 at that rate?

17 MR. WALTER: Well, I mean, listen,
18 they're not going to increase it I could tell
19 you that, you know, because I think they
20 realize it that I don't think it was a great
21 deal. So the way it was set up was they were
22 reimbursing these hospitals and these doctors
23 at what's called Medicare.

24 And they're reimbursing them at
25 about 145 percent of Medicare I think is what

1 they told us. When you compared their
2 discount -- so gross charges came in. We
3 looked at the reports. And they were getting
4 about 71 percent discount off of what the gross
5 charges were to what they were paying after
6 factoring in their bills.

7 If you look at what Highmark gets,
8 it's about the same. So at the end of the day,
9 the City was kind of paying \$10 a month for
10 this. But I don't know if they were really
11 gaining savings. I think based on where we are
12 now, yeah, you'll probably get some
13 efficiencies out of it.

14 I think we have to decide if it's
15 something that we want to keep, do we try to
16 drive better negotiations as far as what the
17 reimbursement level is to the hospitals and
18 providers. And that's something that I think
19 we need more work on.

20 But at this point this fee that
21 they're agreeing to is a 12 month fee. But I
22 don't see it going up. I don't think we would
23 allow it.

24 MR. SCHUSTER: Okay, I mean, the
25 previous provider also had a similar service,

1 correct, where it judged -- I mean, each cost
2 off of Medicare or that Medicare standard?

3 MR. WALTER: That's what Performance
4 Health is. That is them. Though Performance
5 Health is the administrator that processes and
6 pays those claims from the hospitals that are
7 out there, the six hospitals in that area.

8 MR. SCHUSTER: Okay. And when we
9 were looking at the -- you were doing the
10 Highmark renewal and you got -- there was an
11 increase this year with the previous provider
12 but you negotiated a lower fee. Will that
13 continue into 2022 or it's just the 12 month as
14 well?

15 MR. WALTER: The Highmark
16 administration renewal is a 12 month renewal.
17 I think their fees are fair. I don't think
18 they're high. I don't think that they are low.
19 I think again, you know, I think they would be
20 hard-pressed to push through much more than
21 what they're getting.

22 But we'll have to see how it goes
23 next year. I mean, they may want to get a 1 or
24 2 percent. They were looking at 9 percent.
25 And that's just not market based.

1 MR. SCHUSTER: Thanks.

2 MR. WALTER: No problem. Okay,
3 Carl, next slide. So I'll through the Benistar
4 program. So Benistar is your retiree program.
5 And these are for folks who -- you do have some
6 retirees that are on Highmark. But these are
7 folks who are on the retiree program.

8 It's a very rich program, a great
9 program for the employees. We spoke with them.
10 We basically told them, listen, you know, the
11 City is not going to be accepting an increase
12 this year. They initially came out at 3.9
13 percent increase which was going to cost you
14 about \$130,000.

15 After negotiating with them, they
16 came off and actually reduced costs over the
17 current year. So they're coming down 7.1
18 percent or about \$237,000 over 2020's costs.
19 Again, a lot of pieces go into this puzzle with
20 Benistar. There's the piece that you pay. But
21 they're also getting money through the Medicare
22 premiums and the government.

23 So again, great program and it came
24 on this one. And I think they did the right
25 thing. So this slide here is basically when we

1 were appointed we said that we would much
2 rather work for a fee, especially on a public
3 sector group.

4 So we removed commissions. We did
5 go through all the programs. And this kind of
6 outlines where commissions were found and the
7 estimated amounts. They may not be dollar to
8 dollar. I kind of rounded them here. So the
9 stop loss had 15 percent commissions in there.

10 We removed that effective 10/1.
11 When Brian was showing that report that had the
12 stop loss on it, that was the rates you're
13 paying net of commissions. So commissions were
14 already removed out of that. So that
15 additional savings we show you on that plan is
16 in addition to the \$90,000 here.

17 There was a company that Elixir was
18 paying. And Elixir was paying this company \$3
19 per script. That equated to about \$70,000.
20 The name of the company was Remedy Analytics.
21 And I did see some reporting that they had
22 provided the City, didn't really know what else
23 they were doing.

24 The decision was made that you guys
25 wanted to remove them. We do a lot of the

1 analytical work anyway. So I think it was a
2 smart move. And this money has been removed I
3 believe as of October 1st as well, the \$3 per
4 script. And that's about \$70,000.

5 Millennium was getting through
6 Elixir \$4,500 a quarter. That was also
7 removed. That's 18,000. The Benistar Program
8 also had commissions built in. There was a one
9 and a half percent commission for the medical
10 and a \$4.10 percent per employee per month or
11 per retiree per month on the RX.

12 That's about \$43,000. And then they
13 were also I believe getting a consulting fee
14 directly through the City. So adding that all
15 up, that came to the \$249,000. Note, there was
16 no commissions built into the Highmark
17 administration, the Delta Dental or the vision
18 provider. And we confirmed all of that.

19 So this is additional savings that
20 have been removed and the City is enjoying
21 these savings now. Any questions there? Okay,
22 Brian, do you want to handle this slide?

23 MR. TERPAK: This is a big picture
24 view of some of the early successes that we've
25 had. So, you know, the supporting information

1 is on the previous slide. So I wouldn't go
2 through it in great level of detail. But, you
3 know, we really -- the things that we talked
4 about today were the Highmark administration,
5 Performance Health administration, the retiree
6 program, your pharmacy contract, your stop loss
7 and the consulting income that Millennium was
8 previously receiving versus what we have agreed
9 to on a fee basis.

10 So, you know, what that amounts to
11 so far if we look at that based on how it would
12 compare to what your renewal would be, for
13 instance. So, you know, if you made no
14 changes, you let everything renew and kept
15 Millennium as the consultant, it would have
16 been roughly a \$219,000 annual increase over
17 what you were previously paying.

18 What we, you know, what we -- since
19 we've entered the picture, we'll look at the
20 negotiated renewal column. If we look at how
21 you're now compared to current costs, you're
22 going to save about \$876,000 compared to what
23 you would have -- what you were currently
24 paying.

