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SCRANTON CITY COUNCIL MEETING

HELD:

THURSDAY, AUGUST 23, 2012

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

AMELIA NICOL, RPR
REGISTERED PROFESSIONAL REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

PATRICK ROGAN, VICE-PRESIDENT

ROBERT MCGOFF

FRANK JOYCE

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

JAMIE MARCIANO, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR
(Not Present)

1 (Pledge of Allegiance)

2 MS. EVANS: Please remain
3 standing for a moment of reflection
4 for our servicemen and women
5 throughout the world and for all those
6 who have died in the last week,
7 particularly Barbara A. Czyzyk,
8 beloved wife of our good friend Tom,
9 mother, grandmother, great
10 grandmother, sister and aunt; Alice F.
11 Sporer, devoted wife, mother,
12 grandmother, great grandmother, aunt
13 and retired Scranton School District
14 employee and their dear family and
15 friends who suffer their loss.

16 MR. LOSCOMBE: If I may add.

17 MS. EVANS: Yes.

18 MR. LOSCOMBE: I forgot to
19 mention this last week but two retired
20 firefighters have passed away, Joe
21 Matyjevich and Louis Genovese if we
22 can remember them and their families
23 in our prayers and Gary Marinchak
24 whose brother, Mike, is a city
25 employee and his brother, Gary, is a

1 retired firefighter also and Mrs.
2 Florence Rossi, mother of Rich Rossi,
3 a former city councilman. Thank you.

4 (Moment of Silent Reflection)

5 MS. EVANS: Roll call, please.

6 MS. MARCIANO: Mr. McGoff.

7 MR. MCGOFF: Here.

8 MS. MARCIANO: Mr. Rogan.

9 MR. ROGAN: Here.

10 MS. MARCIANO: Mr. Loscombe.

11 MR. LOSCOMBE: Here.

12 MS. MARCIANO: Mr. Joyce.

13 (No response.)

14 MS. MARCIANO: Mrs. Evans.

15 MS. EVANS: Here. Dispense with
16 the reading of the minutes, please.

17 MS. KRAKE: 3-A. CONTROLLER'S
18 REPORT FOR THE MONTH ENDING JULY
19 31, 2012.

20 MS. EVANS: Are there any
21 comments? If not, received and filed.

22 MS. KRAKE: 3-B. MINUTES OF THE
23 COMPOSITE PENSION BOARD MEETING
24 HELD JULY 25, 2012.

25 MS. EVANS: Are there any

1 comments? If not, received and filed.

2 MS. KRAKE: 3-C. CITY OF
3 SCRANTON'S PROPOSED CAPITAL
4 INVESTMENT PLAN OF 2013 PURSUANT TO
5 SECTION 904 OF THE CITY'S HOME RULE
6 CHARTER.

7 MS. EVANS: Are there any
8 comments? If not, received and filed.

9 MS. KRAKE: 3-D. APPLICATIONS
10 ALONG WITH DECISIONS RENDERED BY
11 THE ZONING HEARING BOARD ON WEDNESDAY,
12 AUGUST 15, 2012.

13 MS. EVANS: Are there any
14 comments? If not, received and filed.

15 MS. KRAKE: 3-E. AGENDA FOR THE
16 CITY PLANNING COMMISSION MEETING
17 HELD AUGUST 22, 2012.

18 MS. EVANS: Are there any
19 comments? If not, received and filed.

20 Do we have any clerk's notes this
21 evening, Mrs. Krake?

22 MS. KRAKE: No, Mrs. Evans.

23 MS. EVANS: Thank you. Do any
24 council members announcements at this
25 time.

1 MS. LOSCOMBE: I have one. There
2 will be a fundraiser for the West Side
3 Falcons, an All you can eat pancake
4 and sausage breakfast at Applebee's in
5 the Viewmont Mall on this Sunday,
6 August 26th from 8 a.m. till 10 a.m.
7 The tickets are \$7 and are available
8 at fieldhouse or at the door. Please
9 help support the West Side Falcons
10 Youth Organization. Thank you.

11 MS. EVANS: Is there anyone else?

12 (No response.)

13 MS. EVANS: Before I call up the
14 first speaker, I would like to
15 announce that the City of Scranton has
16 obtained funding from Amalgamated Bank
17 in the form of a tax anticipation
18 note, Series B, in the amount of
19 6.2 million dollars. In addition,
20 city council has received emergency
21 legislation for acceptance of the
22 2.25 million dollar combined loan and
23 grant from the State Department of
24 Community and Economic Development.
25 Both pieces of legislation accepting

1 these financial agreements will be
2 placed on council's agenda this
3 evening and moved through Fifth, Sixth
4 and Seventh Orders. In addition, the
5 revised recovery plan has been
6 approved by the Pennsylvania Economy
7 League and the State Department of
8 Community and Economic Development.

9 Mrs. Krake?

10 MS. KRAKE: Fourth order,
11 citizens' participation.

12 MS. EVANS: Our first speaker
13 this evening is Katie Hawley.

14 MS. HAWLEY: Good evening,
15 councilmen and women.

16 MS. EVANS: Good evening.

17 MS. HAWLEY: My name is Katie
18 Hawley. Last time I stood before you,
19 you requested that I compile some
20 information of the ordinance I'm
21 requesting. So I am going to provide
22 that with you now so that you may look
23 through it as I speak.

24 (Councilman Joyce arrives and is
25 seated at bench.)

1 MS. HAWLEY: So basically I know
2 a lot is going on with layoffs and
3 budget cuts and my deepest sympathies
4 to those that are affected. However,
5 those citizens can come here and voice
6 their frustrations. I'm here to speak
7 for those that don't have a voice.
8 The longer our city goes without a
9 Spay and neuter ordinance the more
10 sick unhealthy dogs and cats are
11 brought into our streets and brought
12 into our shelter. I don't have to
13 tell you that not every dog and cat
14 brought to a shelter has a happy
15 ending. I speak as a former employed
16 of Griffin Pond Animal Shelter and a
17 current local animal rights activist.
18 I also run my own low cost spay and
19 neuter program. I see firsthand every
20 day the repercussions of irresponsible
21 breeding and it needs to stop. Proper
22 breeding requires extensive vet
23 records of both maternal and paternal
24 bloodlines. There are people in our
25 city who will breed their dog simply

1 because one has a female and the other
2 has a male. Most of these people
3 which are known as backyard breeder
4 have no vet records, no experience,
5 they have unhealthy conditions and
6 most of the time a lack of finances
7 dollars to insure a healthy pregnancy
8 and birth. A little statistic to
9 share with you. One unspayed female
10 dog can actually produce 67,000
11 puppies within six years and when you
12 know that every litter born in this
13 county is a litter euthanized, that's
14 67,000 lives lost because of one dog.
15 And when it comes to cats, three
16 unspayed female cat can produce one
17 million kittens within six years.
18 Same goes for that. A million kittens
19 lives lost because of three unspaded
20 cats. And right now in America an
21 animal is euthanized every eight
22 seconds. The more that are born, the
23 more die. We need to give the
24 thousands of dogs and cats that pass
25 through our local shelter a chance at

1 adoption a chance at a new happy life
2 which I believe every animal deserves.
3 It was man that domesticated the
4 dog 15,000 years ago and it is man
5 that continues to improperly and
6 irresponsibly breed and therefore
7 overpopulate man's best friend. So I
8 believe it is up to us to start to
9 protect our innocent furry brethren.
10 If we had this ordinance passed not
11 only would it get backyard breeders
12 off the streets which would prevent
13 pumping out genetically poisoned
14 bloodlines, unhealthy dogs to just
15 continue the -- I'm losing my chain of
16 thought. It just keeps going
17 basically. The people get these dogs,
18 they keep breeding them and the
19 unhealthy bloodlines just keep going.
20 It would also prevent accidental
21 litters. So for the people that say,
22 Oh, we didn't mean to do it, it was an
23 accident, therefore, they can no
24 longer say that because it would by
25 law for them to have them spayed or

1 neutered. The low cost options are
2 out there. I mean, I personally run
3 the spay and neutered program and
4 Griffin Pond offers the low cost
5 vouchers so there's definitely I think
6 the options are out there but perhaps
7 not the education. I do believe, too,
8 that it would bring in a lot of
9 revenue for this city because we can
10 fine these people that are
11 irresponsibly breeding and not
12 following the ordinance. Also, the
13 people that would be allowed to
14 responsibly breed would have to pay a
15 certain amount of money per year, per
16 month, whatever the ordinance would
17 require and they would have provide a
18 AKC certification. Therefore, they
19 are the breeders that are doing it
20 responsibly and doing it for the love
21 of the breed and not just to make
22 money. A lot of times you see, too,
23 with pit bulls, I specialized in a
24 rescue with pit bulls and a lot of
25 times when these people are breeding

1 pit bulls, that's just the surface,
2 you know. So if I can get at some of
3 these people that are putting these --
4 could be wonderful dogs in these
5 terrible situations, like I believe
6 that the pit bull is a wonderful dog,
7 however, with no ordinance to control
8 who breeds them, they end up in the
9 wrong hands and for the wrong reasons.
10 So what I've provided you with was
11 basically a majority of the cities
12 that have passed it, and there's a lot
13 of information in there and hopefully
14 we can get this passed.

15 MS. EVANS: Thank you.

16 MS. HAWLEY: Thank you very much.

17 MS. EVANS: Ron Ellman. Andy
18 Sbaraglia. Oh, I'm sorry.

19 MR. ELLMAN: I'm sorry. I'm
20 talking as usual. I ran into my dear
21 friend, Johnny superstar today. I was
22 one of the first people to sign his
23 petition running for mayor. He told
24 me he already bought 3,000 votes and
25 knows there's a few more that can be

1 bought.

2 Well, I'll tell you, is this the
3 best council could do? This is just a
4 blow to the people of this city that
5 they can't overcome, I'll tell you.
6 This is a contemptible wish list.
7 It's an impossibility to live with.
8 Where are you going with something
9 like that. It just -- it's just
10 wishy-washy. It's not factual. You
11 know, shame on you people. You
12 don't -- you just don't get out there
13 and talk to the man on the street, the
14 people that are heart of this city.
15 You might run into someone at the
16 grocery store or something but you
17 don't know what people are going
18 through in this city. This nonsense
19 is a \$36,000 average, that's bull.
20 You know, the people of this city are
21 hurting financially, not all of them,
22 probably a quarter of the people are
23 just in the poverty level and they're
24 retired and senior citizens that are
25 hanging onto these houses that this

1 will take away, this will be death,
2 you know. There's no sense revisiting
3 Doherty incompetence in all this.
4 We've just gone over and over and over
5 that. A 100 people have gone over it.
6 You know, you just refuse to address
7 the problem is the nonprofits. I
8 don't know why you're so fearful to
9 tackle them but something has got to
10 be done. Right here in this very
11 paper you're asking for 80 percent
12 raise. There's a church in Brooklyn,
13 New York right here bought \$175,000
14 piece of property for investment.
15 That's what is wrong with this city.
16 There's no tax base. You know, it's
17 like I said, the speech coming into
18 office last month at Lackawanna County
19 College we're growing to grow
20 40 percent. I don't know how many
21 houses that is, how many pieces of
22 property but it's plenty. Then you've
23 got the medical school. They want
24 five acres around them at our expense.
25 It's just got to stop. The rule of

1 the nonprofits has got to be
2 terminated somehow. But this plan is
3 counterproductive, you know. You make
4 a ghost town out of this place. My
5 neighborhood is just gone downhill in
6 20 years. You can't imagine what it
7 was like and what it's like now. I
8 got that zone up there that has just
9 infested the neighborhood with a bunch
10 of druggies and undesirables. They're
11 right out on the street everyday,
12 nothing being done about it. I don't
13 have no curbs, no sidewalks. People
14 come and park their cars all along the
15 2000-2100 block. You can't use
16 sidewalks. Those people has garages
17 and driveways park on the sidewalks
18 anyway. There's no curbs to keep you
19 off, you know. Then Doherty tore up a
20 good sidewalk on the 17, 1800 block.
21 It's such mismanagement. You know, if
22 you took all the meters out of
23 downtown like I said once before and
24 had a small surcharge on the
25 businesses to cover the loss of the

1 meters, you would bring people
2 downtown. I know you've been told.
3 Just gobs of people don't come
4 downtown anymore because the meters --
5 it's asinine, fifty cents for an hour
6 and then the parking lots, you know,
7 it's out of hand and nothing being
8 done about the SPA, nothing being done
9 about these 50 friends that Doherty --
10 his high school friends that he's just
11 elevated all along with him. The city
12 wants cuts. You go there and talk to
13 them. They want cuts. There's 50
14 people you can. You know, you've got
15 a voice and you've got the ability to
16 contest things and you don't. Thank
17 you.

18 MS. EVANS: Thank you. Andy
19 Sbaraglia.

20 MR. SBARAGLIA: Andy Sbaraglia,
21 citizen of Scranton, Fellow
22 Scrantonians. I've been asked many
23 questions. What was the cost of the
24 lawyers for the cop and firemen cases?
25 What was the total cost that we have

1 to pay the lawyers?

2 MR. JOYCE: I do not know offhand
3 but I will find out for you.

4 MR. SBARAGLIA: Well, it's odd
5 that you should have found that out
6 there. What is the cost per man for
7 this 50 point some million that we
8 have to give the police and firemen?

9 MR. JOYCE: It will equate to
10 probably about \$40,000 plus per
11 employee.

12 MR. SBARAGLIA: I think you're
13 closer to 60,000 plus but that's okay.
14 That's somewhere along the line if not
15 more because it's probably a formula
16 that they have to use for some
17 policeman that retired and so forth
18 and so on. I'm not going to get into
19 that.

20 MR. JOYCE: Right.

21 MR. SBARAGLIA: Now, let's get
22 back to the millage. When you give
23 out the millage figures, you have to
24 say whether it's on land or
25 improvements so we know. And I'd like

1 you to use a \$100 figure when you
2 calculate it so that it would easy for
3 everybody to figure. In other words,
4 \$100, you're going to pay the \$110 the
5 first year and if you get 15 percent
6 on top of that 110, you know, that
7 would be like 130 or 140 and then a
8 bigger one on top of that may bring it
9 up to 180. Then all the person has to
10 do is he is paying \$600 now, he knows
11 what it would be for a 100 because
12 people have -- when you give out
13 figures, it's nice if -- if I had a
14 calculator, I had the figures in front
15 of me, I would have no trouble
16 figuring out what that would be but
17 people weren't happy when they saw
18 81 percent. They weren't happy at all
19 and they've been pretty well angry
20 with that. And the worst part about
21 it now you probably do need a
22 81 percent tax hike. I won't deny it.
23 You probably need a 100 percent tax
24 hike because there's so many things
25 that we owe that are not paid for. I

1 mean, when you talk about the health
2 insurance and the pension, that's just
3 for the employees, not even all the
4 people we owe for the insurances and
5 your medical and so forth and so on.
6 We're in deep, deep trouble. Everyone
7 up there should know it. But you try
8 to simplify it. The people of
9 Scranton want to know the facts. They
10 don't want a lot of jumble mumble
11 numbers. They want facts, simple
12 facts that could be brought out so
13 everything understands and comprehend
14 them. Everybody don't have calculator
15 or not familiar with percentages and
16 this and that, whatever. But I don't
17 know. I really don't know what's
18 going on with the city, I really
19 don't, because like I say, I don't
20 know how much tax we have to go to get
21 them people up there when the final
22 figures but you don't even know them.
23 If you don't know them, then you don't
24 know what the percentage is going to
25 be. Plus the fact you have too many

1 variables, too. I mean, nobody knows
2 if there will a commuter or a sales
3 tax. Them factors are not known.
4 They're wished upon but they're not a
5 done deal. So somewhere along the
6 line you've got to simplify everything
7 and tell the truth as bad as it may
8 be. It got to go out and you say this
9 is where, this is what we owe and this
10 is what we're stuck with. It's the
11 only way. And people, of course, will
12 make a decision. I hate to be where
13 you are. I told you that before a
14 long time ago. You're going to get
15 blamed for a lot of stuff and I'm
16 sorry for you. You're going be the
17 council that gave the greatest tax
18 rise in probably the history of
19 Scranton and you're going to get
20 blamed and there's no way out of it
21 even though the council before you
22 were the problem. You're stuck. Just
23 like -- I guess just like the
24 president. He's stuck for what
25 happened before and everything is

1 being put say on him and it's going to
2 be with you, too. Well, I wish you
3 luck. Thank you.