25 And that number actually jumps to

1 about 1.1 million dollars of really cost
2 avoidance when comparing it to the initial
3 renewal positions and keeping Millennium as the
4 consultants. So, you know, these are a few
5 quick and dirty ways that we've been able to
6 drive efficiencies while not impacting members.

7 And I think really this is the way
8 we view it as this is really just the first
9 step of, you know, some of the potential what
10 we would like to accomplish long-term. But,
11 you know, without affecting any bargaining
12 without affecting really any employee
13 experience at all, you know, we've had success
14 in driving some of these savings.

15 Chuck, I don't know if you have
16 anything to add on that?

17 MR. WALTER: No, I mean, I think
18 this is a good picture. I mean, again, it's
19 not all your lines are covered so can't say,
20 oh, we were only paying 4.6 million dollars in
21 benefits. It's a lot bigger number. But we've
22 been pretty pleased with where we've been able
23 to get things in the short period of time.

24 And we're trying to line up some of
25 these renewal dates. They were kind of all

1 over the place. So we're going to try to have
2 it so that moving forward, everything is
3 renewing on a one-on-one basis and we can kind
4 of, you know, keep an eye on things and really
5 go throughout the year.

6 And our goal is and one of the
7 things we do kind of going off this topic is
8 providing you guys financial reporting at least
9 quarterly or at least every so often, you know,
10 if we can get on a call like this is to kind of
11 tell you where things are going with benefits.

12 You know, 2020 was a very unusual
13 year. 2021, we believe will go back to normal.
14 So it will be more like 2019. But this is kind
15 of the stuff we do.

16 MR. GAUGHAN: Thank you very much.
17 I appreciate the update. And I would
18 appreciate the, you know, update once a quarter
19 or whatever works for all of you. And I think
20 it is important to note as you did at the
21 bottom of the screen that, you know, the
22 City's -- I mean, you've only been here for how
23 long, sixty days?

24 MR. WALTER: Yeah.

25 MR. GAUGHAN: Right. So we're

1 already seeing a savings of nearly a million
2 dollars and that according to your slide is
3 without impacting any City employee. So, I
4 mean, I just think that's great news. And I
5 appreciate the work that you've done so far.

6 MR. WALTER: Great.

7 MR. GAUGHAN: Anyone else have any
8 questions? Okay.

9 MR. WALTER: Thank you, guys.

10 MR. DEELEY: Appreciate the
11 opportunity. Thank you, Council.

12 MR. GAUGHAN: And, Carl, would you
13 be able to stick around for just a few minutes?
14 I think there was some questions on the TAN. I
15 know I had some questions.

16 MR. DEELEY: Yes.

17 MR. WALTER: Thank you, guys. Have
18 a great night.

19 MS. LANG: Thank you. Bye-bye.

20 MR. TERPAK: Bye-bye.

21 MR. DEELEY: Thank you.

22 MR. GAUGHAN: Okay. Thank you.

23 Carl, thanks for sticking around. I just
24 had -- real quick, I just had a question on the
25 TAN. Let me grab my notes here. Okay, so we

1 do have the TAN in Fifth Order as you know,
2 tonight, Carl, 5-B.

3 So can you just explain -- I know
4 the last few years since I've been on Council,
5 the City has historically gone for a TAN of
6 12,750,000 dollars.

7 And that's really been for the last
8 I'd say five or six years. This year we're
9 going for an amount of 12,200,000. So can you
10 just explain to the Council why the reduction
11 in the amount of money that the City is going
12 for?

13 MR. DEELEY: Yeah, so the purpose of
14 the TAN is just to ensure we've got sufficient
15 cash flow to get through the year and take into
16 account the ebbs and the flows that we have
17 with our revenue stream.

18 A couple of things is, first of all,
19 the realization of the revenues. I was looking
20 back at historical realization -- and also what
21 we're planning to do as we go into next year is
22 level out some of the fees. So the refuse
23 fees, for example, is leveling that out.

24 We'll talk more about this when we
25 talk about the budget. The but the plan right

1 now is to put the refuse fee on with the real
2 estate. And that will -- two things. It
3 levels out the realization of that revenue.
4 But it also allows for residents to kind of
5 smooth that payment of taxes throughout the
6 year and it also gives us a single point if you
7 like the payment.

8 So it's lot more efficiency and a
9 lot more convenient. But effectively, yeah,
10 the way it's calculated -- and obviously this
11 is not a number that we kind of pluck out of
12 the air. It's really based on expected
13 expenditures throughout the year and the flow
14 of those expenditures versus the receipt of the
15 revenues.

16 So with that in mind we played with
17 the models several times. And that is the
18 number that comes out because we have to be
19 able to (inaudible) and we have to be able to
20 obviously support the TAN payments. But also
21 we don't want to over subscribe.

22 That's the other thing is, you know,
23 for the City -- we've got a lot more of maybe a
24 closer look at the way the expenditures are
25 kind of running going into next year.

1 And because of COVID we've had to as
2 everybody is aware kind of take some actions to
3 kind of slow down the expenditures. And so
4 we're managing things a lot more closely than
5 we have before. So we do manage cash flows now
6 on a weekly basis. So when you look at that,
7 you know, we're confident that the 12 to be
8 sufficient.

9 But also, you know, we're not
10 overstretching that because again, it's, you
11 know, we don't want to lend money that we don't
12 need and obviously pay, you know, the interest
13 on that.

14 And also I think it's important that
15 we do put a little bit of stress on the City
16 system to make sure that we do stay in touch
17 with the actual requirements.

18 MR. GAUGHAN: Thank you. And second
19 question in looking at the interest rate, the
20 fixed interest rate this year for the TAN
21 compared to last year, it's 1.209 percent this
22 year. Last year I think it was 2.50 -- 2.570
23 percent. So that's lower which is a good
24 thing.

25 But the question that I had if you

1 could explain, in the term sheet it says the
2 rate is subject to a floor of 0.80 percent and
3 will be capped at a maximum rate of 4 and a
4 half percent.

5 When I was looking at the
6 legislation last year, the interest rate floor
7 from the TAN last year was 2.4648 percent and
8 the interest rate ceiling was 3.7500 percent.