4 MR. LOSCOMBE: Thank you.

5 MR. JOYCE: Thank, Mr. Sbaraglia.
6 I do have to comment. I agree that we
7 are stuck and during motions I will
8 breakdown what the impact of this tax
9 increase would be to the average
10 taxpayer listening.

11 MS. EVANS: And I just want to
12 add that the tax increase is
13 31 percent and compounded over three
14 years it is 39 percent. The newspaper
15 likes to sensationalize with an 81
16 percent tax increase which is the
17 worst case scenario. And actually
18 that isn't the worst case scenario.
19 The worst case scenario is the State
20 of Pennsylvania coming in here and
21 taking over the City of Scranton and
22 appointing a receiver because the
23 taxes will go through the roof and
24 city services will be cut
25 dramatically, and we have only to look

1 to Harrisburg to get a vision of what
2 our city would become and what our
3 taxpayers would have to endure.

4 Our next speaker is Ozzie Quinn.

5 MR. QUINN: Ozzie Quinn,
6 Scranton, good evening.

7 MS. EVANS: Good evening.

8 MR. QUINN: Two things. First of
9 all, I want to congratulate council
10 for getting a bank and for the
11 recovery plan getting it passed. You
12 know, people forget too soon. Well, I
13 remember the last eight years. Mrs.
14 Evans, all those years you were here
15 and you kept on saying, the Doherty
16 debt, the Doherty debt, the Doherty
17 debt. Everybody knew their day of
18 reckoning was coming. You knew it,
19 the Scranton Times knew it, but nobody
20 did anything about it. And now it's
21 left hanging around you people. As
22 Andy said, it's a shame, you know.
23 It's like a stigma to say that, well,
24 you know, we had to go out of town and
25 someplace, we had a hard time getting

1 money, we had to borrow someplace
2 else. But, you know, you are to be
3 commended. If people do not forget,
4 if they remember what happened for the
5 last eight years, Mr. Doherty spent,
6 spend and spent. You are to be
7 congratulated. I would not
8 congratulate Mr. Doherty because he's
9 the problem. He was the problem. And
10 the Scranton Times publishers now
11 they're selling their papers by
12 sensationalizing headlines everyday on
13 the City the Scranton and twisting
14 things to make it seem that you people
15 don't know what you're doing. Well,
16 you know, there's still are a lot of
17 people out there that thank you and I
18 am one of them.

19 Secondly, two nights ago we had a
20 taxpayers' meeting and Mr. Gary Lewis,
21 s he's a financial analyst -- private
22 financial analyst and he deals with --
23 specializes in municipalities in debt.
24 And it was live and feedback, it will
25 be on ECTV. If you go to ECTV

1 schedule, if you goggle that, you'll
2 find out when it's on but a lot of
3 comments, a lot of good comments on
4 the meeting because of the fact the
5 way he presented the budget, the
6 recovery plan and whatnot, you know.
7 And the taxpayers unanimously agreed
8 that we have a town hall meeting here
9 in city hall which I asked the clerk
10 already -- the City Clerk's Office
11 already for Tuesday, September 4th,
12 and we're inviting the city council to
13 come, each and everyone of you. I'm
14 letting the mayor, Roseanne Novembrino
15 and Mrs McGovern and the decorum will
16 be of the highest standard. You can
17 believe me. There will be a
18 facilitator and will not be any
19 denigrating remarks or whatever. But
20 here are a lot of people that are
21 concerned and they are concerned about
22 sales tax. And a lot of people are
23 concerned about commuter tax, you
24 know. I mean, we just have to have
25 what's the name, maybe sit down and

1 talk about it, you know. And Mr. Gary
2 Lewis will be here, okay, and he will
3 make the presentation on his budget
4 get and I hope that we can benefit a
5 lot from it and come a lot closer
6 together in the City of Scranton.
7 We've got to forget about the last ten
8 years. We've good to forget about it.
9 We've got to dig ourselves out and I
10 have a lot of faith in you four people
11 out there to dig us out. Thank you
12 very much.

13 MS. EVANS: Thank you.

14 MR. LOSCOMBE: Mr. Quinn, what
15 time was that meeting on September
16 4th?

17 MR. QUINN: It's 6 p.m. September
18 4th, the day after Labor Day right
19 here and it will be televised on ECTV.
20 Thank you.

21 MS. EVANS: Our next speaker is
22 Gary Lewis.

23 MR. LEWIS: When I look at
24 council's approached to a revised
25 recovery plan, I can't help but be

1 reminded of Mazlo's hammer. You
2 should probably recognize this concept
3 when all you have is a hammer,
4 everything looks like a nail.
5 Apparently when you're a member of
6 city council, every probably looks
7 like a revenue shortfall. The truth
8 is that Scranton has a very serious
9 spending problem, not a revenue
10 problem. The point I've been
11 trying -- this is a point that I've
12 been trying to convey since April of
13 this year. Just to recap. I stood
14 here in May at this very podium and I
15 predicted the city would be insolvent
16 in 2012. I thought it would happen in
17 October. I was wrong. It happened
18 earlier this summer. In June I stood
19 here and I told you that the city and
20 the Parking Authority had failed to
21 comply with the disclosure
22 requirements and were towing the line
23 on a technical default. That are very
24 same evening you released a letter
25 from Bank of New York Mellon repeating

1 exactly what I stated. When you
2 released your revised recovery plan, I
3 was here three weeks ago to warn that
4 your tax hikes didn't add up, that
5 your revenues were overstated and your
6 expenses were understated. I warned
7 you that you had no support for the
8 various new revenues you were
9 predicting. Four days after I said
10 that and four days after I sent that
11 same analysis to PEL and the DCED, PEL
12 responded to your plan citing my very
13 same issues. Putting numbers on paper
14 simply doesn't work. We've had two
15 decades of broken budgets that prove
16 that but here we are again looking at
17 unsupported numbers, numbers you are
18 apparently shopping around in the
19 hopes of securing additional funding
20 to cover the financial malfeasance of
21 the last decade. The issues with your
22 recovery plan are easy to spot.
23 They've been pointed out by PEL. The
24 revenues are overstated. The debt
25 services is not accurately reflected

1 and new revenues are unsupported and I
2 believe the refunding of borrowing to
3 the Workers' Comp trust is not
4 accurate in your budget. It's time to
5 radically alter our approach and look
6 at the expenditure side of the
7 equation. I don't expect you to do
8 that, though. I don't even expect you
9 to attend the September 4th hearing
10 but this city deserves to know the
11 truth and they deserve to hear other
12 options. They deserve to know that
13 your plan is inaccurate and
14 politically motivated. You plan to
15 borrow from hedge funds is not only
16 unwise, it a blatant attempt to secure
17 financial windfall for Paul Kelly and
18 Boyd Hughes in the form of billings
19 related to the private placement of
20 the debt. You should ashamed of this.
21 You should be ashamed of the recovery
22 plan, of the cash grab by the
23 attorneys and of your political
24 motivations. One in nine homeowners
25 cannot pay their current tax bill and

1 you want to reach deeper into their
2 pockets. What are you going to do
3 when that number hits one and five.
4 What kind of a recovery plan leads to
5 the city forcibly taking 20 percent of
6 privately owned property for
7 delinquent taxes. You need to address
8 the expenditures but you won't. So I
9 have. I've prepared a budget that's
10 based on our actual collections, a
11 budget that is based on reality. I've
12 discussed this budget on Tuesday with
13 the Taxpayer's Association and I've
14 provided the same document earlier
15 today to DCED and PEL and I'm going to
16 bring it to tomorrow's hearing.
17 Unlike you I've made my budget public
18 and all of my support easily
19 accessible and available. You may not
20 show up on September 4th but I will be
21 here and I'll be encouraging every
22 single resident of this city to think
23 long and hard about the two
24 approaches. Do we continue to throw
25 good money after bad hoping and

1 praying that some day reality will
2 catch up with our budgets or do we
3 make the rational choices and manage a
4 budget to the revenue we've actually
5 collected. I'm a proponent of the
6 reasonable choice. As I said, three
7 weeks ago I believe that your plan is
8 theoretically arrogant, financially
9 reckless and negligent. It's time to
10 accept the reality of the situation
11 and address the expenditure side of
12 the equation. We need -- we need to
13 actually build a budget that's
14 sustained by the revenues we've
15 collected and will collect. We can't
16 continue to chase people out of this
17 city and continue to raise the taxes
18 to a point where they can lose their
19 homes. We're ruining people's lives.
20 Thank you.

21 MR. JOYCE: Mr. Lewis, I just had
22 a couple of questions.

23 MS. EVANS: No. You may be
24 seated.

25 MR. LEWIS: So I'm not allowed to

1 respond.

2 MS. EVANS: If you want to pose
3 questions.

4 MR. JOYCE: I just wanted to ask
5 a few questions. You said that the
6 city has a spending problem. Where
7 exactly do you suggest that we cut
8 from?

9 MR. LEWIS: I've said in the past
10 that I believe we need to address
11 expenses related to salary and debt
12 service and I've put forth a new
13 proposal to restructure our debt and
14 I've recommended cuts to salary and
15 benefits.

16 MR. JOYCE: To salary and
17 benefits. Now, what about union
18 contracts, how does that apply? Will
19 this drag the city in a long court
20 battle because obviously you can't cut
21 salaries of the fire and the police
22 and the DPW workers and the clerical
23 union workers and there's not that
24 many management personnel and we've
25 already cut their salaries.

1 MR. LEWIS: Well, actually we
2 just gave a big raise to the police
3 and the firemen, right, in the newly
4 negotiated contract?

5 MR. JOYCE: That was court
6 ordered.

7 MS. EVANS: Actually that was
8 decided by the Supreme Court of
9 Pennsylvania so it cannot be altered.

10 MR. LEWIS: Right. But as I've
11 said in the past bankruptcy allows us
12 to reject collective bargaining
13 agreements, it allows us to
14 restructure debt, it gives us a stay
15 of current litigation and, you know,
16 I've made this point on Tuesday that
17 the bankruptcy judge does not come in
18 an unilaterally raise taxes. The
19 bankruptcy judge is there to implement
20 the plan that's put together by the
21 city and their creditors. It's
22 possible for the city to operate on a
23 54 million dollar budget but we need
24 to protection provided by bankruptcy.
25 And I know the governor needs to

1 approve it, the mayor needs to sign it
2 but if we have a reasonable, workable
3 plan and we sit down like rational
4 reasonable people, I don't see why
5 everyone couldn't come to the table
6 and if they won't make -- file for
7 bankruptcy, they won't allow that,
8 maybe we can actually negotiate new
9 contracts and work with our bond
10 holders. I mean, I don't think we've
11 ever tried these steps.

12 MS. EVANS: Well, I do know that
13 as soon as the council of Harrisburg
14 declared bankruptcy the state under
15 the current governor took immediate
16 action and passed legislation in
17 record speed to take over the City of
18 Harrisburg. It is very clear that the
19 Republican leadership of the state
20 opposes municipal bankruptcy.

21 MR. LEWIS: Harrisburg didn't
22 have a plan like I've built for this
23 city. I have months sunk into this.
24 This is my job. This is what I do for
25 a living.

1 MS. EVANS: That's exactly right.
2 Bankruptcy is your job so, of
3 course --

4 MR. LEWIS: No. Saving failing
5 organizations isn't my job. I work
6 with failed banks --

7 MS. EVANS: Well, through
8 bankruptcy.

9 MR. LEWIS: No. My clients do no
10 declare bankruptcy. The government
11 comes in, shuts down a bank. I work
12 with that failed bank to make them a
13 solvent stable institution. I've done
14 it with 23 banks. I don't use
15 bankruptcy. Banks cannot file
16 bankruptcy.

17 MS. EVANS: Well, you obviously
18 as part of your job duties deal in
19 bankruptcy.

20 MR. LEWIS: No, I don't do
21 anything. I don't do anything. I'm
22 not a lawyer. I don't deal with
23 bankruptcy courts. I've done research
24 on Chapter 9, research on municipal
25 bankruptcy. I do not work with

1 bankruptcy as part of my job. I work
2 with failing institutions and I help
3 them become solvent and stable and
4 work on the revenues they actually
5 have.

6 MS. EVANS: And have you formed a
7 pact?

8 MR. LEWIS: I have.

9 MS. EVANS: And are you asking
10 for contributions?

11 MR. LEWIS: I am because I want
12 to publicize my plan. I want people
13 to know that what you're saying is not
14 the only course of action.

15 MS. EVANS: And what are the
16 contributions you've requested?
17 You've suggested --

18 MR. LEWIS: Are you talking
19 about -- I suggested that people make
20 contributions of \$100 or more.

21 MS. EVANS: Up to \$5,000.

22 MR. LEWIS: That's the federally
23 required cut off. You can't take more
24 than \$5,000.

25 MS. EVANS: Correct. And so --

1 MR. LEWIS: And do you know how
2 many I've received? Twenty-five
3 dollars of my own money.

4 MS. EVANS: Well --

5 MR. LEWIS: So if you're trying
6 to make a point like, oh, I'm going to
7 go back to people and I'm going to,
8 you know, work with well heeled
9 lawyers and accountants and I'm going
10 to work with all this money that
11 Doherty's worked with over the last
12 ten years, that's not what I'm doing.
13 I'm taking my plan to the people
14 through out of my pocket.

15 MS. EVANS: Well, yes, your \$25
16 and you'd like everyone else to make
17 their contributions between like what
18 500 and 5,000 and --

19 MR. LEWIS: This is it. All you
20 can do is sit there and attack me.
21 You can't talk about the issue. Can't
22 we talk about the issue. The issue is
23 the spending and the issue is the
24 revenue.

25 MR. LOSCOMBE: Relax.

1 MS. EVANS: Excuse me, excuse me.
2 You're out of order. I think
3 something else that should be
4 indicated is that the website also
5 proposes the backing of Republican
6 candidates for office. So before Mr.
7 Lewis accuses anyone of political
8 pandering or political decisions, I
9 suggest he look to himself.

10 And our next speaker is Doug
11 Miller.

12 MR. MILLER: Good evening,
13 council, Doug Miller, Scranton. You
14 know, what took place here just now is
15 totally uncalled for. And just
16 nothing more than grandstanding that
17 we've had to deal with in this
18 chamber. You know, I've had to sit
19 back and listen to Mr. Lewis for
20 months now in all his rhetoric and
21 telling us how we should run the city
22 and bankruptcy is the solution. I
23 think the best thing for Mr. Lewis at
24 this time is if he's going to remain
25 political, then we all due respect I

1 suggest he stay away from this
2 chamber. We're here to conduct
3 business and if he can't conduct
4 himself in a professional manner, then
5 he doesn't belong here.

6 Moving on though I'd like to
7 begin with some pressing matters,
8 obviously the announcement made by
9 council earlier this evening that we
10 will receiving a TAN -- a TAN-B series
11 in the amount of 6.2 million dollars
12 from an outside bank and I think it's
13 a credit to from my understanding
14 Attorney Hughes was quite instrumental
15 in securing this financing. I just
16 would like this time, I know he's not
17 here this evening, but I would like to
18 take this time to personally thank him
19 for all his hard work, his tireless o
20 hard work and effort, not just with
21 this issue but on many other issues
22 he's taken on. He's certainly taken
23 on many matters that most city council
24 solicitors in the past years never did
25 and I think it's a credit to this

1 council in their selection of Attorney
2 Hughes and he's yet shown his
3 commitment to not only the council but
4 the taxpayers of this city and it's
5 certainly a relief to hear that we're
6 receiving this funding as well as the
7 2.5 from DCED. This will give us a
8 total of eight million dollars to work
9 with and I say that this is just the
10 beginning of the victory for the
11 taxpayers of this city. We certainly
12 didn't get ourselves totally out of
13 the hole but we've definitely come a
14 long way to the last five months and
15 it's a credit to the council and the
16 mayor coming together on a revised
17 recovery plan and you should be
18 commended for that, that, you know,
19 political differences were put aside
20 and leadership was put forth and we
21 get to this position we're in tonight
22 that we're going to pass the recovery
23 plan that met PEL and DCED approval
24 and I want to commend all sides for
25 coming together. You know, to have

1 the mayor here last week was certainly
2 a good step forward and a credit to
3 council as well as many speakers that
4 have come forward requesting that the
5 mayor come forward in a public setting
6 and we were able to see that take
7 place. But, you know, throughout this
8 process I can't say that everything
9 has gone smoothly. As you know, I've
10 been a critic of a lot of the
11 grandstanders, I like to call them,
12 who have come forward and have had
13 objections to the recovery plan. I
14 guess you could say that's the easy
15 way out. I think we can all say no,
16 no, no, no every week but no, no, no,
17 no doesn't get us anywhere. It
18 doesn't solve our issues. And, you
19 know, it's unfortunate Mr. Rogan left
20 the room because I do want to address
21 him this evening. You know, as I've
22 sat back in recent weeks, I should say
23 months, you know, I've listened to a
24 lot of the statements made by Mr.
25 Rogan and I sat back and I didn't say

1 anything, I let him continue. But I
2 felt tonight as we're in the position
3 we're in tonight with this plan as we
4 take it into final passage, I felt it
5 was important for me to respond to
6 some of the statement made by Mr.
7 Rogan. You know, as we all know,
8 we're quite aware he has been a critic
9 of this recovery plan and he's
10 objected to it and he's stated quite
11 boldly that he's voting no. But what
12 I find kind of amusing throughout this
13 whole process is while he's
14 consistently claiming that he's voting
15 no, he hasn't offered any alternative.
16 You know, like I said, it's easy to be
17 objective but when you don't have a
18 solution yourself, I kind of find it
19 hypercritical to, you know, make
20 statements such as no. You know, my
21 question to Mr. Rogan tonight and like
22 I said it's a shame he walked out of
23 the room but, you know, my question to
24 him tonight is simply where is he
25 supposed we come up with an estimated

1 32 million dollars because that's what
2 the hole would be in our recovery plan
3 if we were do away with the sales tax,
4 the commuter tax and the amusement
5 tax. Where does he suppose we come up
6 with 32 million dollars without
7 raising taxes. I'm curious to hear
8 his plan on that.

9 My second question for him is he
10 talks about how the Scranton Parking
11 Authority, we need to dissolve, we to
12 dissolve, we need to sell off the
13 parking garages. Believe me I'd love
14 to see it take place but I think what
15 Mr. Rogan fails to realize is that any
16 money we recoup from the sale or lease
17 of parking garages is going directly
18 to pay off the bond debt. The city is
19 not going to reap any of those
20 benefits and if we do, there won't be
21 much, if anything, left. He's back
22 in. And I going to ask these
23 questions again now that he's in here.
24 But not to talk behind your back, you
25 know, Mr. Rogan, I did have a few

1 questions for you tonight.

2 MR. ROGAN: Sure. I apologize.

3 I had to use the restroom.

4 MR. MILLER: That's fine. I'm
5 basically going to be repetitive and
6 repeat a lot of what I just said. But
7 I stated moments ago, you know, I've
8 been sitting back and I've been
9 listening to a lot of statements made
10 by speakers and, you know, even
11 council members with this recovery
12 plan. And, you know, I've kind of bit
13 my tongue with a lot of your
14 statements and, you know, this is not
15 meant to be disrespectful but, you
16 know, it's obviously well known that
17 you've objected to this recovery plan
18 and you stated you'll be voting no.
19 But I just have to ask tonight while
20 we intend on voting no, I'd like to
21 ask you, where do you intend on coming
22 up with 32 million dollars in revenue
23 that will be needed to fill a hole in
24 your proposal to do away with the
25 sales tax, the commuter tax and the

1 amusement tax because from listening
2 to your statements, it's my
3 understanding you're opposed to those
4 so where do you feel you can up with
5 32 million with not raising taxes.

6 MR. ROGAN: Not all. I am
7 opposed to the sales tax. I have
8 stated that repeatedly. The commuter
9 tax I remain open minded on. To be
10 honest with you if there was a vote to
11 implement the commuter tax today, I
12 don't know how I would vote. An
13 amusement tax, I don't have a problem
14 with. I did question whether Montage
15 was in Scranton or, I'm sorry, the
16 amusement tax. I did question whether
17 Montage was, in fact, located in
18 Scranton or not. Attorney Hughes
19 state that it was. I don't have a
20 problem with that. I also support
21 that nonprofits should increase
22 contributions to the city but I don't
23 believe that they actually will
24 judging by their track record. I am
25 not saying that there's a possibility

1 to create a plan that doesn't increase
2 taxes. I've never said that. But
3 when you have only a few million
4 dollars in spending cuts compared to
5 tens of millions of dollars in tax
6 increases, I oppose that.

7 MR. MILLER: Well, let me ask you
8 this question because you're not the
9 only one that stated this and this is
10 sort of something that I find amusing
11 is we hear constantly we need millions
12 of dollars in cuts in the budget,
13 where do you suppose we make all these
14 cuts without cutting essential
15 services such as public safety.

16 MR. ROGAN: I believe -- on that
17 point I believe public safety is the
18 only essential service. I am fine
19 with gutting the budget outside of
20 public safety.

21 MR. MILLER: You don't believe
22 Public Works is an essential service
23 to taxpayers?

24 MR. ROGAN: It can be done
25 outside of government. The public

1 safety cannot be done outside of
2 government, other services can be.

3 MR. MILLER: All right. Now,
4 another question. You've also talked
5 about the Parking Authority, selling
6 or leasing the parking garages. And
7 believe me nobody wants to see that
8 done more than I do but at the same
9 time you do realize that any revenue
10 from any sale or lease will have to go
11 to pay off that debt.

12 MR. ROGAN: Absolutely. And the
13 reason why I support that is it
14 wouldn't affect the city budget -- say
15 if the Parking Authority sold three
16 garages for 30 million garages
17 tomorrow. They city wouldn't get a
18 dime out of that money. The money
19 should be used to pay down debt. If
20 the Parking Authority sold and I'm
21 just saying -- I'm not saying this is
22 an exact number. If they sold assets
23 say for 30 million dollars, by paying
24 down debt early, that would say
25 additional 30 million dollars.

1 Because as was mentioned by Attorney
2 Hughes the principal debt is
3 approximately 50 million dollars.
4 Through the course of making minimum
5 payments just like if you run a credit
6 card bill and you're making minimum
7 payments, the 50 million dollars by
8 making minimum payments comes to be
9 100 million dollars. By liquidating
10 some of those assets in paying off in
11 a lump sum, we're paying far less in
12 interest which at the end of the day
13 saves the taxpayers a lot of money.

14 MR. MILLER: You know, I just --
15 as a stated, you know, I find the
16 whole thing just to be -- well, I'm
17 disappointed, I should say that
18 because I just think, you know, in
19 recent weeks we've had nothing more
20 than grandstanding and, you know, I
21 just don't feel you've offered any
22 alternative. As I said, it's easy to
23 say no. I can come up here. We can
24 all say no. No doesn't solve
25 anything. So what I'm asking tonight

1 is we've constantly heard, you know,
2 the mayor needs to come forward and
3 I've been a proponent of that and
4 council has pushed to get him here.
5 We finally had him here last week and
6 I know you wanted him here bad, too,
7 but, you know, I was kind of
8 disappointed that, you know, I didn't
9 hear any suggestions or solution posed
10 to the mayor from you.

11 MR. ROGAN: Well, I wasn't
12 actually four of the five members on
13 council weren't given an opportunity
14 to question the mayor.

15 MR. MILLER: Okay. Does that
16 mean you weren't entitled to submit a
17 letter of -- or a list of proposals to
18 the mayor?

19 MR. ROGAN: I submitted a list of
20 suggestions to city council when the
21 recovery plan process started.

22 MR. MILLER: But that wasn't my
23 question. My question was, did you
24 submit anything to the mayor?

25 MR. ROGAN: It was submitted to

1 all five members of council.

2 MR. MILLER: So you didn't submit
3 anything to the mayor?

4 MR. ROGAN: Well, last week the
5 plan was already set in stone. He was
6 here to present that.

7 MR. MILLER: That's not my point.
8 The point is if you're going to be a
9 critic of something and you're not
10 willing to -- you know, you've talked
11 about having the mayor come here and
12 we wanted to develop a relationship
13 with the mayor and come up with a plan
14 together, you're telling me you didn't
15 offer any suggestions to the mayor. I
16 didn't ask --

17 MR. ROGAN: Because that's not --
18 Mr. Miller, that's not how the meeting
19 was structured and I don't want to get
20 in to a --

21 MR. MILLER: I'm not concerned
22 about what meetings are structured.
23 My point you're a councilman, you're a
24 elected leader of the city, you have
25 an obligation to watch out for the

1 taxpayers of this city. What prevents
2 you -- please. What prevents you from
3 submitting a list to the mayor of your
4 suggestions to the recovery plan.

5 MR. ROGAN: Can I respond now?

6 MR. MILLER: Please.

7 MR. ROGAN: Thank you. First of
8 all I will say, if I knew Mayor
9 Doherty was coming to council, I would
10 have had something prepared.

11 MR. MILLER: You have had ample
12 time. You've had months to come up
13 with a plan --

14 MR. ROGAN: Mr. Miller, am I
15 going to be allowed to reply?

16 MR. MILLER: You've had ample
17 time, though.

18 MR. ROGAN: No. To you.

19 MR. MILLER: It doesn't make any
20 sense, though.

21 MR. ROGAN: Without being cutoff,
22 let me reply --

23 MR. MILLER: You make no sense to
24 me, though, if you had more and ou
25 didn't know the mayor was coming.

1 You've known about his recovery plan
2 for months. You've had ample time to
3 come up with a plan so I don't buy
4 your excuse.

5 MR. ROGAN: I've stated from day
6 one when the whole debated started
7 before any proposal came down, that
8 all five members of council and the
9 mayor need to meet to discuss a plan,
10 not for the mayor and I'm not knocking
11 the mayor for coming here, I'm glad he
12 did, but I think if he came here two
13 months ago and sat in that chair and
14 we sat here and we talked about -- Mr.
15 McGoff would say, Well, I support
16 this. I would say, I support that,
17 down the line, all five of us and come
18 up with a plan created by five members
19 of counsel and the mayor in public
20 like in front of the citizens, we
21 would have had a much better outcome
22 than we have now.

23 MR. MILLER: But you knew at that
24 time, you knew darn well at that time
25 he wasn't coming forward with a

1 majority present and council, any
2 meeting with the majority needs to be
3 held in public. So you knew he wasn't
4 coming forward at that time. But,
5 again, still you didn't answer my
6 question. You're giving me the run
7 around, you know.

8 MR. ROGAN: No. I am answering
9 your question.

10 MR. MILLER: You didn't answer my
11 question because I asked you why you
12 didn't submit anything to the mayor
13 and your response was, Oh, I didn't
14 know he was coming.

15 MR. ROGAN: I didn't.

16 MR. MILLER: What does that have
17 to do with submitting suggestions to
18 the mayor.

19 MR. ROGAN: So you expected me to
20 know that Mayor Doherty would be here
21 today, to come here with suggestions
22 and hand it to him when I didn't even
23 know he was going to be here.

24 MR. MILLER: No. What I'm
25 expecting as a city councilman if I'm

1 concerned about a recovery plan is I
2 would compile a list together and I
3 would send it to Mayor's Office
4 whether or not he's coming to a
5 meeting or not. Nothing prevents you
6 from walking into the mayor's office
7 and saying, Mr. Mayor, here's my plan.
8 Your excuses are --

9 MR. ROGAN: Mr. Miller, it's not
10 an excuse. If it said all along and
11 you can look at it, I probably said it
12 20 times at this meeting, said it in
13 the Scranton Times, said it WBRE and
14 WNEP, I wanted a meeting of all five,
15 members of council and the mayor to
16 discuss the plan. That was my
17 position and that's still my position.

18 MR. MILLER: What's your plan,
19 Mr. Rogan? Do you have a plan?

20 MR. ROGAN: There shouldn't be --
21 you're running the meeting, Mrs.
22 Evans.

23 MS. EVANS: Mr. Miller, thank
24 you very much and I think we need to
25 end the debate.

1 MR. MILLER: No. I appreciate
2 that but it's just a ton of
3 grandstanding. You know, we like to
4 play to the camera, you know, we like
5 to be show boats and that's all it is.

6 MS. EVANS: Thank you. Gerald
7 Hefman.

8 MR. MILLER: Thank you.

9 MR. HEFMAN: Good evening,
10 council. Gerald Hefman --

11 MS. EVANS: Good evening.

12 MR. HEFMAN: -- from the
13 Lackawanna County Department of
14 Community Relations. First, if I may,
15 would just like to announce a little
16 bit of an adjustment to our
17 schedule -- my schedule with regards
18 to attendance at Scranton City Council
19 meetings. Effective after this
20 evening's meeting in the future
21 starting with the month of September,
22 I will attend the first meeting, the
23 first schedule meeting and then the
24 third scheduled meeting each month of
25 Scranton City Council here in council

1 chambers. The first meeting of the
2 month I will make a comprehensive list
3 of announcements that we have
4 regarding announcements that I have
5 made, ongoing programs, activities,
6 any other announcements as the
7 commissioners and our partners dictate
8 in our office. And then the third
9 week, the second meeting of the month
10 that I attend, I'll provide any
11 updates on those original
12 announcements and any new
13 announcements that develop in the
14 meantime and I do have some updates
15 due to our previous announcements.
16 This is a result of after several
17 months of operation as with any new
18 type of operation, our office has had
19 a chance to evaluate how we can best
20 work with all of our communities, all
21 of our partners in the community in
22 the City of Scranton and Lackawanna
23 County in it's attempt to streamline
24 and make more efficient our operations
25 with regard to serving everyone that

1 we need to with the time and resources
2 allotted to us. And, of course, I
3 will always be available by phone or
4 e-mail or in person whatever a member
5 of council or a resident of Scranton
6 should need to speak to your office
7 regarding any relevant issue. So we
8 will see you definitely next month and
9 we will continue to provide the
10 quality service to Scranton City
11 Council and, again, the taxpayers and
12 the residents of Scranton and
13 Lackawanna County going forward.

14 With that said, we do have an
15 update regarding an event I announced
16 last week which our Department of
17 Community Relations is spearheading
18 and undertaking the planing for, that
19 is Lackawanna County Senior Health
20 Fair. During the course of this week
21 and also early next week our
22 department is working with Lackawanna
23 County coordinate the Transportation
24 Department and also all of our senior
25 centers scattered around the county to

1 provide free transportation for senior
2 residents of Lackawanna County to
3 attend the Senior Fair which again
4 will be held Tuesday, September 11th
5 from 10 a.m. to 2 p.m. at the
6 Lackawanna County Trolley Museum on
7 the grounds of Steamtown National
8 Historic site. For more information
9 on transportation senior residents can
10 contact any of their local senior
11 centers throughout the county. And I
12 know we do have a number within the
13 city and they can contact my
14 colleague, Michelle Newberry, at
15 570-963-6743, extension 1872. That's
16 470-963-6743, extension 1872. On that
17 same token my coworker, John McGurl is
18 actively working with a number
19 community partners and agencies and
20 vendors as we call them in our office
21 to attend the Senior Fair. There will
22 been a number of services offered.
23 Last week I mentioned the free flu
24 shots. There will be additional
25 things. We're working to get blood

1 pressure screenings for free, possibly
2 hearing screenings and a lot of these
3 things are still in the process but
4 we're working very active to have a
5 very fun event, interactive and have a
6 wide variety of services available to
7 our senior residents. So if anyone is
8 from a business or from an agency that
9 wishes to partner with our department
10 to produce this event and to provide
11 again a quality event for seniors,
12 they can contact John McGurl at
13 570-963-6743, extension 1875. That's
14 570-963-6743, extension 1875. And our
15 department looks forward to welcoming
16 many of our senior residents of
17 Scranton and Lackawanna County to our
18 events and we hope it's going to be a
19 great success and move forward to
20 working with all of you to spread the
21 word and make sure it turns out to be
22 a very good day.

23 Last but not least another event
24 that our department is planning and I
25 do have to admit that this is kind of

1 my baby and my supervisor, Rod Ray as
2 well, we're working with a number
3 again of community organizations and
4 particular public safety agencies to
5 plan Hero's Day which will be held at
6 the Lackawanna County 911 Center on
7 Valley View Drive in Jessup on
8 Saturday, September 22nd from 10 a.m.
9 to 2 p.m. This is an event that's a
10 celebration and an exposition of
11 public safety: Police, Fire
12 Department, emergency medical services
13 and other community entities that
14 provide public safety and public works
15 operations. It's a very fun event.
16 There will be free food, giveaways,
17 music and we're working with in
18 addition to the emergency services,
19 we're working with a number of other
20 community agencies, Penn State
21 Extension, Colts, and also Operation
22 Lifesaver which is a national group
23 that promotes railway safety for
24 drivers, pedestrians, bicyclists and
25 sadly there's been a number of

1 railroad related accidents in the news
2 over the last few days both locally
3 and nationally. Operation Lifesaver
4 works to educate the public on how to
5 be safe when doing business near
6 railway apparatuses. So that's all we
7 have and we look forward to seeing you
8 next time and thank you for your time
9 as always.