9 So it seems like the interest rate
10 ceiling went up quite a bit. Will that make a
11 difference or --

12 MS. HUGHES: Councilman, is it okay
13 if I address this? This is Melissa Hughes.

14 MR. GAUGHAN: Oh, yeah, sure.

15 MS. HUGHES: Because that's a really
16 good question. So what that floor and ceiling
17 is so today that 2 point -- or 1.209 percent is
18 an indicative rate until the rate can be locked
19 in.

20 In this case it will be locked in on
21 the date of your third reading just because the
22 City's approval process takes significantly
23 longer than most other municipal processes.

24 So it's kind of governing highs and
25 lows during that period of time until things

1 can be locked in. And we've had this rate for
2 a few weeks now. It's only varied up to 4
3 basis points which would equate to like 1.24
4 percent.

5 So it is a difference. But it's not
6 one in the current interest rate environment
7 that gives PFM as your financial advisor a
8 whole lot of agita if that makes sense because
9 it is going to be locked in a fairly short
10 period of time.

11 MR. GAUGHAN: Okay. That makes
12 total sense. And last question from me, I
13 did -- last year we got a breakdown of the
14 sources and uses of funds so like the fee for
15 the -- the bank fee, the bond counsel fee. I
16 didn't see that included in the backup. And
17 there was a fee for PFM obviously unless I
18 missed it.

19 But are you going to provide that
20 before final passage so like a breakdown of
21 closing costs?

22 MS. HUGHES: Yep.

23 MR. GAUGHAN: Okay. All right.
24 Does anybody else have any questions on the TAN
25 while Carl and Melissa are here?

1 MR. SCHUSTER: Mr. Gaughan, thank
2 you for that breakdown of closing costs. I was
3 going to ask for the same. So I'm glad that
4 you got --

5 MS. HUGHES: It will look pretty
6 similar to last year.

7 MR. GAUGHAN: That's good.
8 Appreciate it.

9 MR. SCHUSTER: How about when it
10 comes to that interest rate, where do you see
11 that tracking at this point in time? Has it
12 been tracking up? Has it been tracking down?
13 Is it fluctuating back and forth but staying
14 around the same area?

15 MS. HUGHES: It's fluctuating back
16 and forth plus or minus 3 or 4 basis points.
17 So, you know, I would not be surprised if we
18 end up at a 1.25 or to a 115. That's kind of,
19 you know, where I'd expect it to be.

20 ATTY. HAYES: Melissa, it's Kevin
21 Hayes. If it's within that range, then why do
22 they need a ceiling that high of 4.5? If it's
23 fluctuating --

24 MS. HUGHES: That's just their kind
25 of standard language. We could have taken a

1 truly variable rate option and let it flow
2 through that whole year. And that's what that
3 four and a half percent would reflect. But
4 that's not we're going to do. We're going to
5 lock a rate in because that gives the City more
6 certainty.

7 ATTY. HAYES: But just to be certain
8 though, the rate that you could lock in could
9 be up to 4.5 percent though, correct?

10 MS. HUGHES: It could theoretically
11 be that but you'll know that on the night of
12 final passage. We'll know what the rate is.
13 We don't know it today.

14 ATTY. HAYES: But how do we know
15 that's the lowest rate that's available out
16 there from the other financial -- within the
17 financial institutions?

18 MS. HUGHES: Because we did --
19 that's a very good question. We went through
20 an RFP process. And the next lowest rate was a
21 1.49 percent. So it would have to go up pretty
22 substantially and that proposal also included
23 higher fees.

24 ATTY. HAYES: But we're not
25 really -- but you're -- what we're saying here

1 is the rate could be higher that we're locking
2 into with this bank, correct? It could be
3 higher than 1.209.

4 MS. HUGHES: It could theoretically
5 be higher, yes. But we'll know that. We can't
6 know it today. But we will know it.

7 ATTY. HAYES: We'll know that at --
8 so will you -- the ordinance -- the legislation
9 that will be passed, we would be in position on
10 that night to lock it in?

11 MS. HUGHES: Yeah, we'll get a final
12 updated term sheet.

13 ATTY. HAYES: Okay. That's good.
14 All right.

15 MS. HUGHES: Yep. Yep.

16 MR. MCANDREW: I have a question.
17 Okay, so, you know, I get the floor to ceiling
18 because of our three read rule. What if after
19 the third read we don't like it? So are we --
20 how long are we locked in? How long -- because
21 I know in the district we had like -- we had a
22 timeline.

23 If we didn't vote on it that night
24 all bets were off. So, you know, third read
25 comes around and it's close to four and we

1 don't like it. Where's the wiggle room?

2 MS. HUGHES: I mean, so we could
3 theoretically -- and I think we're getting like
4 really into extreme scenarios here. But we
5 could theoretically, you know, if you wanted to
6 do a special reading of something different
7 suspend the rules.

8 You could do all three readings at
9 once. The City has done that once before in
10 2014 I want to say. So I mean that is a path
11 that we could go down. But things would have
12 to go dramatically wrong in the interest rate
13 market to need to pursue that path.

14 SCOTT: Yeah, sorry. This is Scott
15 with PFM as well. Sorry, I couldn't get myself
16 off mute for a little bit. No, Melissa is
17 absolutely right. But maybe one other thing
18 that we can do is for your second reading next
19 week, we could also give another indication as
20 well just to keep you up-to-date.

21 So the interest rates could go both
22 up and down. We're seeing volatility a couple
23 basis points here and there if we're up or
24 down. So, you know, again, it's just something
25 that we're keeping in touch with the bank.

1 We'll keep your administration up-to-date.

2 But we're happy to also Zoom into
3 your next meeting for the second reading as
4 well to keep you up-to-date. But again,
5 overall as Melissa said with the RFP process
6 that we did it was, you know, a good
7 competitive bunch of proposals were received.

8 This proposal from Webster Bank was,
9 you know, by far in the better interest of the
10 City from the fee perspective and from the
11 interest rate perspective. So I think, you
12 know, we have a lot of room here for rates to
13 move around before the second place bidder
14 would become better.

15 So we'll keep in high communication
16 with the administration and with you all
17 between now and the time of the third reading.

18 MR. GAUGHAN: And, Scott, this is
19 Bill Gaughan. I know you have been working
20 with the City now for a number of years. And
21 it's safe to say we're in much better position
22 in terms going for a TAN than we were when I
23 first got on Council when it was just, you
24 know, we were in a really tough situation.

25 SCOTT: Oh, absolutely. Yeah, since

1 Melissa and I have been working with the City
2 for quite a few years, we've seen the yield of
3 your TANs come down from like five and a half
4 percent or so all the way -- I mean, this is by
5 far the lowest.

6 We had a couple that were in the two
7 handles, the kind of the high twos, I believe.
8 We had one in the mid threes. So we were, you
9 know, we were extremely pleased to see the
10 various proposals come in at these levels.

11 Now granted, the short-term interest
12 rates because of what the fed did earlier this
13 year, the short-term rates are lower than they
14 were in the past. However, credit spreads
15 which is another key component of how the banks
16 set the rates are also higher in today's
17 environment.

18 So the more challenged the credit of
19 the City or the school district or the county,
20 whoever is issuing the TAN, the higher that
21 rate may be. But, Bill, absolutely spot on.
22 This is by far the best rate that we've seen.
23 So, yeah, I think that's also acknowledgement
24 of the initiatives that the City has been
25 tackling and undertaking here in addition to

1 the overall interest rate environment that
2 we're in.

3 MR. GAUGHAN: Thank you very much.

4 MS. HUGHES: You heard earlier about
5 savings that doesn't impact your employees,
6 this is another place that you'll get some.

7 MR. GAUGHAN: Yeah, definitely.

8 MR. DEELEY: Yeah, and, Bill,
9 remember we had that comment about the 511
10 decision recently. Again, we actually
11 postponed the opening of the bids so that that
12 could actually possibly have an impact as well
13 on the bid itself. Credit rating could have a
14 huge affect on that number.

15 SCOTT: Good point, Carl. That was
16 a good move to delay the receipt of the bids by
17 a couple of days. Yeah, so very good point to
18 note.

19 MR. GAUGHAN: Okay. Thank you.
20 Does anybody else have any questions for Carl
21 or Melissa or Scott? Okay. Carl, Melissa,
22 Scott, thank you very much for sticking around.
23 And we really appreciate it. And have a good
24 night. Thank you very much.

25 MR. DEELEY: Likewise.

1 SCOTT: You bet. We'll see you next
2 week. Thank you. Bye-bye.

3 MR. GAUGHAN: Okay. Thank you.
4 Bye-bye. Okay. Very good. All right. At
5 this time would someone please make a motion to
6 accept public comment from the following
7 individuals: Dave Dobrzyn and Marie
8 Schumacher.

9 MR. DONAHUE: So moved.

10 MR. SCHUSTER: Second.

11 MR. GAUGHAN: There's been a motion
12 and a second to accept public comment.
13 Mrs. Reed, would you please read the comments
14 into the record?

15 MS. REED: Thank you, Councilman
16 Gaughan. The first submission was from
17 Mr. Dave Dobrzyn as follows:

18 I WOULD LIKE TO ADDRESS TRASH AND
19 RECYCLING ISSUES AS I HAVE HEARD AND READ
20 DISCUSSION BY COUNCIL AND THE MAYORS OFFICE. I
21 HAVE HAD SEVEN ADDRESES SINCE 1976. IN DIFFERENT
22 TOWNS IN NEPA. IN MY OPINION PAY PER BAG TRASH
23 RESULTS IN SEVERELY UNTIDY SITUATIONS AND MUST
24 BE PICKED UP IRREGARDLESS OF ABILITY TO PAY.
25 TRASH DEPOSITED ON YOUR PROPERTY USUALLY

1 BECOMES YOUR PROBLEM UNLESS PROOF OF SOURCE CAN
2 BE OFFERED.

3 ALL REASONABLE ATTEMPTS SHOULD BE
4 MADE TO AVIOD THIS SITUATION AND DUE MONIES
5 SHOULD BE PERSUED. I WOULD RECOMMEND AN
6 ACCOUNTING OF COST OF CREWS TRUCKING INSURANCE
7 FUEL FACILITIES TIPPING COSTS AND ANY RELATED
8 CHARGES TO JUSTIFY FEES LEVIED ON THE HOUSHOLD.
9 THIS MAY HELP TO DISPELL THE YEARS OF COMMENTS
10 THAT THE CHARGES ARE EXCESSIVE.WHITHOUT PROPER
11 INFORMATION CITIZENS CANNOT MAKE AN EVALUATION
12 OF FAIRNESS.

13 ON RECYCLING I WOULD LIKE YOU TO
14 CONSIDER ELIMINATING GLASS ENTIRELY FROM MIXED
15 CANS AND BOTTLES. IT HAS NO PRACTICAL USE AND
16 IS TOO DIFFICULT TO REUSE. LAWSUITS HAVE BEEN
17 FILED DUE TO INJURIES AT THE RECYCLE CENTER AND
18 CREATES A SEVERE SAFETY HAZARD WITH BREAKAGE.

19 1ST WK. STEEL CANS AND ALUMINUM
20 COULD BE SORTED WITH A MAGNET AT THE CENTER.

21 2ND WK PAPER

22 3RD WK CANS AGAIN

23 4TH WK CARDBOARD

24 FINALLY THROW GLASS IN THE TRASH IT
25 DOES NOT HAVE VALUE, FLIES WHEN SHATTERED,

1 INJURES WORKERS AND ENTERS INTO CANS AND MUST
2 BE MANUALLY REMOVED.

3 Again, that was submitted by
4 Mr. Dave Dobrzyn.

5 The second submission submitted by
6 by Miss Marie Schumacher as follows:

7 Why is the City's website not
8 secure?

9 (This concludes letters as submitted
10 to Council for public comment.)

11

12 MS. REED: And that is the end of
13 this Citizens Participation.

14 MR. GAUGHAN: Thank you, Mrs. Reed.
15 We thank Mr. Dobrzyn for his suggestions and
16 we'll take those into consideration. Miss
17 Schumacher's comment, I would need more
18 specifics. I wasn't aware that the City's
19 website was not secure. I don't know that to
20 be true. So we need more specific information
21 on what Miss Schumacher is referring to there.