10 MS. EVANS: Thank you.

11 MR. LOSCOMBE: Thank you.

12 MS. EVANS: Marie Schumacher.

13 MS. SCHUMACHER: Good evening,
14 Marie Schumacher, city resident and
15 taxpayer.

16 MR. LOSCOMBE: Good evening.

17 MR. ROGAN: Good evening.

18 MS. EVANS: Good evening.

19 MS. SCHUMACHER: First, a bit of
20 housekeeping on some open requests and
21 a couple of new questions.

22 First, Mr. Loscombe, would you
23 please explain the difference between
24 Mr. and Miss X and I believe it's Mr.
25 Alexander who -- regarding revealing

1 the offense. One was in the paper and
2 the other we're still wondering and
3 what's the difference between those
4 two.

5 MR. LOSCOMBE: Well, the
6 difference between those two is that
7 the paper published the name of the
8 one and didn't publish the name of the
9 other. The newspaper has more legal
10 attitude than I have. Neither one of
11 those persons have been charged or
12 convicted at this point so I can't
13 mention either name. You know, I go
14 from personal experience. I know
15 people who were accused of certain
16 things and were not guilty and I'm
17 going to ruin anyone's reputation
18 until it's adjudicated legally and if
19 you would like to request any
20 information, please put it in writing
21 and I'll bring it to the police chief.

22 MS. SCHUMACHER: I'll do that.
23 Thank you.

24 Mr. Rogan, do you have anything
25 on the 408 Cedar LLC status to share

1 during Fifth Order.

2 MR. ROGAN: No. I actually sent
3 you a message yesterday. Sorry. And
4 actually I lost some of my notes from
5 the meeting. I had request and I ask
6 for it again. But you can just either
7 reply to my message or I will jot it
8 down now.

9 MS. SCHUMACHER: Okay. I'll do
10 that.

11 MR. ROGAN: Sorry about that.

12 MS. SCHUMACHER: Mr. Joyce, the
13 rest are for you. Do you have the
14 list of the establishments that were
15 billed for the parking tax available
16 tonight?

17 MR. JOYCE: I don't. Mrs. Krake,
18 we haven't received that list, have
19 we? Just so I'm sure --

20 MS. KRAKE: I'm not sure what
21 Miss Schumacher is asking. It's not
22 clear to me. I apologize.

23 MR. JOYCE: A few weeks Mrs.
24 Shumacher asked for a list of all of
25 the recipients of the parking tax

1 bills and we had sent that request out
2 twice. Have we receive the reply on
3 that?

4 MS. KRAKE: Thank you. Now I
5 understand. No, we have not received
6 a reply, however, I did hear a remark
7 from our business administrator
8 concerning a different question that
9 we have received some money and there
10 was some question about some people
11 maybe not questioning the tax itself
12 and then, you know, how we were going
13 to go forward with it. So apparently
14 it has been completed. I just -- he
15 has not forwarded to us who he sent it
16 to.

17 MR. JOYCE: Could we please
18 reforward that request to him.

19 MS. KRAKE: This will be our
20 third request.

21 MR. JOYCE: Yes.

22 MS. SCHUMACHER: I was going to
23 say if they're stiff arming you, it
24 sort belies the new cooperation
25 between council and the administration

1 if they're still not providing
2 answers.

3 MR. JOYCE: I agree.

4 MS. SCHUMACHER: Do you have a
5 copy of the letter requesting the
6 reimbursement for the added cost
7 incurred as a result of Vice President
8 Biden's visit on the 3rd of July? I
9 believe you asked for that as well.

10 MR. JOYCE: I don't have a copy
11 of that on hand.

12 MR. ROGAN: I think that was me
13 that asked for that. We didn't get a
14 reply from the Mayor's Office
15 regarding the visit. I know he did
16 mention to -- I believe it was the
17 Scranton Times that he also did
18 support that the Obama campaign should
19 be reimbursing the city for the visit
20 but I haven't seen a receipt for
21 reimbursement yet for reimbursement
22 yet from the Obama campaign.

23 MS. SCHUMACHER: But did the
24 letter go out specifying how much that
25 would cost to cover? Do we have a

1 copy of that letter?

2 MR. ROGAN: The administration
3 hasn't replied to our request.

4 MS. SCHUMACHER: Okay. Chalk up
5 another one for cooperation. Did you
6 research during the past week what
7 became of the case laws that I
8 provided on the contractors operating
9 a government-owned facility and the
10 fact that they are, in fact -- should
11 paying property taxes and in the case
12 of General Dynamics that would be
13 about a half a million dollars a year?

14 MR. JOYCE: I have started to
15 look into it but I have been busy with
16 the recovery plan but I will continue
17 to research that.

18 MS. SCHUMACHER: Okay. And then
19 the two new ones tonight. The
20 interest rate on the TAN-B?

21 MR. JOYCE: Five percent.

22 MS. SCHUMACHER: Okay. And do we
23 have a status on when we will get
24 coverage for the unfunded debt that
25 the Court approved and for paying for

1 the police and firefighters?

2 MR. JOYCE: At this time Ryan
3 McGowan is negotiating the terms with
4 various financial institutions to try
5 to get us the best deal that we could
6 get as far as the 9.85 million dollars
7 and it my assumption that once we get
8 the TAN-B and the state money, the
9 2.25 million dollars, \$250,000 and a
10 grant and one million dollars in a
11 loan that has to be paid back this
12 year and one million dollars and the
13 loan that has to be paid back over ten
14 years, that the firefighters and
15 police officers would be paid their
16 back pay from the minimum wage pay
17 week.

18 MS. SCHUMACHER: But that's not
19 all of the back pay. That's just the
20 seven and a quarter an hour, right?
21 That's not all of their back pay from
22 the Supreme Court ruling. That's what
23 I'm --

24 MR. JOYCE: Oh, no, no. Okay.
25 That's still --

1 MS. SCHUMACHER: Okay. Because
2 previously it was stated that that
3 would be covered by a bond.

4 MR. JOYCE: Yes. That still is
5 in the works as far as negotiating
6 with the banks.

7 MS. SCHUMACHER: Okay. Now to
8 the biggie, 7B on tonight's agenda.
9 No. 1, affordability of additional tax
10 hikes. Perhaps now would be a good
11 time to express my disappointment that
12 dispute all of the comments about the
13 Scranton Sewer Authority rates not one
14 councilman had the time or interest to
15 attend the public hearing on their CS0
16 long term controlled plan draft and
17 the impact on the ratepayers. Section
18 8.3.3 of that document which is
19 available at the Scranton Sewer
20 Authority website provides -- may I
21 finish?

22 MR. JOYCE: Yes.

23 MS. SCHUMACHER: Since others
24 were granted. Provides a 2011
25 financial capability assessment update

1 that I would ask you to review and
2 it's got an appendix that's also
3 posted that tells how that was
4 calculated. I personally calculated
5 for each of the 11 municipalities
6 having a common border with the
7 Scranton. The percent of the total of
8 municipal property tax, wage tax,
9 school tax and county tax is both a
10 median family income and the median
11 home value and guess what, Scranton is
12 tied for second highest as a percent
13 of the household income and third as a
14 percent of home value and this was at
15 the current rate. How much more do
16 you believe you can squeeze out of the
17 taxpayers before they flee for
18 affordability. Second is the dubious
19 revenue sources impact on the millage.
20 I noticed in yesterday's Times Tribune
21 that the mayor of Mayfield is lining
22 up other municipalities to go to the
23 court hearing to oppose the commuter
24 tax that is a part of your recovery
25 plan unless we hear a change tonight

1 and there a question regarding other
2 dubius revenue sources that must be
3 backed up by yet more increases in
4 millage. Then there are the several
5 unresolved one time expenses that
6 could impact the budget which includes
7 payments to MEM for streetlights and
8 correction the drainage issue at the
9 Village of Tripp Park. Maybe Mr.
10 McGoff could find out if the developer
11 actually fixed that or if we're still
12 on the hook because the judge put us
13 as No. 2.

14 Now, finally though I understand
15 the other communities are unable to
16 currently retaliate with a commuter
17 tax of their own, the unintended
18 consequences consequence on Scranton
19 business may hurt more than you think
20 and our business privilege and wage
21 taxes may take a hit. All of which
22 leaves me to my recommendation which
23 is all parties need to come together
24 to prepare a plan as though we were
25 bankrupt. Without incurring the added

1 cost of attorney fees and actually
2 filing for bankruptcy we need to move
3 from the current cash accounting
4 system to an accrual system. Thank
5 you for your consideration of this
6 request.

7 MS. EVANS: Thank you.

8 MR. LOSCOMBE: Thank you.

9 MS. EVANS: Deb Niehaus.

10 MS. NIEHAUUS: Good evening. Deb
11 Niehaus, West Scranton. I want to
12 thank the young lady that spoke
13 earlier about the animal law
14 ordinance. I'm not sure what it -- I
15 couldn't hear actually but I'm glad to
16 see somebody finally speaking up on
17 behalf of animals in the City of
18 Scranton. And beyond that I just want
19 to clarify something. Council
20 President Evans, you stated earlier, I
21 think your opening remarks you said
22 something about the actual proposed
23 tax rate over three years. Was that
24 39 percent you said or 34?

25 MS. EVANS: It is 35 percent but

1 when compounded over three years it is
2 39 percent.

3 MS. NIEHAUUS: Okay, 39. So the
4 81 percent figure we've been seeing in
5 the paper is --

6 MS. EVANS: Well, actually that
7 is for the worst case scenario meaning
8 that the mandates would fail but I
9 believe that council and the mayor are
10 going to be working very hard to bring
11 them to successful fruition and in
12 addition we need the city, county and
13 the state to work together to achieve
14 all of the goals of the revised
15 recovery plan throughout the next
16 three years.

17 MS. NIEHAUSS: Thank you.

18 MS. EVANS: As well as the
19 nonprofits. I'm sorry.

20 MS. NIEHAUSS: Well, on that note
21 I hope all of the people that were
22 earlier mentioned, I think by Mr,
23 Quinn, could start entertaining the
24 idea of all taking a seat at an actual
25 roundtable and discussing these ideas

1 openly and calmly and truthfully and
2 airing everybody's worse case
3 scenarios and worse fears and I think
4 once we start communicating and
5 realizing that we're all in this
6 together, maybe we would, you know, I
7 guess relax a little bit and start
8 brainstorming as a true community as
9 opposed to individual entities of
10 government. So I think coming from my
11 background when I worked in
12 advertising and marketing in
13 Philadelphia one of the practice that
14 we used to do was to brainstorm ideas
15 and they can be very, very helpful to
16 just generate ways and solutions out
17 of really dire situations which I
18 think we're looking at now.

19 But to continue, I think
20 regardless of whether we end up
21 raising taxes or eventually filing
22 bankruptcy, I think the time is ripe
23 in the city for what we, the citizens
24 are looking for. We and judging from
25 the comments that came from past

1 speakers and recent past meetings, I
2 think the lady with the petitions was
3 constantly saying the comments from
4 Scranton citizens were they're upset
5 and frustrated with the ongoing --
6 I'll say less than ethical practices
7 both in government and in business
8 around here. I think its time if
9 we're going to start overhauling
10 budgets and so forth, it's also time
11 to start seriously considering ways
12 that we can put reforms in place that
13 will guarantee or at least hope to
14 guarantee the citizens of this city
15 good -- and I know it's redundant but
16 I will say it again -- good, honest,
17 open, accountable, transparent,
18 ethical government. Once and for all
19 let's get something on paper,
20 incorporate it into the city code or
21 the charter so that we no longer have
22 to have this nagging feeling that
23 we're operating behind some, you know,
24 dark forces of corruption and graft.
25 I don't want to see any more pay to

1 play. I don't want to cronyism
2 anymore in my city. I don't want to
3 see even favoritism which I find this
4 is the oddest of them all based on
5 one's ancestry. I mean, it's just --
6 you know, we're all Scrantonians, we
7 are all Pennsylvanians and we're all
8 American citizens and I think we have
9 to start really thinking of ourselves
10 that way, that we're all Scrantonians,
11 regardless of where our ancestors came
12 from. We would have less of a
13 resistance to discussing problems. So
14 I would like to say no more nepotism,
15 I'd like to say good government now,
16 and I think that's the citizens' plank
17 of this recovery plan and I would ask
18 that perhaps council could consider at
19 some point soon convening a task force
20 or a committee on the subject of good
21 government practices and good business
22 practices and start again
23 brainstorming. I have -- I know I've
24 done some research. I have at least
25 two files full of what other cities

1 have done, ethics codes, what works,
2 what doesn't work. I mean, let's --
3 we don't have to reinvent the wheel.
4 We can just start incorporating these
5 things and holding, you know, our
6 government officials, our local
7 officials as well as people who do
8 business with the city accountable.
9 That's all. I think when we don't do
10 that, it has a way of segwaying into
11 actual physical problems as well. And
12 I would like to just ask one quick
13 question if it's appropriate to pole
14 council. I know we had the issue of
15 the initial vote to fund and cover the
16 Parking Authority's bond payment and
17 initially it did not pass, and I'm
18 just wondering because I am somewhat
19 confused. I get mixed signals from
20 the Scranton Times. Does each council
21 member, do you regret voting no on
22 that initially and, if so, why for
23 those who did vote no. Could I ask
24 each one of you how you feel about it
25 now? Was that a mistake to vote no on

1 the Parking Authority bond and then
2 going back.

3 MS. EVANS: I'll begin. No, that
4 was not a mistake. I certainly do not
5 regret that because that put the
6 wheels in motion. If the city had
7 simply stepped in and provided the
8 money, today you would have the same
9 trustee, you would have the same
10 solicitor who demonstrated a clearcut
11 conflict of interest, you would have
12 the same salaries and you would have
13 the same mismanagement that has been
14 ongoing over the past several years
15 and so by taking that vote it gained
16 the attention of the bond insurers and
17 the bond issuers then became convinced
18 that the trustee was not performing
19 its due diligence, a new trustee had
20 to be appointed and the ball has been
21 rolling since than. And I know it
22 doesn't move as quickly as everyone
23 would hope but it is moving along.
24 And now, of course, there is a
25 receiver that has been appointed and

1 he will need the time to get up to
2 speed basically with the policies,
3 practices and budgets and -- or lack
4 thereof and financials of the Scranton
5 Parking Authority prior to making his
6 decision as to professional management
7 and that is certainly the goal of
8 Scranton City Council to seek
9 professional management so that the
10 Parking Authority will become either
11 self sufficient in the future or if
12 that is not a possibility because
13 perhaps too many garages have been
14 constructed, then there should be a
15 sale of garages to drive down the bond
16 payments, you know, what the proceeds
17 from that sale will be used to repay
18 the bonds and then the city ultimately
19 will be responsible only for the
20 remainder of that debt and, of course,
21 you'll save a tremendous amount of
22 interest as well.

23 MS. NIEHAUSS: I agree. I think
24 it was a wise move but you can't
25 always tell that. I don't if

1 everybody else wants to vote on that.

2 MR. LOSCOMBE: I would echo Mrs.
3 Evans totally.

4 MS. NIEHAUSS: That definitely
5 answered or speaks probable for almost
6 all --

7 MR. ROGAN: I would say the first
8 vote that you asked about whether, you
9 know, people regret voting against
10 giving them the money. I personally
11 feel the first vote was the correct
12 vote not give them the money. You
13 know, we later found out that there
14 was extra money in a reserve fund.
15 Later legislation was passed asking
16 for the money back from the reserve
17 fund and all we have gotten from the
18 new solicitor and from still Mr.
19 Scopelliti as, you know, side step,
20 well, you know, talk about accelerated
21 payments and I know Attorney Hughes
22 mentioned last week he didn't see that
23 in there but, you know, he doubted
24 that it would be. He's not here
25 tonight to talk about it but I voted e

1 against giving them the money six
2 times and I was happy -- you know, I
3 thought it was the right choice every
4 time.

5 MR. MCGOFF: I'll be very quick.
6 I was the only yes vote and it was my
7 belief that we would eventually have
8 to pay that debt which we did and it
9 was also my belief that it would
10 create a negative perception to the
11 banking community and to others which
12 I believe it did.

13 MR. JOYCE: I voted no and I do
14 not regret my decision.

15 MS. NIEHAUSS: Thank you very
16 much, council.

17 MS. EVANS: Thank you.

18 MR. LOSCOMBE: Thank you.

19 MS. EVANS: Is there anyone else
20 who cares to address council?

21 MR. MORGAN: Good evening,
22 council.

23 MS. LOSCOMBE: Good evening.

24 MS. EVANS: Good evening.

25 MR. MORGAN: The first thing I

1 have is, you know, I'd just like to
2 say publicly that I think it's time
3 for the Court of Common Pleas and for
4 the county commissioners to come up
5 with a contract for the guardian ad
6 litem in the Lackawanna County court
7 system and it's also time to expand
8 the program and bring three or four
9 newly graduated attorneys in to act in
10 court for minor children in the
11 guardian program that have never
12 practiced law here. And I'd just like
13 to say that publicly and I just hope
14 that the county commissioners and
15 judges are listening because I think
16 that the program is very valuable.