22 Anyone else on the question? All
23 those in favor of accepting public comment
24 signify by saying aye.

25 MR. SCHUSTER: Aye.

1 MR. MCANDREW: Aye.

2 MR. DONAHUE: Aye.

3 DR. ROTHCHILD: Aye.

4 MR. GAUGHAN: Aye. Opposed? The
5 ayes have it and so moved. Mrs. Reed?

6 MS. REED: Fifth Order. 5-A.

7 MOTIONS.

8 MR. GAUGHAN: Thank you, Mrs. Reed.
9 Councilman Schuster, do you have any motions or
10 comments at this time?

11 MR. SCHUSTER: Nothing at this time.

12 MR. GAUGHAN: Thank you. Councilman
13 McAndrew, any motions or comments at this time?

14 MR. MCANDREW: Yeah, I have a couple
15 and they're ongoing. It's very disheartening,
16 but I have to bring it back. So this one is
17 from a couple years ago. So this is a
18 property -- I don't have the exact address.

19 But it's on Lenahan Avenue, the 1200
20 block. The gentleman that actually, you know,
21 reached out to me also, you know, put this out
22 on social media that it's -- that this property
23 is in deplorable condition meaning there's a
24 huge amount of garbage and I can't even
25 identify from the pictures, a lot of stuff in

1 the yard.

2 All right. I guess it's been going
3 on. I guess he reached out to you,
4 Mr. Gaughan. This goes back three to four
5 years. So this was an issue if Mrs. Reed could
6 please look into.

7 And this other one is -- here we go
8 again. So this is that -- this is one of the
9 garages I've been speaking of, right, so I
10 brought it up two weeks ago. I went back to my
11 notes.

12 So they received, you know, this
13 certified letter that, you know, you have 10
14 days. After 10 days the LIPS Department won't
15 contact you. And, you know, there will be some
16 you know, there's some citations.

17 And then part of that letter, you
18 know, \$500 a day. And then part of that says,
19 okay, you have a month to appeal. A month
20 ended the other day. And on Saturday I drove
21 by and this is the property on 1149 Sloan
22 Street.

23 So I drove by Saturday. There's two
24 tow trucks there. They're not towing vehicles
25 that are parked illegally. They're bringing

1 cars to be painted. Today there was -- I don't
2 know, one of them windshield companies Safelite
3 or whatever.

4 They're putting a windshield on a
5 car that they're working on. And I guess, you
6 know, this continues. It's not being
7 rectified. You know, now there's some vulgar
8 language and there's some really, really loud
9 music. People can't even watch their TV.

10 So this has not improved. If
11 anything, it has gotten worse. You know, I
12 have all the documentation here what's supposed
13 to be done. But obviously, it's not being
14 done. And it continues.

15 I mean, every one of us here we
16 break the law, there's consequences. This is
17 continuous for over a month. So I hate to
18 bring it up again. But if you don't bring it
19 up, it doesn't get fixed. So please, Miss
20 Reed, you know, I'll send you some more of the
21 information I have.

22 But it's -- you know, we have a
23 bunch of e-mails on this. It's 1149 Sloan
24 Street. And that is all I have. Thank you.

25 MR. GAUGHAN: Thank you, Councilman

1 McAndrew. Dr. Rothchild, do you have any
2 motions or comments?

3 DR. ROTHCHILD: Yeah, I just wanted
4 to make a comment. I know we had a quite a few
5 presentations and a lot of information thrown
6 at us tonight. But I was very pleased to see
7 the healthcare savings in the presentation of
8 Willis Towers.

9 And, yeah, I just -- excited that
10 already there have been those changes without
11 it affecting those who are involved in the
12 plan. That was all that I have for tonight.
13 Thank you.

14 MR. GAUGHAN: Okay, thank you. And,
15 Councilman Donahue, do you have any motions or
16 comments?

17 MR. DONAHUE: I would just like to
18 start off by congratulating Scranton's own Joe
19 Biden for becoming President-elect. I had the
20 opportunity while I was in college to intern in
21 then Senator Biden's Senate office, on his
22 presidential campaign in '08.

23 And also, I worked on his Senate
24 campaign in '08. And I just -- I could
25 guarantee you that I know that he'll work for

1 all of us, whether we voted for him or not.

2 Now, going to the Birch Street issue
3 again, I think we need to call in American
4 Water for some sort of update. There was a
5 point last week where there was Birch Street's
6 closed, Mattes Avenue was closed and also Elm
7 Street was closed in the same day. That's
8 three of the five, you know, access points from
9 South Side into the flats.

10 And then on top of that you add, you
11 know, all of the construction that's happening
12 on Cherry Street at, you know, the Scranton
13 Counseling Center and it really does become a
14 pretty big headache down there.

15 So I just think we need to, you
16 know, we need to start coordinating this stuff
17 better so it's not affecting, you know, full
18 neighborhoods. You know, people get in their
19 routines and they go the same way, you know,
20 every time.

21 And it's really just becoming an
22 issue down there. So I really think we need to
23 reach out to American Water, you know, just to
24 have a sit-down with them and maybe just try to
25 start coordinating some of this stuff a little

1 better.

2 Also, Miss Reed, I think it was back
3 in June or July I gave you an address. It was
4 518-520 Emmett Street about a storm drain. It
5 still hasn't been fixed. And I guess it just
6 continues to get worse. And now it's at the
7 point where you could see the, you know, the
8 brick that was under the road.

9 So the storm drain is literally just
10 falling in. If we could send that out to DPW
11 and/or the water company. Also I got a few
12 calls on the 200 block of Prospect Avenue. And
13 I actually drove down Prospect Avenue today.

14 And it is absolutely terrible just
15 the condition of that road. So at the very
16 least it needs to be patched but then also, you
17 know, to be put on a paving list, you know,
18 going into next year because I believe we will
19 have double the paving programs next year
20 because the one was just pushed -- this year's
21 paving program was just pushed back because of
22 the pandemic. It wasn't completely cancelled.
23 And that's all I have tonight.