17 And now I'd like to go to the
18 city's position here. Is the city
19 going to vote tonight three times on
20 the recovery plan to fast track it
21 through council tonight?

22 MR. LOSCOMBE: This is actually
23 the third vote on the recovery plan.

24 MR. JOYCE: This would be the
25 third vote on the recovery plan.

1 MR. MORGAN: Well, I man, I'm
2 looking at a revised copy of the ed
3 recovery act, okay, it's dated as of
4 tomorrow so this is a new copy of the
5 recovery plan and I'm not sure that
6 people understand that there's a new
7 version and there's been changes made
8 to it but I think it would be
9 important for the residents of this
10 city to understand that in my opinion
11 politics is moving full steam ahead
12 and this recovery plan has nothing,
13 absolutely nothing to offer the
14 residents of this city except for a
15 massive tax increase. And I have to
16 applaud the people outside the city.
17 They're going to fight against the
18 commuter tax and a sales tax increase
19 because to quite blunt, it isn't only
20 this council that's made mistakes by
21 cutting taxes and just speaking as if
22 really you had some idea what was
23 going on and yet it turned out where
24 you just didn't. The supermajority
25 turned out to be a nightmare for this

1 city. And that may go contrary to
2 what the other people believe and
3 torpedoing the Parking Authority.
4 Look it, Mr. Scopelliti didn't allow
5 that borrowing to take place,
6 councilmen did. Okay? And the
7 running of the Parking Authority,
8 well, look it, they knew they couldn't
9 pass those bonds when they passed that
10 legislation through council and now
11 what we're going to do is we're going
12 offer up Parking Authority alleged
13 property that council seems that's a
14 great idea but the market is so
15 suppressed that we're never get what
16 the value of the property is. And
17 with the tax increases coming in, oh,
18 that lady that was in paper today,
19 she's absolutely right about the 81
20 percent. And, Mr. Rogan, I'd like to
21 applaud you because, you know, you are
22 right. We've had one rubber stamped
23 council after another and I don't see
24 much difference between this council
25 and previous councils even though

1 you're a supermajority, okay, because
2 what's going on here is the pain and
3 the hardship that's going to come to
4 the residents of this city is just
5 mind boggling. Okay? And to act as
6 if this recovery plan is going to turn
7 the city around, I don't know, I don't
8 think it is. I don't think I've heard
9 anybody on council talk about all the
10 money owed to the pension plans but I
11 guess that money is just going to fall
12 out of the sky for us, okay, and I
13 haven't seen any of the council
14 members speak about a multitude of
15 other issues that are very important
16 to the residents of this city. I
17 mean, it's easy to grandstand on
18 certain issues but the truth of the
19 matter is this city is very sick,
20 okay, and this -- look it if the state
21 is going to come forward and give you
22 some money and we're going to
23 allegedly find a bank now that is
24 going to give us some money, I think
25 there's a lot of arm twisting going on

1 but is it really in the best interest
2 of the residents. And my other
3 question is if there's a public
4 hearing -- if there's going to be a
5 public hearing which may not take
6 place or may take place, council will
7 determine that, but if the residents
8 of this city come here and say they're
9 opposed to this plan, what will the
10 council do then? Or does it not
11 really matter -- Janet talked about a
12 public hearing, Mr. Loscombe, if
13 you're not aware of that. She talked
14 about a public hearing --

15 MR. LOSCOMBE: I believe we had a
16 public hearing already on it.

17 MR. MORGAN: Okay. But now we
18 have a new recovery plan, we have a
19 revised one. Or maybe we don't
20 deserve another hearing. But one
21 point is really simply --

22 MR. LOSCOMBE: We're at a
23 deadline, sir, and that was fluid
24 until right before our meeting
25 tonight. We're at a deadline. If we

1 want to --

2 MR. MORGAN: You're at the
3 deadline? What about the residents
4 that can't pay their taxes? What
5 about their deadline?

6 MR. LOSCOMBE: I'll explain that
7 in a little bit. But if we want to
8 lose two and a half million dollars
9 tomorrow --

10 MR. MORGAN: Mr. Loscombe, let me
11 say this to you. All the things you
12 explained to the residents of this
13 city aren't going to do a thing for
14 the condemnations that taking place
15 and the amount of people --

16 MR. LOSCOMBE: That's only
17 your opinion --

18 MR. MORGAN: And many people in
19 this city losing their homes because
20 they can't pay their taxes and the
21 most relevant thing that could have
22 been done for this city is to find
23 some relief somewhere. And look it,
24 we can all talk about how much this
25 recovery plan is going to present,

1 39 percent, whatever, if none of these
2 revenues come forward, it's still
3 81 percent. And when the pension plan
4 need to be funded how many percent
5 will it be then. And if you can't
6 understand what former residents are
7 saying in the newspaper and out in
8 public about abandoning this city over
9 taxation, you know what, I feel sorry
10 for you.

11 MR. LOSCOMBE: Well, I have to
12 represent 77,000 people and I have to
13 go with what the majority of people
14 tell me.

15 MR. MORGAN: I haven't --

16 MR. LOSCOMBE: Pardon?

17 MR. MORGAN: Let's see what they
18 feel.

19 MR. LOSCOMBE: They voted me in.

20 MR. MORGAN: No, you're right,
21 they did. They did vote you in. But
22 you know something, this should have
23 been placed on a ballot and the
24 residents, the 77,000 people you say
25 you represent should have had a vote

1 in this because you know something,
2 this council and this administration
3 are going to pick their pockets, all
4 right. And as far as good and ethical
5 government, if it hasn't happened at
6 this point, I don't know why you think
7 it's going to happen tomorrow. But I
8 appreciate your time, sir.

9 MR. LOSCOMBE: Sir, I can account
10 for us but we didn't create this mess.
11 We're only trying to straighten it
12 out. I live in this city, too. We
13 have all have to share the pain.

14 MR. JOYCE: Is there anyone else
15 who would like to address, council.
16 Hi, Chrissy.

17 MR. SLEDNESZSKI: Can I ask you a
18 question. Just to you, Mr. Rogan. I
19 asked you a question. No one else.

20 MR. ROGAN: Okay, Chrissy.

21 MR. SLEDNESZSKI: Up on -- on the
22 second court. (Unintelligible.)

23 MR. ROGAN: Okay, Chrissy.

24 MR. SLEDNESZSKI: Thanks, Pat.

25 MR. ROGAN: Okay. You're

1 welcome.

2 MR. LOSCOMBE: Take it easy.

3 MR. JOYCE: Is there anyone else
4 who cares to address council?

5 MR. DOBRZYN: Good evening
6 council, Dave Dobrzyn, resident of
7 Scranton, taxes paid. I'll pay what
8 extra I have to pay, I guess. That's
9 the way it is.

10 On the spay and neuter at Griffin
11 Pond, I just figured I'd get this out
12 of way quick, it's \$60 for shots, spay
13 and neuter. It usually typically cost
14 about 200 at a vet so it's something
15 out there for people in TV land to
16 consider before they let that animal
17 get pregnant.

18 And, okay, support. As painful
19 as the tax increase is, I have a
20 question for the people out there in
21 TV land. Do people deserve to pay for
22 the policies they support it. We're
23 up against the wall here. It can't go
24 any further. You can't keep letting
25 people go home with empty pockets and

1 minimum wage and there's no more money
2 so we have to plan in the future to
3 never have this happen again but I
4 don't see any way out for you people
5 other than to increase the taxes. And
6 if you voted for some of the rubber
7 stampers and so forth, you have nobody
8 but yourself to blame. Or if you
9 didn't show up on Election Day and
10 didn't care. That's the way it is.

11 And I have a message for public
12 employees. Careful whom you vote for,
13 it may cost you your job some day.
14 Anymore increases might be out of my
15 cold dead hands. And as far as the
16 state takeover, that's the last thing
17 I'd ever want to see, ever want to see
18 the state takeover. They pulled the
19 carpet on us, they locate their
20 nonprofits here and tell us to go
21 play. So they can go play. In the
22 future I'd just love to see a limit
23 set on anymore tax exempts, period.
24 No more. I don't care who they are, I
25 don't care what they're doing or what

1 their purpose is, find a place up in
2 Spring Brook with the 230 acres you've
3 purchased for our friends up on the
4 hill here, the university, and some of
5 these other places. Lackawanna County
6 Junior College gets about \$6,000 per
7 student for a few months from the
8 Unemployment Office. So it's not like
9 they can't afford to throw us a few.

10 And furthermore on fees, I
11 wonder -- you know, I might get 20
12 bucks or 30 bucks back from my
13 property taxes from the City of
14 Scranton or maybe 50, wouldn't it be
15 cheaper if we just charged fees for
16 city maintenance. I often wondered.
17 Then the people that are getting the
18 free ride would have to pay. Just
19 like the trash fee. If you want to
20 use the trash, you have to pay the
21 fee. Irregardless of whether you're
22 tax exempt or not. So add 35 percent
23 to that and start picking up all the
24 garbage because I think a lot of this
25 dumping that I mentioned along the

1 sides of East Mountain and so forth
2 are landlords and it gets stuck with a
3 bunch of old couches or mattresses and
4 then they sneak back there with their
5 pickup truck and, you know, the
6 country side suffers.

7 And furthermore with the current
8 state administration and legislator
9 are making you guys be the bad guys.
10 And that's all I have to say on that.
11 They've got everything their way.
12 They want to -- they didn't tax
13 Marcellus Shale, the tri-axles beat up
14 on the roads. What's Governor
15 Corbett's solution? Fines and fees.
16 In other words I'm going to have a
17 policeman follow me around and will
18 make sure I'm using my turn signal and
19 pay for the broken roads and pay a
20 higher license fee for my car and
21 whatever and, you know, I'm paying to
22 put money in somebody else's pocket so
23 that's what we got out of them and
24 very little else. All we have here is
25 a loan. We don't have anything else.

1 And somebody noted that up at Nay
2 Aug, this is a petty thing but the Job
3 Johnnies are not gender oriented so
4 men and women both use them. While a
5 lady slug a door open and there was a
6 guy standing there with his panties
7 down. And she got herself a free
8 show. And the street sweeper on East
9 Mountain comes up after the trash --
10 or before the trash removal. So a guy
11 stopped me at the supermarket. And,
12 okay, I'm going to keep harping on
13 this voting thing because with the
14 golden parrot. If your name or
15 nickname is Frank, Pat, Bob or Jack,
16 you better make sure that you're
17 properly registered to vote. Do you
18 hear that, Mr. McGoff? If you're
19 registered to vote as Bob and your
20 name is actually Robert, you better
21 correct that this fall. And the
22 501C4's are being run and they're
23 actually political organizations and
24 they're listed as public interest or
25 public benefactors and they write some

1 of these nasty ads up and make lots of
2 money. So Mr. Corbett and 501C4's,
3 have a good night, balk, balk, balk.

4 MR. JOYCE: Thank you.

5 MR. LOSCOMBE: Thank you.

6 MR. JOYCE: Is there anyone else
7 who cares to address council?

8 MR. JACKOWITZ: Good evening,
9 council. Bill Jackowitz, South
10 Scranton resident, member of the
11 Taxpayers' Association and founder of
12 the Legion of Doom.

13 MR. JOYCE: Good evening.

14 MR. JACKOWITZ: First of all, I'd
15 like to make an announcement. As Vice
16 President of the Taxpayers'
17 Association and I was conference with
18 Mr. Quinn, the President of the
19 Taxpayers' Association, we're still
20 going to have our town hall meeting on
21 the 4th of September but right now
22 we're going to table Mr. Lewis'
23 opinion because we as officers were
24 not aware of the website and we want
25 to investigate that before we find

1 out. But we will still be inviting
2 city council, they mayor and other
3 elected officials of Scranton and
4 we're also going to be inviting mayors
5 of surrounding communities also to
6 come in and we hope the citizens of
7 the city and the county come to the
8 meeting on the 4th of September right
9 here at the city council's meeting and
10 ask our elected official questions and
11 we hope the elected officials come
12 prepared with answers. But first of
13 all, we hope they show up. That's the
14 most important thing.

15 Okay. Now, in reference to what
16 Mr. Miller's comments were attacking
17 Mr. Rogan, at last week's meeting or I
18 should say at last week's dog and pony
19 show which was declared -- which was a
20 caucus we were under a time limit. We
21 had an hour. Mrs. Evans made that
22 perfectly clear. As a matter of fact,
23 I was the last speaker. So Mr. Rogan
24 would not have had time to ask Mr.
25 Doherty questions during last week's

1 caucus because it's obvious that Mayor
2 Doherty was here for one hour and one
3 hour only because it was the first
4 time I attended a caucus where we were
5 rushed and had to be over right at
6 6:30. Meetings have started late many
7 times because of a caucus. So in
8 defense of Mr. Rogan he would not have
9 had time to ask questions.

10 Furthermore, as far as grandstanding,
11 Mr. Rogan is an elected official. He
12 has -- he was elected by the people.
13 He can go vote anyway he wants to
14 vote. It's up to him. And for him to
15 be ridiculed -- he was ridiculed for a
16 vote a couple weeks ago when he made
17 his vote because he did not agree with
18 the supermajority. So that was
19 grandstanding. Bringing a pacifier to
20 a city council meeting is
21 grandstanding. Moving a chair up to
22 the front is grandstanding. So I
23 resent the fact that an elected
24 official is accused of grandstanding
25 when he makes his vote. That's what

1 he's there for. Just because he
2 doesn't agree with you. I don't agree
3 with a lot of votes that go on but
4 that's not grandstanding. Bring a
5 pacifier to a meeting is
6 grandstanding. I've been around a lot
7 longer than Mr. Miller. I've lived in
8 different cities. I know what goes on
9 in government. Mr. Miller is young,
10 plus he's going to be running for
11 office again. I'm pretty sure. If
12 I'm wrong about him running for
13 office, I will apologize to him. But
14 I think he's the one who is
15 grandstanding and that's all I'm going
16 to say on that. That needs to stop
17 right now.

18 Okay. You know, I appreciate
19 what council does, okay, I really do.
20 I appreciate what council does. I
21 appreciate the hard work. I
22 understand you guys are working hard
23 but you know something, that's what
24 you were elected to. If you think I'm
25 going to thank you for doing your job,

1 I'm not going to because that's why I
2 voted for you. I vote -- you know,
3 we've been distressed for 7,531 days
4 now, 238 months. I elected you two
5 and a half years ago to work for the
6 people. Just like I elected the mayor
7 and everybody else whether I voted for
8 you or not. I voted for four of you
9 up there. Mr. McGoff, sorry, Bob, I
10 never voted for you. But anyway --
11 and I haven't voted for the mayor the
12 last two times either. But that's
13 what we elected you for. That's your
14 job. I'm not going to sit here and
15 pat you on the back. I appreciate
16 what you do. But I'm not going to pat
17 you. You know what I'm going to pat
18 you on the back, when city council and
19 the mayor holds a joint news
20 conference to say, guess what, we are
21 no longer a distressed city. We no
22 longer owe a half a billion dollars in
23 loans and bond payment. Then I will
24 definitely -- as a matter of fact,
25 I'll even take you out and buy you a

1 McDonald's Big Mac because I will
2 appreciate. But up until then, I'm
3 not going to play passy to you guys,
4 okay. I'm a realistic. As far as
5 being accused of being negative, I'm
6 not negative. I tell the truth. And
7 the truth of the matter is we are a
8 distressed city and very serious
9 financial problems. And in order for
10 us to get out of these financial
11 problems, we have to get money. And
12 how we get the money, I don't really
13 care as long as we get it, you know.
14 And as far as the police and
15 firefighter go, I support the police
16 and the firefighters. I think they
17 should be the highest paid employees
18 in the City of Scranton. But can e
19 afford 78,000 -- 90,000 police and
20 firefighters, right now I say no. The
21 minimum wage in the -- not the minimum
22 wage. The median family income is
23 \$36,000. The average median family
24 income in the United States is
25 \$57,000. We're \$21,000 behind that.