24 MR. GAUGHAN: Thank you, Councilman
25 Donahue. I just have a few comments. First,

1 I'd also like to congratulate President-elect
2 Joe Biden. Obviously, we as Council members at
3 an official meeting we remain, you know,
4 nonpartisan here.

5 But we have to mention kind of this
6 historic occasion where you have someone who
7 literally grew up for the first 10 years of
8 their life on North Washington Avenue who is
9 now going to reside as the president of our
10 country.

11 I think that is just an unbelievable
12 accomplishment. And also one of the things
13 that has been pointed out by quite a few people
14 over the last few days is that our City will
15 now have a president, vice president, governor,
16 a senator, an auditor general and a former
17 mayor -- and maybe I'm missing one or two from
18 the same street in Scranton.

19 I don't know that that has happened
20 or occurred anywhere in the country or anywhere
21 in the world for that matter. So I think that,
22 you know, this is a great opportunity for the
23 City to have somebody in the White House who
24 grew up in Scranton.

25 And I'm really looking forward --

1 and I know that the Mayor and her
2 administration is looking forward to working
3 with Joe Biden in the White House and his
4 administration.

5 ATTY. HAYES: Bill, Joe McDade was
6 born on the 1600 block of North Washington
7 Avenue too.

8 MR. GAUGHAN: There you go. I
9 forgot Joe McDade. So if you want to be a big
10 time politician, apparently you have to live on
11 North Washington Avenue. But it's all good
12 stuff. And it was just really -- Saturday was
13 a great day for the City.

14 If anybody was over in that part of
15 Green Ridge and took a drive by Joe Biden's
16 childhood home, there is a crowd of people all
17 wearing masks thankfully. But it was just
18 really great to see. It was a great day for
19 our City. And I think better days are ahead.

20 A couple of other things, I just
21 want to announce once again just briefly the
22 budget timeline. We are now quickly
23 approaching the 2021 budget. And we are going
24 to have a work session this Thursday at 6 p.m.,
25 that will be open to the public.

1 So it will be broadcast on YouTube
2 as our Council meetings are and also on ECTV.
3 And that work session is going to be where the
4 administration presents the tentative budget
5 for 2021 to the Council.

6 And I believe that we're going to
7 receive the budget -- tentative budget that
8 morning. So we'll have a little bit of time at
9 least to review it and really just get kind of
10 a first glance at it, first run through with
11 the administration.

12 And then that Tuesday it will be
13 introduced on our agenda. And that following
14 Thursday, the 19th, the administration will
15 come back and will, you know, I think get into
16 detailed questions and question and answer
17 session with the administration.

18 And then I did send out just kind of
19 a timeline -- a budget timeline on what it will
20 look like from there. Our public hearing it's
21 going to be December 1st, Tuesday, December 1st
22 at 5:45 p.m. And that will give an opportunity
23 for the public to make any comments on the
24 budget, submit any questions.

25 And they could obviously do that

1 before then if they would like to submit it to
2 Council at our regular meeting. But December
3 1st will be our official public hearing. And
4 then by the -- per the home rule charter we
5 have to entertain the budget for a final vote
6 on December 15th.

7 So if anybody has in any questions
8 or any concerns about a timeline, please let me
9 know. But it looks like that works with
10 everybody's schedule. The second thing I
11 wanted to mention was the Center Street
12 legislation that we were entertaining a few
13 weeks ago.

14 We had asked that that be tabled for
15 the simple fact that we wanted the county to
16 get in contact with any of the neighbors in the
17 vicinity of Center Street to make sure that
18 they are okay with the proposed changes. They
19 have been in contact with the Citizens Savings
20 Bank on Wyoming Avenue.

21 And there has been some changes to
22 schematics and to the plan. And I know, Kevin,
23 you're working on a memo or you completed a
24 memo. And that will be in Third Order next
25 week. And I think we'll probably have to make

1 an amendment to the legislation, correct, when
2 we bring it back?

3 ATTY. HAYES: So earlier today I
4 circulated what would be the revised ordinance
5 in a memo explaining what the changes are.
6 They are not significant.

7 MR. GAUGHAN: Okay.

8 ATTY. HAYES: The new design plan
9 submitted by the county's engineer, Mr. Summa
10 which includes the addition of, I believe, one
11 additional sign and an additional parking spot.
12 That it's.

13 MR. GAUGHAN: Okay, great. Okay.
14 Thank you. We did receive a memo from Eileen
15 Cipriani from -- the OECD Director just giving
16 us an update on COVID-19 expenses that were
17 going to be submitted to Lackawanna County for
18 reimbursement.

19 So that will be on our agenda next
20 week. We did receive something from the county
21 and this was reported in the newspaper that the
22 county is going to reimburse us for \$500,000.
23 Now, obviously we've spent more than that. So
24 I do have a question.

25 And we'll probably talk about it

1 next week when we get the 2021 budget on
2 exactly how, you know, out of what account
3 we're going to pay for those additional
4 expenses since we're only being reimbursed
5 \$500,000.

6 We did receive an update from
7 Kohanski and Company. We're receiving weekly
8 updates now on the audit, the 2019 audit. So
9 that will be in Third Order next week for
10 everyone and the public to take a look at. So
11 they're making some headway and some progress
12 there.

13 Also, I mentioned in the caucus and
14 I know Councilman Schuster has asked about the
15 tax exempt analysis. This is something that
16 has been in every recovery plan going back a
17 number of years. And it's been something that
18 I have requested that previous administrations
19 do because I think it makes sense.

20 It's an initiative in the recovery
21 plan. I don't see any harm in doing it. I
22 only see a benefit. So the Mayor did respond
23 to us that they obviously have not been able to
24 perform a tax exempt analysis this year. But
25 they are planning on doing one in 2021, which I

1 think is good news.

2 Also, Miss Schumacher had asked a
3 question about no truck traffic sign at River
4 Street and Prospect Avenue. This sign was
5 updated by DPW due to the original sign being
6 unreadable and faded. The restriction of no
7 trucks on River Street runs up to Meadow Avenue
8 for many years now. So that's not a new --
9 that's not a new sign.