1 We can't afford anymore tax raise. I
2 want to know exactly how much is the
3 tax going to be raised. What is it?
4 Mr. Joyce, I think you're brilliant.
5 I think you deserve that 4.0 grade
6 average and that master's degree that
7 you have but, please, talk in plain
8 English because most people do not
9 understand anything you're saying.
10 Okay? And that's where the confusion
11 comes in. Talk in plain simply
12 English so the people out there can
13 understand. They really want to know
14 because they're the ones who have to
15 pay the taxes. They're the ones who
16 are on the hook. City council is not
17 on the hook. The mayor is not on the
18 hook. The residents and the taxpayers
19 are on the hook. Okay? So let's get
20 it out. Let's not have anymore --
21 let's get everything out. It has to
22 be out in the open.

23 And, again, I invite everybody to
24 come to city council chambers on
25 September 4th, Tuesday. We're still

1 going to have our public meeting, our
2 town hall meeting. We hope the
3 elected officials show up. I hope you
4 answer questions, I hope the citizens
5 show up and I hope mayors from
6 surrounding communities show up
7 because I'm dead set against the
8 commuter tax, I'm dead set against the
9 one percent sales tax. We made this
10 mess, the residents of Scranton, so
11 we're the ones who need to pay for it.
12 As far as our bridges go because we
13 have a speaker who talks about people
14 using our bridges -- I believe
15 everyone of our bridges is under
16 construction and they're detoured. So
17 is that what we're asking the
18 communities to pay for, to drive on
19 detoured bridges. Thank you.

20 MR. JOYCE: Thank you.

21 MR. LOSCOMBE: Thank you.

22 MR. JOYCE: Is there anyone else
23 who cares to address council? Is
24 there no one else?

25 (No response.)

1 MR. JOYCE: Mr. McGoff, do you
2 have any motions or comments?

3 MR. MCGOFF: Yes. Thank you. I
4 was on vacation last week. I did,
5 however, send a substitute. I hope
6 you were pleased with his appearance.
7 Sorry.

8 A couple of things that have been
9 brought up tonight. First of all, the
10 tax increase in the recovery plan. I
11 hope I'm not stealing anything from
12 Mr. Joyce but I really do think it's
13 time to start stop talking in
14 hyperbole and to take a look at some
15 real numbers. We can throw a round
16 percentages all we want, but when we
17 get down to talking about the real
18 numbers that are here, it's a little
19 bit different. The average -- well,
20 let's put it this way.
21 Seventy-five percent of all taxpayers
22 in the city, real estate tax pay less
23 \$250 or less in city real estate
24 taxes. Okay? Seventy-five percent of
25 the taxpayers in the city pay \$250 or

1 less in city real estate taxes. Our
2 tax percentage is somewhere around
3 20 percent of the total tax bill.
4 County, I think, is 26 or 36 and then
5 the school district is like 54. But
6 we are the lowest taxing body. If you
7 were you -- if you take a look at --
8 if we were to apply the tax increases
9 that are in the revised recovery plan,
10 not the contingency but the tax
11 increases, in the third year of those
12 tax increases, the 39 percent
13 cumulative that that Mrs. Evans spoke
14 about, that would amount to less than
15 \$2 a week for a taxpayer, less than \$2
16 a week. If we went to the contingency
17 which, yes, it seems like an
18 exorbitant and as a taxpayer I'm not
19 looking to pay that but in total that
20 would be less than \$4 a week in the
21 third year of the plan if, in fact,
22 all of those contingency were applied.
23 So when you look at real numbers, it's
24 not as exorbitant -- yes, it's \$4 a
25 week a bit of money to pay, yes, but

1 it's not the exorbitant amounts that
2 people want you to believe. I think
3 that we have the newspaper and others
4 that glorified what this tax increase
5 would mean to the taxpayer. I think
6 that if some of the mandates are met
7 and we can look at reasonable tax
8 increases, even at the 39 percent, as
9 a said, that's less than \$2 a week in
10 the third year for the taxpayer and I
11 think that's that manageable if we
12 expect to provide the services that
13 all the taxpayers in this city want.

14 The second thing that was brought
15 up was the TAN-B, just a couple of
16 notes on that. The interest rate is
17 at five percent. What was the TAN-A
18 interest? Does anybody remember?

19 MS. EVANS: It was higher. It
20 was remember.

21 MR. JOYCE: It was higher, yes.

22 MR. MCGOFF: It was higher than
23 five. It was seven or eight, wasn't
24 it?

25 MR. JOYCE: Yes, I believe so.

1 MS. EVANS: And in addition to
2 that, as you know, all of the real
3 estate revenue was -- well, for lack
4 of a better word, confiscated for
5 repayment.

6 MR. MCGOFF: Well, I was looking
7 at TAN and I believe that the
8 repayment on it is very similar to
9 what TAN-A was if I'm not mistaken.
10 It says that from September 1st to
11 December 15th the -- is it the earned
12 income tax would designate -- any
13 earned income tax would be designated
14 to repayment.

15 MS. EVANS: Well, actually
16 60 percent.

17 MR. ROGAN: Sixty percent.

18 MR. MCGOFF: Sixty percent. I'm
19 sorry.

20 MS. EVANS: And the city will
21 retain 40 percent.

22 MR. MCGOFF: Thank you. And also
23 the DCED loan would be a direct
24 payment to Amalgamated Bank?

25 MS. EVANS: Yes.

1 MR. MCGOFF: For repayment of
2 that. So I guess what I -- my
3 question on the TAN-B would be that
4 would leave a balance of somewhere
5 around four million dollars repayment
6 between now and the end of year, and I
7 didn't have the cash flow analysis or
8 the -- anything. Is that an expected
9 amount that we can --

10 MS. EVANS: Yes, it is.

11 MR. ROGAN: Yes, it is.

12 MS. EVANS: In fact, I believe
13 that Mr. McGowan, Mr. Joyce and
14 Attorney Hughes provided the
15 historical data to Amalgamated Bank.
16 They received all of the city
17 financials and they approved TAN-B
18 yesterday at a meeting of their board.

19 MR. MCGOFF: Thank you very much.
20 Just some questions I had about it.
21 And, again, very thankful for the
22 TAN-B that we can meet some of our
23 expenses and payroll for the, you
24 know, coming months.

25 Last thing I'd like to just bring

1 up as we move through one crisis or
2 one situation. I would like to know
3 if council would reconsider or
4 reintroduce SAPA for 2013. I realize
5 that when it was voted town there were
6 some, you know, objections to it. But
7 I think as we move forward, it may
8 provide -- it may provide some
9 incentive for business in the Scranton
10 area or in the City of Scranton and it
11 might be worth looking at for 2013.
12 And that's all. Thank you.

13 MS. EVANS: Actually I can
14 respond to that. The SAPA plan is
15 included in the revised recovery plan
16 and it is the mayor's, I believe,
17 responsibility to meet with the member
18 communities and discuss the issues.
19 The initiative -- the burden of the
20 initiative has been placed with the
21 Mayor's Office.

22 MR. MCGOFF: Thank you.

23 MS. EVANS: Thank you. And
24 Councilman Rogan, do you have comments
25 or motions?

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MR. ROGAN: Yes. Thank you.

I'll save most of my comments on the recovery plan for the voting portion of the meeting.

I do just want to address one point about the tax increase where people were mentioning and they said they want to hear in plain English whether it's, you know, 35 percent, 39, 68, 81. It depends on how you look at it. The tax increase in this plan would be 39 percent if you believe that the City of Scranton will have a commuter tax, a sales tax, increased payments from nonprofits and the amusement tax. Those items have to be realized for the tax increase to be at that level. If you do not believe that the City of Scranton will have a sales tax, a commuter tax, increased payments from nonprofits, then it will closer to the 81 percent mark. So I guess, you know, can it be 35 percent, yes. Can it be 81 percent, yes. It depends on whether

1 you believe those items are realistic
2 and they are going to be achieved. So
3 that's, you know, my way of summing it
4 up in plain English. If, you know,
5 there's any questions, you know, feel
6 free to talk to me afterwards.

7 Just one question and Mr. McGoff
8 actually pointed this out to me. I
9 saw that I am happy to see that we are
10 getting a second TAN and the money
11 from DCED as well at the zero percent
12 interest. Now, that would come right
13 off of the principal on the second
14 TAN; is that correct?

15 MR. JOYCE: Yes.

16 MR. ROGAN: Okay. Because I do
17 like how that's structured. Is we're
18 actually not borrowing over six
19 million at, you know, an interest rate
20 because you're paying off a nice
21 portion of it right off the get go
22 with zero percent interest. You know,
23 long term borrowing, I think everyone
24 knows I'm opposed to. Short term
25 borrowing in this forum, you know, to

1 get through payroll and, you know, pay
2 our bills, I don't think is bad. And
3 the interest rate, I think is fair. I
4 think five percent is more than a fair
5 interest rate. So on those two items
6 I will be voting yes.

7 Just a couple other things that I
8 want to mentioned. Some residents
9 contacted me and when streetlights go
10 out, we send the request in. The
11 responsibility of placing new
12 streetlights on, for instance, a block
13 that's completely black, would that
14 rest with the DPW or does that rest --
15 does anyone know?

16 MR. LOSCOMBE: I believe that's
17 Metlatch now, right?

18 MS. KRAKE: Would you like me to
19 respond as far as know. We actually
20 were contacted by someone in our
21 office so I don't know if that was the
22 same person, Mr. Rogan.

23 MR. ROGAN: It may have been.

24 MS. KRAKE: We told them the
25 process as per the laws of the city.

1 They have to -- we gave them the
2 paperwork and so forth and it has to
3 come before council because it is an
4 additional expense then. We do pay
5 for the electricity. So if they have
6 more questions, they can certainly
7 call us and we'll try to help them.

8 MR. ROGAN: Okay. Great. I
9 wasn't sure if it was something that,
10 you know, was done through, you know,
11 if the administrators of the
12 government, for instance, the DPW can
13 say, well, I think this street
14 needs -- you know, I didn't know that
15 there was a formal process up, so.
16 It's very likely that's the same
17 person that contacted both of us.

18 MR. LOSCOMBE: I'm sorry, Mr.
19 Rogan. I misunderstood. I thought
20 you meant if the lights were out.

21 MR. ROGAN: No, no. I mean, the
22 actual installation of a new fixture,
23 so.

24 MR. LOSCOMBE: Yeah. Mrs. Krake
25 is correct.

1 MR. ROGAN: Thank you. And two
2 other concerns and one was brought up
3 to me and I don't want to mention the
4 names but I think people know, how
5 will lawsuits that have been -- I'm
6 trying to say it without saying it,
7 you know, saying that the lawsuit out
8 front. For instance, if the city owes
9 a judgement to somebody outside of the
10 union awards, how will that be paid if
11 it's still -- will that be through
12 contingency. Has there been any
13 discussion on that?

14 MS. EVANS: Normally within the
15 budget there is line item for court
16 awards and settlements, et cetera.

17 MR. ROGAN: So they're just not
18 being paid now because of the cash
19 crisis, I would assume.

20 MS. EVANS: Yes.

21 MR. JOYCE: Correct.

22 MR. ROGAN: So hopefully those
23 obligations will be fulfilled as well.

24 And finally just one request. I
25 am happy and disappointed. I've

1 mentioned the 3000 block of Division
2 for about two months now and there was
3 DPW truck up there that fixed part of
4 it, the multiple potholes on a school
5 route which, as we all know, school
6 will be back and very soon. I do know
7 it was repaired around the manhole but
8 the actual potholes weren't repaired.
9 So, Mrs. Krake, if we can please ask
10 that the street is fully repaired.

11 And I will comment on the other
12 agenda items as they come up for a
13 vote. Thank you.

14 MR. MCGOFF: Can I mention one
15 thing. Just for information sake. We
16 long have been asking for the pavement
17 of Hamp Court where the Linde
18 Corporation had operated. The three
19 and the 400 blocks of Hamp Court have
20 been paved.

21 MS. EVANS: Hallelujah.

22 MR. ROGAN: Very good news.

23 MS. EVANS: I'm sure all of those
24 who reside on Hamp Court are at long
25 last satisfied. Thank you so much.

1 And, Counsel Loscombe, do you
2 have any comments or motions this
3 evening?

4 MR. LOSCOMBE: Yes. Thank you.
5 I have a few. First of all I would
6 like to apologize for leaving early
7 last week. I was a little under the
8 weather. I thought I'd be able to
9 hold out but, you know, I was able to
10 catch a replay so I saw most of what
11 happened.

12 I'm happy to say and Mr. McGoff
13 is involved in this, the rental
14 registration is up and running and Dom
15 McKean is handling that. He requested
16 that I announce the phone number if
17 anyone is a landlord out there and
18 would like to call for some
19 information and we'll be getting
20 together, me and Mr. McGoff to see if
21 we can get this on the website and
22 stuff, too. But the phone number to
23 call would be 348-4193, extension
24 4517. And that's for anybody that has
25 any questions on the rental

1 registration and it will be strictly
2 enforced so I hope everyone that is a
3 landlord, you know, will comply before
4 there's any adverse actions taken down
5 the road.

6 I guess I will, you know, discuss
7 the recovery plan at this point rather
8 than belabor it on the vote. This has
9 been a tough process. It's been a
10 long process. We worked separately,
11 we worked together. I really have to
12 say I don't think anyone has worked
13 harder than our president and Mr.
14 Joyce along with Mr. McGowan and Mayor
15 Doherty on the final outcomes. I know
16 that because I've been in interrupted
17 on calls many times with Mrs. Evans,
18 receiving calls from the mayor or vice
19 versa and the same with Mr. Joyce
20 receiving calls from Mr. McGowan. So
21 I real have to applaud them because it
22 took a lot of time and effort and it's
23 been discussed many times. No plan is
24 going to be perfect. There's going to
25 be hardship for everyone to bear. You

1 know, we have to make decisions here,
2 you know. We make enemies, we make
3 friends. It's a tough situation here.
4 But I have to look at the whole piece
5 of pie myself. I know each one in
6 their own individual vote will be
7 basing their vote on what they feel is
8 in the best interest of everyone.
9 But, you know, there's been talk of
10 bankruptcy, a lot of other issues,
11 there's a lot of good ideas out there.
12 Unfortunately if this -- if some of
13 these ideas came to fruition two and a
14 half years ago, we would be in a
15 little better position. But I think
16 we are on the right path at this
17 point, at least in this asset. But
18 we're not going to please everyone no
19 matter what a do. If we go bankrupt,
20 there's going to be people upset. If
21 we provide a recovery plan with
22 borrowing and tax increases, people
23 are going to be upset. And I use this
24 quite often when people ask me, you
25 know, sometimes how do you put up with

1 up there. I said it's -- if you walk
2 down the street and give everyone a
3 \$100 bill, there's going to be a
4 couple people complaining because
5 their's has a wrinkle in it. And
6 that's exactly how we have to look at
7 it as far as the mental aspect. But
8 we finally come to a point where we've
9 been working with the administration
10 to develop a plan that's going to be
11 the blueprint for the next three years
12 for everyone in this city, and it is
13 very serious. It's a very serious
14 issue and it's a lot of hard work.
15 And, again, I commend Mr. Joyce and
16 Mrs. Evans for the hard work they've
17 done on it and their constant contact
18 with Ryan McGowan and the mayor. If
19 we to -- if we do approve this plan
20 the way it stands, it's incumbent upon
21 us to be vigilant because we're going
22 to own it along with the mayor. We
23 have to continue to work on this. And
24 I think with all the time invested and
25 the effort if this plan goes the way

1 it is, we are going to be vigilant.
2 You know, it's taken us two and a half
3 years to get to this point, and if
4 anyone wants to think that everybody
5 sat back here and did nothing in two
6 and a half years, that's how long it's
7 taken us to get to this point. That's
8 why there's all this exposure where
9 the finances are and everything.
10 That's why the Parking Authority was
11 exposed. That's why they're putting a
12 bid out for street meters. If we sat
13 back and did nothing, we would be in
14 same old mode that we were before and
15 we would be looking at higher debt.
16 We're trying to come up with ideas
17 that won't come out of your tax
18 dollars, out of your pockets, but yet
19 we get chastised for that. And that I
20 can accept. The newspaper is printing
21 high in the sky ideas and doom's day.
22 I find it ironic. For months they
23 harp on us for not getting along with
24 the administration and all of a sudden
25 the past few weeks, there's doom and

1 gloom about us working the
2 administration and they're tripping
3 over themselves t write articles
4 everyday scaring the people in this
5 city to death. I can't understand it.
6 Is it perhaps because this plan
7 includes a tax that they may have to
8 pay? I'd say that's probably a big
9 part of it. But I do have to say in
10 looking -- I did buy the paper today.
11 Usually I don't. But I bought the
12 paper today and I happened to see this
13 and since I'm not going to be -- I'm
14 only using this woman in her article
15 because she's on the front page, her
16 name and address are mentioned. But I
17 think Mr. McGoff tried to explain it
18 and I think Mr. Joyce said he's going
19 to explain a little. I don't want to
20 bore you but I want to give you an
21 example from the doom and gloom
22 percentage increases that have been
23 professed in the newspaper for
24 Scranton City taxpayers. And I'm
25 going to give it to you in black and

1 white. This woman's property, Ann
2 Smith, if I'm correct, 304 William
3 Street, Scranton, PA, and I'm going to
4 be fair. I'm going to give you my
5 breakdown also. Her total assessed
6 value, land value, 1,200; improvement
7 value, 7,300. The city splits it.
8 The total value is \$8,500. What that
9 means is right now her cumulative tax
10 bill -- well, first of all, her tax
11 bill, her city portion, 2012, \$269.56;
12 the county portion, \$467.50; the
13 school portion, \$946.56, the city
14 being the smallest part. Now, her
15 cumulative taxes combining those three
16 entities would be \$1,683.62 a year.
17 If we used our proposed tax increases
18 that we've proposed -- I'll give you
19 the best case and the worst case. The
20 first year and I believe I'm using our
21 latest numbers but the first year at
22 11.91 percent increase for 2013 would
23 increase her city taxes \$32.10 a year,
24 a year. The next year, 9.63 percent
25 for to 2014 and this is compounding

1 interest, not using flat as the Times
2 pointed out so pointedly. This is
3 using the compound interest. Her tax
4 increase for 2014 would be an
5 additional \$35.93 a year; 2015 with
6 the 14.34 percent tax increase, the
7 increased would be \$40.20 per year.
8 Add those three years of the tax
9 increases together, three years
10 cumulatively amount to \$108.24 a year
11 or \$9.02 a month after three years.
12 That's our scenario. That's the tax
13 increase that the city council put in
14 it. In order to get the plan approved
15 through DCED if those other things
16 don't come to fruition, the county
17 taxes or any of those, the worst case
18 scenario, the worst case scenario
19 would be, again, this person is paying
20 \$269.56 on her city taxes now. The
21 first year of the higher increase or I
22 should PEL increase would be
23 12 percent or an additional \$32.43.
24 Where this plan takes the big hit on
25 tax increase is the second year.