10 The DPW did report that as far as
11 the orange no parking signs that are placed
12 there, they weren't sure what that was. So I
13 don't know if that was from a private company
14 or what's going on there. But in terms of the
15 no truck traffic sign, that's just a sign that
16 has been updated.

17 On the stormwater presentation that
18 was presented tonight to us, you know, this has
19 been something that has come up time and time
20 again over the last few years in front of City
21 Council. And I know they're going to do a
22 regionalization study.

23 And I really appreciate the work
24 that's been already done. Based on what we
25 heard tonight though I do think -- and what

1 I've heard previously from this company is that
2 it definitely makes sense to have a joint
3 effort between the City and the county,
4 especially when you look at how much this will
5 probably cost and the type of endeavor that it
6 will be.

7 I think it makes sense for a
8 regional approach. It will help us streamline
9 requirements and bring costs down and make us
10 more efficient. So I look forward to hearing
11 more updates on that. And I think it also
12 gives us a better opportunity for grant
13 funding.

14 And finally, the other thing I want
15 to mention is the Coronavirus pandemic. You
16 know, I hate to be the bearer of bad news, but
17 I think anybody that is paying attention to
18 what's going on in our City and in Lackawanna
19 County and in the country obviously realizes
20 that we are in for a very, very difficult few
21 months.

22 It is not going to be easy. The
23 number of hospitalizations, the number of
24 cases, it just seems every time I open the
25 newspaper or get an update on it, it just

1 continues to go up at a rate that is out of
2 control, not only in Lackawanna County but
3 across the state and across the country.

4 So I would just like to say to
5 anyone that is watching to continue to follow
6 the guidelines put forth by our State
7 Department of Health to continue to wear masks,
8 to social distance where possible and to
9 utilize any of the City resources available for
10 those who will experience a very difficult time
11 with the upcoming months where it's going to
12 get very cold and people are going to want to
13 congregate indoors.

14 And I understand how difficult it is
15 to want to get together with friends and family
16 and do the things that we normally would do.
17 But we really need to watch out and look out
18 for one another. This is going to be an
19 unprecedented situation.

20 We're definitely in the middle or at
21 the start of the second wave of this pandemic.
22 There was recently I think good news about a
23 potential vaccine. But I think people should
24 really start preparing that it is going to get
25 worse -- much worse before it gets better.

1 So as City officials we always want
2 to make people aware of that. And I'm sure
3 everybody watches the news and is aware. But I
4 am very concerned I have to be honest on what
5 lies ahead for the next few months.

6 But I'm comforted in the fact that
7 the Mayor and her administration is meeting
8 with I think weekly or biweekly with the
9 officials in our local hospitals, our local
10 medical professionals. And we are as City
11 officials on top of it in case there were to be
12 a major outbreak.

13 And we do have the Serrenti Center
14 for a second kind of site for a hospital, a
15 field hospital if we did need it. And
16 hopefully it won't get to that point. So
17 that's all I have for tonight. Mrs. Reed?

18 MS. REED: Thank you. 5-B. FOR
19 INTRODUCTION - AN ORDINANCE - AUTHORIZING THE
20 ISSUANCE OF A TAX AND REVENUE ANTICIPATION
21 NOTE, SERIES OF 2021 IN THE PRINCIPAL AMOUNT
22 NOT TO EXCEED \$12,200,000; PROVIDING FOR THE
23 DATED DATE, INTEREST RATE, MATURITY DATE,
24 REDEMPTION PROVISIONS, PAYMENT AND PLACE OF
25 PAYMENT IN RESPECT OF THE NOTE; ACCEPTING THE

1 PROPOSAL ATTACHED HERETO AS EXHIBIT "B"
2 FROM THE FINANCIAL INSTITUTION NAMED THEREIN
3 FOR THE PURCHASE OF THE NOTE; NAMING A SINKING
4 FUND DEPOSITARY/PAYING AGENT; AUTHORIZING THE
5 PROPER OFFICERS OF THE CITY TO EXECUTE AND
6 DELIVER THE NOTE AND CERTAIN OTHER DOCUMENTS
7 AND CERTIFICATES IN CONNECTION THEREWITH;
8 AUTHORIZING AND DIRECTING THE PREPARATION,
9 CERTIFICATION AND FILING OF THE NECESSARY
10 DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND
11 ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF
12 PENNSYLVANIA; SETTING FORTH A FORM OF THE NOTE.

13 MR. GAUGHAN: Thank you, Mrs. Reed.
14 At this time I'll entertain a motion that Item
15 5-B be introduced into its proper committee.

16 MR. DONAHUE: So moved.

17 DR. ROTHCHILD: Second.

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

21 MR. SCHUSTER: Aye.

22 MR. MCANDREW: Aye.

23 MR. DONAHUE: Aye.

24 DR. ROTHCHILD: Aye.

25 MR. GAUGHAN: Aye. Opposed? The

1 ayes have it and so moved.

2 MS. REED: 5-C. FOR INTRODUCTION -
3 A RESOLUTION - AUTHORIZING THE MAYOR AND
4 OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR
5 AND EXECUTE A GRANT APPLICATION THROUGH THE
6 PENNSYLVANIA DEPARTMENT OF ECONOMIC AND
7 COMMUNITY DEVELOPMENT ACT 47 GRANT PROGRAM IN
8 THE AMOUNT OF \$50,000.00 TO BE USED TO HIRE A
9 CONSULTANT TO ASSIST THE CITY IN THE RE-DESIGN
10 OF ITS OPERATING SYSTEM.

11 MR. GAUGHAN: Thank you, Mrs. Reed.
12 At this time I'll entertain a motion that Item
13 5-C be introduced into its proper committee.

14 MR. DONAHUE: So moved.

15 DR. ROTHCHILD: Second.

16 MR. GAUGHAN: On the question? On
17 the question, this grant opportunity -- I hope
18 we get this grant because this is so vital and
19 so important to the operations of the City. We
20 are so far behind the times in terms of our
21 operating system that it makes us I think as
22 a City less secure.