1 That's a 44.32 percent increase under
2 the mandate PEL plan or an additional
3 \$133.84 and the third year they would
4 increase it 12.24 percent or an
5 additional \$53.35 for a cumulative
6 after the three years, the increase
7 would be \$219.62 or \$18.30 a month.
8 That's the worst case scenario, \$9.02
9 a month to \$18.30 a month for this
10 particular property that was in the
11 newspaper and they're worried about
12 the taxes affecting a sale or
13 whatever. And, again, I know these
14 times are tight. My mother is on a
15 fixed income. Every dollar counts
16 but, you know, your cable bills go up
17 every year, this is still probably
18 cheaper than your weekly newspaper.
19 And to be fair I'm at a little higher
20 end of the tax structure and this is
21 what I'm going to have to pay. Right
22 now my annual tax bill for school
23 district is \$2,081.76; for the county,
24 1,028.17 and for the city, \$445.66.
25 My cumulative tax bill right now in

1 2012 is \$3,555.59. Now, using the
2 same breakdown and not prolong it or
3 over, you know, each one, but the
4 first year my taxes would under our
5 plan would increase \$53.80; second
6 year, \$48.03; and the final year,
7 \$78.40. My additional monthly payment
8 for the city would be \$14.96 a month.
9 The worst case scenario, it would jump
10 to \$30.24 a month. Now, I'm a
11 realist. I think giving it real
12 numbers it doesn't give you the shock
13 value that it does when they tell you
14 80 percent, 90 percent and we're wrong
15 from 35 percent to 60 percent. These
16 are the facts. This is what is in the
17 recovery plan. The majority of people
18 and I think Mr. McGoff stated before,
19 paid below a certain level, they would
20 be in the lower end. Under our plan
21 \$9 a month. Under the worst case
22 scenario \$18 a month. People that are
23 at the higher end of the taxes,
24 anywhere from \$15 to \$30 a month. So,
25 you know, I don't know if that helps.

1 I don't know if it hurts, but I think
2 for logical people it's a little
3 easier than seeing percentage numbers
4 that are thrown in as scared tactics
5 of front pages, and that's the truth.
6 When you read back further in the
7 article, then you see, the realtors
8 here or realists. It's not just here,
9 it's all over the country what is
10 going on with home sales and stuff
11 like that. But the problem is, you
12 know, I'm not a person that is looking
13 to raise taxes or anything like that
14 and it was said here before, we pass
15 this plan, we'll go down in history as
16 the council probably to raise the
17 highest taxes. That's daunting.
18 That's not something we want on our
19 record. And I think it takes a lot of
20 guts for my colleagues here that may
21 be running for reelection to take that
22 stand if they approve this plan
23 because we've been apologizist for
24 years for county and for the school
25 district. People come to this podium,

1 they complain about our taxes which
2 would amount to a \$9 a month impact.
3 But yet the biggest pieces of the pie,
4 the school district, how many people
5 go complain when they put people on.
6 I just saw a nice contract in the
7 paper with a 90 percent pension. You
8 know, I mean, I don't understand it,
9 maybe because we're more accessible.
10 We are transparent. We're on live TV
11 here. We tell it the way we feel it
12 and the way it is and we take a lot
13 and maybe we give a lot. But, you
14 know, I go day-to-day, I have people
15 stop me, wondering how you put up with
16 it and all that. I love it. I love
17 my city. I'm at a great sacrifice
18 personally right now. A lot of people
19 know that and I'm doing my best to get
20 out of it. And, you know, I could
21 easily go and file bankruptcy, too.
22 That's the easy way out. But u
23 they're my debts. I'm responsible for
24 them. So I'm going to try and work
25 something out because I own them and I

1 think it's incumbent upon us even
2 though these aren't our debts, they're
3 the city debts, to work something out
4 without going to that option of
5 bankruptcy because in the long run I
6 think bankruptcy is going to burn us a
7 lot more than a small tax increase.
8 And I notice people laughing saying,
9 ha-ha, small tax increase, but in the
10 realm of the whole picture it's a
11 small tax increase. And I never
12 believed that would be saying that but
13 I know exactly where it was and what
14 it is. If we weren't apologizist for
15 the county and the school district all
16 these years and raised the percent
17 here or two percent there, I think we
18 would be in a lot better position but
19 I think this -- my colleagues here who
20 are going to vote for this plan are
21 showing a lot of bravery. It's easy
22 to say, no, I never voted to raise
23 your taxes, but they're showing the
24 bravery to stand up and say, you know,
25 I might be running for reelection but

1 I love my city and I don't want it to
2 go in the dumps tomorrow. We didn't
3 create this mess but we're going to
4 work and put our hearts and soles on
5 the line for you. And that's the way
6 I feel. That's where I'm coming from
7 and no one out there can understand
8 the work that colleagues here, Mrs.
9 Evans and Mr. Joyce have put in and
10 labored over because I've been in many
11 conversations with both of them and I
12 was just in conversations with them
13 back and forth. As I stated, there
14 were interruptions on those
15 conversations from administrative
16 personnel, DCED people, the lines of
17 communications were back and forth.
18 We have to do in our heart what we
19 feel is best for the city and for you.
20 I have children and grandchildren and
21 I want them to be a part of Scranton
22 and the decision is not easy, it
23 hasn't been easy and I think all and
24 all, back and forth, this was a fluid
25 document until right before the

1 meeting to be honest with you. There
2 were still things that were being
3 worked on. That's how hard they've
4 been working on it continuously and I
5 believe it's up to like 68 pages or
6 something at this point and I really
7 want to show my appreciation for the
8 work that you've done on it and I
9 don't know if I would have had the
10 wherewithal. I would have been
11 exhausted by now so I imagine you guys
12 will sleep good once this whole
13 process is over. But, you know, we're
14 elected in this position, we have to
15 do our due diligence which I believe
16 we've all done and we're all going to
17 vote based on what we feel is the best
18 decision for the majority of people
19 here. You know, we can't fault
20 anybody for their votes. They're
21 voting the way they believe for
22 certain reasons. But I've studied
23 this, I've looked at other issues and,
24 you know, I think we have to save our
25 city. We have to take the bull by the

1 horn. And we've had two and a half
2 years. To some people that seems like
3 a long time. To us it's pretty short.
4 You know, we did accomplish some
5 things. There's a lot of nitpicking
6 things out there that are still
7 bothering and I apologize to those
8 who, you know, are still waiting for
9 their issues to be resolved but we did
10 have some big issues here. We will be
11 able to get back on those other issues
12 that are important to all the
13 taxpayers once this is resolved. But
14 I think it's going to be, you know,
15 fiscally responsible and, again, like
16 I said before it's incumbent upon all
17 of us to be vigilant with the
18 administration and with these parts of
19 program and on top of that do our
20 homework and research and look at
21 other projects down the road and
22 programs that will benefit the city
23 and help us financially and Miss
24 Neihauus was here before. She
25 mentioned community involvement and

1 stuff like that. That's something, I
2 believe, we all welcome. You know,
3 there's a lot of expertise in this
4 community and it's just the gentleman
5 that was at the podium and walked out
6 before. He brings some good ideas.
7 He brings some wisdom and we're trying
8 to have a little discourse but, you
9 know, some people don't want to hear
10 what they want to hear and at this
11 point for myself I know bankruptcy is
12 a last resort. I think we can work
13 this through. Unfortunately, you
14 know, the bull wasn't taken by horn
15 several years ago but right now it is.
16 And I for one and I know my colleagues
17 are showing their dedication to get
18 this plan through. We'll work very
19 hard to make it succeed. And I
20 believe that's all I have at this
21 point. Thank you.

22 MS. EVANS: Thank you. And
23 Councilman Joyce, do you have any
24 comments or motions?

25 MR. JOYCE: Yes, I do. I just to

1 -- before I even begin what I was
2 going to say tonight, Mr. Loscombe
3 said that Mrs. Evans and Mr. Joyce,
4 being myself, will probably sleep well
5 tonight because of all the work that
6 we've done on the recovery plan but
7 I'm not going to sleep well tonight
8 because --

9 MR. LOSCOMBE: If I could just
10 interrupt, Frank. I don't know where
11 you're going but you jogged my memory.
12 I did -- I mean, first of all, I want
13 to thank our solicitor, Boyd Hughes,
14 and Nancy and our office staff because
15 they've been working nonstop. As a
16 new change came in, they had to revise
17 it and the conversations were back and
18 forth. But I'm sorry I didn't want to
19 miss all of them.

20 MR. JOYCE: That's okay. But I'm
21 not going to sleep well tonight
22 because right now we're trapped in a
23 way. One, it's not my goal to raise
24 taxes. I don't want to. But we're
25 faced with the situation in the city

1 where we have to. If we don't raise
2 taxes tonight this TAN that we're
3 going to get is basically -- it's
4 basically garbage. It won't happen.
5 The state loans that we're going to
6 get, the state grant that we're going
7 to get, it won't happen. What would
8 that mean? It would mean that the
9 city would fall further into the hole,
10 the deficit would grow larger,
11 services could be shut off, police,
12 fire, DPW, clerical, management,
13 basically all workers in the city
14 would see payless paydays as well. So
15 essentially this recovery plan is like
16 a lose/lose situation because, one,
17 yes, taxes will be increased but, two,
18 if we don't do it, then the city
19 basically false into an abyss. So
20 what do we need to do. That's the
21 reason why I'm voting for the recovery
22 plan. But to begin tonight I'm going
23 to address the recovery plan and
24 questions that I have and questions
25 that the public may have and I'm also

1 going to go over some comments that
2 were -- you know, some questions that
3 were asked of me over the past week.
4 Some them were questions that I
5 elaborated on last week and I'll
6 quickly elaborate on them again. The
7 first question that I received is were
8 there anymore financial changes to the
9 recovery plan over the past week. And
10 to begin, there were some changes
11 financially to the recovery plan that
12 occurred over the past week. In 2014
13 PEL's base line projection for
14 operating revenues that city will
15 realize changes from \$60,986,457 to
16 \$61,236,457 for an increase of
17 \$250,000. In 2015 PEL also adjusted
18 the amount of operating revenue that
19 city is projected to receive from
20 \$61,132,824 to \$61,573,258 for an
21 increase of \$440,434. In addition to
22 this PEL removed the \$750,000 grant
23 that the city was projected from DCED
24 and changed it back to 250,000. The
25 reasoning for this is due to the fact

1 that we only have a \$250,000 grant
2 commitment DCED at the current time.
3 Though the mayor and business
4 administrator both expressed that they
5 are going to lobby to have the grant
6 increased to \$750,000.

7 A second question that I received
8 is what does the tax increase do to my
9 tax bill? As Mr. McGoff and Mr.
10 Loscombe elaborated, currently the
11 city taxes are the lowest taxes out of
12 the taxing bodies, being the city, the
13 county and the school district. So
14 when they say taxes are going to go up
15 by a certain percentage, obviously
16 your whole tax bill isn't going to go
17 up by a certain percentage. It's just
18 the city portion. First, if the
19 tri-countywide sales tax or sales and
20 use tax that Senator John Blake is
21 proposing comes to fruition based on
22 median city tax bill which was
23 reported in the Times is \$343. In
24 2013 there will be a 12 percent
25 increase which is associated with the

1 unfunded borrowing, court mandated tax
2 increase of 2011. This would result
3 in a \$41.16 raise in one's property
4 taxes. Therefore, the median
5 Scrantonian would be paying \$384.16,
6 instead of \$343. In 2014 there would
7 be a 9.7 percent tax increase. This
8 would result in a raise of one's
9 property taxes of \$37.26. Therefore,
10 the median Scrantonian would pay
11 \$421.42 rather than the 380.16 that he
12 or she would pay in 2013 and the \$343
13 that he or she pays currently. In
14 2015 there would be a 13.3 percent tax
15 increase. This would result in a
16 raise in one's property taxes of
17 \$56.05. Therefore, the median
18 Scrantonian would pay \$477, \$487
19 rather than 421 that he or she would
20 pay in 2013 and \$343 that he or she
21 pays currently. Overall there would
22 tax increases of 12 -- 9.7 and
23 13.3 percent. The total of these
24 numbers if you add up these
25 percentages as 35 percent. However,

1 the median Scrantonian would end up
2 paying 477.47 after three years
3 because the taxes are compounded and
4 do not all take place at once. The
5 total raise in property taxes after
6 the three years would be 134.37. This
7 would result in a cumulative tax
8 increase of 39.2 percent over a
9 three-year span. This is for city
10 taxes only, of course.

11 Secondly, if and only if the
12 tri-county sales tax being proposed by
13 Senator Blake which is a part of the
14 recovery plan even though it was
15 purported by the newspaper that this
16 may not be -- they may not come to
17 fruition or it may be part of the
18 plan. If this is not approved which
19 is the worst case scenario based on
20 the median city tax bill which is
21 \$343, in 2013 there will be a 12
22 percent tax increase which is
23 associated with the unfunded borrowing
24 court mandated tax increase in 2011,
25 this would result in a \$41.16 raise in

1 one's property taxes, therefore, the
2 median Scrantonian would pay \$384.16,
3 rather than \$343. In 2013 there would
4 be a 44.7 percent tax increase. This
5 would result in a raise of one's
6 property taxes, the median Scrantonian
7 of \$171.57. Therefore, the median
8 Scrantonian would pay \$555.73 rather
9 than the 384.16 that he or she would
10 pay in 2013. In 2015 there would be a
11 10.6 percent tax increase. This would
12 result in a raise of one's property
13 taxes of \$58.91. Therefore, the
14 median Scrantonian would pay \$614.64
15 rather than the \$553.73 that he or she
16 would pay in 2014 and the \$343 that he
17 or she pays currently. Overall there
18 would be tax increases of 12 percent,
19 44.7 percent and 10.6 percent. The
20 total of these numbers is 67.3.
21 However, the median Scrantonian would
22 end up paying \$614.64 if and only if
23 the sales taxes is not enacted after
24 three years because the taxes are
25 compounded and do not all take place

1 at onces. The total raise in property
2 taxes after three years would be
3 \$271.64. This would result in a
4 cumulative tax increase of
5 79.2 percent over a three-year span.
6 This is the worst case scenario.