23 We've seen that with the cyber
24 attack that we endured a few months ago. And
25 in terms of being efficient, I think having the

1 current operating system makes us less
2 efficient. So I'm really glad to see that the
3 administration is taking steps to update the
4 operating system.

5 And I think the goal is to be able
6 to have a level of transparency where members
7 of the public would be able to go on like they
8 can in other cities and get updated figures,
9 financial figures daily. They would be able --
10 it would be able to streamline those processes
11 and have departments be able to better work
12 together and collaborate with one another.

13 So this is going to really bring us
14 into the year 2020 rather than the current
15 operating system that we have. Anyone else on
16 the question? All those in favor of
17 introduction signify by saying aye.

18 MR. SCHUSTER: Aye.

19 MR. MCANDREW: Aye.

20 MR. DONAHUE: Aye.

21 DR. ROTHCHILD: Aye.

22 MR. GAUGHAN: Aye. Opposed? The
23 ayes have it and so moved.

24 MS. REED: SIXTH ORDER. 6-A. No
25 business at this time.

1 SEVENTH ORDER. 7-A. FOR
2 CONSIDERATION BY THE COMMITTEE ON PUBLIC
3 SAFETY - FOR ADOPTION - FILE OF THE COUNCIL NO.
4 32, 2020 - AUTHORIZING THE MAYOR AND OTHER
5 APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON
6 TO DONATE AN OBSOLETE AND INACTIVE FIRE ENGINE
7 TO JOHNSON COLLEGE FOR USE.

8 MR. GAUGHAN: Thank you, Mrs. Reed.
9 What is the recommendation of the Chairperson
10 for the Committee on Public Safety?

11 MR. MCANDREW: As Chairperson for
12 the Committee on Public Safety, I recommend
13 final passage of Item 7-A.

14 MR. DONAHUE: Second.

15 DR. ROTHCHILD: Second.

16 MR. GAUGHAN: On the question?

17 MR. MCANDREW: I just want to say on
18 the question, I know that this whole fire truck
19 is being donated to Johnson's and it's part of
20 their diesel program. We are in dire need of
21 diesel mechanics. I just know this because
22 working at a career and tech center that
23 like -- so this is vital to that educational
24 process. And I think it's great that we get to
25 use that for an educational resource.

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

3 DR. ROTHCHILD: Yeah, I'd like to
4 add I agree. I think this is a great
5 opportunity for us to collaborate with a local
6 college and to provide them with something to
7 help with the students, something that is no
8 longer useful for the City. So I'm glad that
9 they've gotten this opportunity to do that.

10 MR. GAUGHAN: Very good. Anyone
11 else? Okay. Roll call, please.

12 MS. CARRERA: Mr. Schuster.

13 MR. SCHUSTER: Yes.

14 MS. CARRERA: Mr. McAndrew.

15 MR. MCANDREW: Yes.

16 MS. CARRERA: Dr. Rothchild.

17 DR. ROTHCHILD: Yes.

18 MS. CARRERA: Mr. Donahue.

19 MR. DONAHUE: Yes.

20 MS. CARRERA: Mr. Gaughan.

21 MR. GAUGHAN: Yes. I hereby declare
22 Item 7-A legally and lawfully adopted.

23 MS. REED: 7-B. Previously tabled.
24 FOR CONSIDERATION BY THE COMMITTEE ON COMMUNITY
25 DEVELOPMENT FOR ADOPTION - RESOLUTION NO. 87

1 2020 -- AUTHORIZING THE MAYOR AND OTHER
2 APPROPRIATE CITY OFFICIALS FOR THE CITY OF
3 SCRANTON TO EXECUTE AND ENTER INTO AN AGREEMENT
4 WITH NORTHEASTERN PENNSYLVANIA ALLIANCE, 1151
5 OAK STREET, PITTSTON, PENNSYLVANIA 18640-3726
6 TO PROVIDE THE CITY OF SCRANTON AND OECD WITH
7 UNDERWRITING SERVICES AND SUPPORT FOR THEIR
8 VARIOUS LOAN AND GRANT PROGRAM.

9 MR. GAUGHAN: Thank you, Mrs. Reed.
10 What is the recommendation of the Chairperson
11 for the Committee on Community Development?

12 DR. ROTHCHILD: As Chair for the
13 Committee on Community Development, I recommend
14 final passage of Item 7-B.

15 MR. DONAHUE: Second.

16 MR. GAUGHAN: On the question?

17 MR. SCHUSTER: On the question, is
18 it my understanding that the Northeast Alliance
19 is the only person that submitted for this RFP?

20 MR. GAUGHAN: Kevin, you're muted.
21 Sorry.

22 ATTY. HAYES: Councilman Schuster,
23 per your -- upon your request I reached out to
24 the Solicitor for OECD who confirmed that
25 Northeastern Pennsylvania Alliance was the only

1 bidder. And they had solicited bids from a
2 number of organizations. And this was the
3 only one that responded.

4 MR. SCHUSTER: Thank you.

5 MR. GAUGHAN: Anyone else on the
6 question? Roll call, please.

7 ATTY. HAYES: Cathy's muted as
8 well -- or, I'm sorry --

9 MS. CARRERA: Okay. Mr. Schuster.

10 MR. SCHUSTER: Yes.

11 MS. CARRERA: Mr. McAndrew.

12 MR. MCANDREW: Yes.

13 MS. CARRERA: Dr. Rothchild.

14 DR. ROTHCHILD: Yes.

15 MS. CARRERA: Mr. Donahue.

16 MR. DONAHUE: Yes.

17 MS. CARRERA: Mr. Gaughan.

18 MR. GAUGHAN: Yes. I hereby declare
19 Item 7-B legally and lawfully adopted.

20 And before we adjourn, I just want
21 to congratulate the Scranton Prep Golf Team on
22 winning the state championship. So good week
23 for the City of Scranton.

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

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MR. DONAHUE: Motion to adjourn.

MR. GAUGHAN: This meeting's
adjourned. Thanks everyone. Stay safe. See
everybody next week -- or Thursday rather.

ATTY. HAYES: See you Thursday.

MR. GAUGHAN: See you Thursday.

C E R T I F I C A T E

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4 evidence are contained fully and accurately in the
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