7 A third question that I received
8 over the past week is what is so
9 different about the recovery plan now
10 as opposed to the mayor's recovery
11 plan that was sent down in May since
12 the tax increases are similar. First,
13 the tax increases are not exactly
14 similar. If sales and the use tax is
15 approved by the state legislature, the
16 city property owners are looking at a
17 39.2 percent cumulative tax increase
18 that will occur over three years. In
19 addition to this, there are additional
20 expenses that were not included in the
21 recovery plan that was sent down by
22 the Mayor's Office such as the
23 requested MMO of 5.1 million dollars
24 per year. The MMO is the minimum
25 municipal obligation that we must

1 contribute to our pension funds, and I
2 know that Mr. Morgan had mentioned
3 what is the plan for funding the
4 pensions. Right now if we don't
5 contribute this 5.1 million dollars
6 per year which was determined through
7 a study by Tom Andersen, we would have
8 to pay full pensions out of our
9 budgets to the retirees which would be
10 about 14 million -- 13 to 14 million
11 dollars in a three years' time because
12 the pension fund would be depleted.
13 Also the mayor's recovery plan
14 accounted for 5.4 million dollars in
15 revenue that could not be realized
16 since it called for the sale of an
17 asset being the stormwater conveyance
18 system that the city doesn't own. If
19 mayor's recovery plan was adopted and
20 then later revised to reflect the
21 increase to the MMO as is, the
22 taxpayers in Scranton would most
23 likely be looking at a tax increase
24 over 115 percent.

25 A fourth question that I received

1 was: Why does the city need a tax
2 increase in the first place,
3 especially since the city is not
4 increasing services? There are
5 several reasons why a tax increase is
6 needed to cover expense. To begin,
7 first, we have a 17 million dollar
8 Supreme Court award to pay to the
9 firefighters and police officers which
10 was caused by Mayor Doherty taking the
11 advice of DCED and fighting against
12 the police and fire unions for years.
13 The debt service that this will cost
14 the city is outstanding. To note, if
15 it were not for the efforts of some
16 city council members and the
17 administration to negotiate with the
18 unions recently, this award could have
19 been in the range of 30 to 35 million
20 dollars respectively. Secondly, in
21 addition to this, the MMO, our minimum
22 municipal obligation that the must pay
23 towards the police, fire and non
24 uniform pension plans for city
25 employees will increasing by 5.1

1 million dollars for years, 2013, 2014
2 and 2015 as per a study conducted by
3 Thomas Andersen. This 5.1 million
4 dollar per year expense is a large hit
5 to the city. Third, salaries are
6 rising. As one knows, prior to court
7 decisions, the fire and police force
8 in Scranton didn't receive a raise in
9 ten years. After court decisions, the
10 fire and police force in Scranton were
11 awarded raises which were retroactive.
12 Therefore, the cost of our fire and
13 police force is higher than in year's
14 past and it will continue to rise in
15 2013, 2014 and 2015. Other unionized
16 workers such as DPW and clerical
17 unions will also receive raises in
18 2013, 2014 and 2015. Fourth, health
19 insurance costs are rising. Though
20 the fire and police unions will be
21 contributing to their health care as
22 well as the DPW and clerical unions
23 along with management as they have
24 been, the cost of health care is
25 rising at a rate of somewhere in the

1 range of nine percent per year.

2 Fifth, the Scranton Parking Authority
3 according to their operating agreement
4 will continue to need funding
5 assistance of the city as per the
6 operating agreement in which the city
7 guarantees their full faith and credit
8 by their taxing powers to cover -- or
9 to cover the Scranton Parking
10 Authority debt. Because of reckless
11 borrowing by the Scranton Parking
12 Authority that has caused the
13 Authority to borrow more than they can
14 pay, the city is on the hook for
15 approximately two million dollars per
16 year.

17 Sixth, beginning in mid 2014 the
18 city will be required to pay the
19 salaries of firefighters being paid by
20 the Safer Grant at the current time.
21 It is expected to cost the city
22 \$700,000 in 2014 and 1.5 million
23 dollars in 2015 to keep our Fire
24 Department staffed at the same level
25 its currently staffed at.

1 A fifth question that I received
2 over the past week was: Is just
3 better for the city to go bankrupt
4 already? The short answer to this is
5 no. Though some have discussed that
6 the city going bankrupt is only way
7 out. It's really not. If city were
8 to g bankrupt, a receiver would be
9 appointed. At that point the decision
10 making powers of the administration
11 and Scranton City Council would be a
12 moot point. Basically the
13 administration and Scranton City
14 Council would lose its say in what
15 happened with the city. An appointed
16 receiver would be given discretion to
17 dictate the future of the city which
18 means that a receiver could simply
19 increase your taxes at will.
20 Subsequently, if a municipal receiver
21 was pointed, one could easily expect a
22 tax increase of over a 150 percent. A
23 municipal bankruptcy is not the answer
24 to getting rid of the municipal debt
25 that Scranton has. Unlike a personal

1 bankruptcy, in a municipal bankruptcy
2 the debt does not simply go away. In
3 fact, after researching further into
4 municipal bankruptcies, there have not
5 been one case where municipal
6 bankruptcy had forgiveness on its
7 debt. This was also quoted by Senator
8 John Blake in a recent meeting that I
9 participated in him. In addition to
10 this, municipal bankruptcy would
11 destroy the city's credit rating and
12 jeopardize the city's borrowing power
13 for future necessary tax anticipation
14 notes which are used on a year by year
15 basis to keep the city afloat until
16 tax revenues are realized in the
17 beginning of the year for each year.

18 A sixth question that I received
19 over the past week again was: Why
20 can't the city privatize refuse
21 collection and eliminate the garbage
22 fee? Which is \$178 per year. The
23 first reason that we cannot do this
24 immediately is due to the fact that
25 the DPW contract doesn't expire until

1 the end of 2013. Meaning, that we
2 couldn't privatize it until 2014. In
3 addition to this, I've researched
4 other surrounding communities. In
5 other communities where refuse is
6 privatized, fees to pick up garbage is
7 much higher on an annual basis. In
8 some communities the cost to pick up
9 garbage is three dollars per bag.
10 Therefore, if one were to take the
11 average family -- let's look at the
12 average family who has two bags of
13 garbage per week, on average, the cost
14 to pick up garbage would be six bucks
15 per week. Six bucks per week
16 multiplied by 52 weeks in the year
17 equates to \$312. With this being said
18 and this scenario the average family
19 would end up paying more than the
20 garbage fee every year even if they
21 only had two bags of garbage per week.
22 If a family had three bags of garbage
23 per week at three dollars per bag,
24 this would equate to nine dollars per
25 week. When multiplying this by 52

1 weeks, this would equate to a \$460 per
2 year fee. Both scenarios would equate
3 to an average family or the person for
4 that matter or average person actually
5 paying more for garbage pick up than
6 the current city fee, plus there would
7 be restrictions as to what could
8 actually be picked up. Our current
9 DPW staff is fairly liberal when it
10 comes down to taking items such as old
11 furniture and whatnot.

12 A seventh question that was asked
13 is why can't we privatize the Scranton
14 Sewer Authority? The answer to this
15 is very complex. First of all, many
16 requirements would have to be agreed
17 upon for this to happen. For
18 instance, the mayor would have to
19 approve to privatize the authority
20 which we current don't have. In
21 addition to this, the board of the
22 Scranton Sewer Authority would have to
23 agree to dissolve the authority and
24 sell themselves which we currently
25 don't have either. Third, we would

1 need to get the agreement of Dunmore
2 to dissolve the authority which would
3 be unknown as to whether or not we
4 would get it. We would have to get
5 the agreement of Dunmore because the
6 Scranton Sewer Authority is actually a
7 joint authority between Scranton and
8 Dunmore. Fourth, there are many
9 mandates that need to be made under
10 the Chesapeake Bay federal mandates
11 that the Scranton Sewer Authority is
12 currently making. The cost of these
13 mandates is extremely high which is
14 the reason that the sewer rates have
15 been on the rise by the Authority. If
16 the Sewer Authority were to be sold,
17 the sewer rates could rise by an even
18 greater amount. Fifth, the sale of
19 the Scranton Sewer Authority would not
20 bring in a windfall of cash that would
21 be needed to cover all expenses. In
22 the past when the Sewer Authority was
23 sold, the city only received
24 five million dollars in upfront money
25 which would only put a dent into the

1 projected three-year deficit before
2 mandates of over 41 million dollars.

3 And eighth question that was
4 asked is why can't we just sell the
5 parking garages to cover the projected
6 deficits? The answer to this is quite
7 elementary. One, if parking garages
8 were to be sold, the proceeds would be
9 used to pay down the long term debt of
10 the Parking Authority which is
11 currently around 50 million dollars in
12 principal and 50 million dollars in
13 interest, plus the Landmark Bank loan
14 of 2.9 million dollars. This money
15 would not go to the city coffers.
16 Also selling off the parking garages
17 would be the decision of the Parking
18 Authority board and its receiver, Mike
19 Washo. We don't know if we would have
20 this approve and it is likely that we
21 would not have this approval judging
22 by the past record of the Scranton
23 Parking Authority.

24 A ninth question that was asked
25 was: Why can't we just make cuts in

1 the revised recovery plan? To begin,
2 there are already cuts in the recovery
3 plan as revised. The savings from
4 cuts are projected to be \$500,000 in
5 2013, 1.2 million dollars in 2014 and
6 1.6 million dollars in 2015. For a
7 total of 3.3 million dollars in cuts.
8 In meetings with the mayor, department
9 heads will be given the direction to
10 make appropriate cuts to their
11 departmental budgets to equate to
12 these amounts. It was discussed if
13 the amounts of cuts could be more.
14 And after speaking with the mayor and
15 business administrator, the simple
16 answer was no. Currently the city is
17 operating with a small account of
18 employees that it has operating with
19 in years. In addition to this, if the
20 city were to cut anymore than what is
21 in the revised recovery plan, one
22 would be looking at cutting into
23 equipment and supplies by a drastic
24 amount. Since the largest departments
25 in the city are the Fire Department,

1 Police Department and Department of
2 Public Works, additional cuts other
3 than what is being proposed would be
4 mean that we would be cutting into
5 vehicles, such as fire trucks, police
6 cars, refuse collection trucks and
7 trucks used for paving and snow
8 removal, thus there would be a drastic
9 reduction in services as a result. In
10 addition to taking the fire trucks off
11 the street, police cars off the
12 street, sacrificing refuse collection
13 and sacrificing paving, if we were to
14 make any additional cuts than what is
15 already i the revised recovery plan,
16 we would facing cutting necessary city
17 building repairs, Workers'
18 Compensation insurance that is
19 currently the city's requirement to
20 pay for amongst other matters. The
21 departmental budgets of the other
22 departments besides the DPW, the Fire
23 Department and the Police Department
24 are small. There's not enough to cut
25 you in there to lower the tax increase

1 by a significant amount and the
2 department heads of those small
3 departments will be asked to trim
4 those departments.

5 A tenth questions that was asked
6 is why does the city need the recovery
7 plan in the first place. In response
8 to this question the city needs a
9 recovery plan in place because lending
10 institutions are now requiring it to
11 provide financing to the city such h
12 as Amalgamated Bank which is agreeing
13 to issue us a tax anticipation note.
14 In meetings that I have attended with
15 local institutions in the past PEL has
16 been present. In these meetings PEL
17 has stressed the importance of a
18 revised recovery plan as being a
19 method of assurance that the city
20 could pay them back. Because of PEL's
21 persuasion a revised recovery plan is
22 being required by the lending
23 institutions. At this point in time
24 without a revised recovery plan the
25 city would not be able to secure

1 budgeted financing. This would mean
2 that the city would fall into an abyss
3 again. Employees would not be paid,
4 debt service obligations would not be
5 paid and we would go into default on
6 city debts and the city most likely
7 would not be able to secure any
8 financing that it would need in the
9 future and that's all I have for
10 tonight.

11 MS. EVANS: And thank you. Good
12 evening. On tonight's agenda are two
13 pieces of emergency legislation sent
14 to city council by the administration.
15 One allows the city to accept
16 2.25 million dollars in a grant and
17 from the State Department of Community
18 and Economic Development. The other
19 provides a tax anticipation note or
20 TAN-B. One of the terms of TAN-B
21 pledges 60 percent of earned income
22 tax revenue received by the city for
23 the remainder of 2012 as repayment.
24 The city will retain 40 percent of the
25 earned income taxes which will be used

1 for 2012 operating expenses. Because
2 the city is in immediate need of the
3 2.25 million from DCED and an
4 additional tax anticipation Note B for
5 payroll and to comply with an
6 agreement to provide the remainder of
7 wages owed to city employees from the
8 minimum wage pay period among other
9 pressing financial obligations. The
10 legislation requires immediate
11 consideration within one meeting
12 rather than the typical three week
13 progression from Fifth through Seventh
14 Order. TAN-B will be issued by
15 Amalgamated Bank located in Washington
16 D.C. and New York. This TAN was
17 secured through the work of city
18 council's solicitor, Boyd Hughes, the
19 architect of this financial agreement,
20 Mr. Michael Judge of Casecon and Mr.
21 John Judge, local IAFF President.
22 Contrary to articles published in the
23 Scranton Times regarding hedge funds
24 the city is working with a Amalgamated
25 Bank and another reputable financial

1 firm to secure the funding that is
2 needed to solve its short term
3 financial crises. Further, as has been
4 said before, in order for necessary
5 funding to be secured, specifically
6 the 2.25 million from DCED as well as
7 the TAN-B, the city must adopt the
8 revised recovery plan. Although the
9 plan was previously rejected it has
10 now received the approval of the
11 Pennsylvania Economy League and the
12 State Department of Community and
13 Economic Development. If the city
14 fails to do so, it be unable to obtain
15 funding from any sources, meet
16 payrolls and pay outstanding debts
17 hereby driving the city into
18 bankruptcy or takeover by the State of
19 Pennsylvania. In that event taxes
20 will rise by enormous percentages far
21 greater than what is contained in the
22 revised recovery plan while services
23 unfortunately will be cut drastically.
24 A state appointed receiver would
25 determine the tax increases as well as

1 the cuts to all city services. And as
2 I said very early this evening, we
3 only to look to the rise in taxation
4 and crime in Harrisburg during the
5 state's recent takeover and we can see
6 Scranton's future if this plan were to
7 be rejected.

8 Next I received a troubling
9 e-mail from South Side residents which
10 merits investigation. Residents
11 request a report from Ms. Aebli, OECD
12 Director, regarding 408 Cedar Avenue
13 owned by A.H. Noonan. Residents
14 report that HUD monies were
15 appropriated to a sacramental wine
16 distribution center but a private
17 nightclub was established. In
18 addition a garage sale has been on
19 going this week and neighbors question
20 if the items being sold were purchased
21 with HUD monies. Mrs. Krake, please
22 send a letter to Ms. Aebli requesting
23 an update on the \$250,000 loan
24 provided to the owner of 406 Cedar
25 Avenue, when was the last payment

1 made, what is the balance of the loan
2 and who is responsible for payment
3 currently.

4 Also, I don't believe that Ms.
5 Aebli has been submitting monthly
6 reports regarding any and all OECD
7 loans to city council. In the same
8 correspondence please remind Ms. Aebli
9 that council continues to require
10 monthly reports.

11 And finally I'd like to read a
12 copy of a letter I received from the
13 neighbors of the Yesu Development in
14 East Mountain in which they expressed
15 their gratitude to police officers for
16 a job well done. "Dear Chief
17 Graziano: The neighbors of the Yesu
18 Development on the top of East
19 Mountain wish to express our sincere
20 thanks to police officers Jamie Toban
21 and John Burgett. For the past
22 several months there has been ongoing
23 situation which had escalated very
24 quickly in the last few days. The
25 officers were caring, compassionate,

1 professional and maintained a positive
2 attitude despite being put into a
3 precarious situation. Please extend
4 the thanks from the neighbors for a
5 job well done. The department is
6 fortunate to have these capable police
7 officers as part of Scranton's finest.
8 Again, our thanks, the neighbors."
9 This is an example -- albeit a small
10 one but it's an example of the
11 services our taxes pay for, services
12 we can't afford to risk losing. And
13 that's it.

14 MR. JOYCE: I make a motion
15 pursuant to the Emergency Certificate
16 to place on the agenda file of Council
17 52 of 2012 entitled "AUTHORIZING THE
18 MAYOR AND OTHER APPROPRIATE CITY
19 OFFICIALS OF THE CITY SCRANTON TO
20 RECEIVE AN INTEREST FREE LOAN IN THE
21 AMOUNT OF TWO MILLION DOLLARS FROM THE
22 COMMONWEALTH OF PENNSYLVANIA
23 DEPARTMENT OF COMMUNITY AND ECONOMIC
24 DEVELOPMENT AND TO A GRANT OF \$250,000
25 FROM THE COMMONWEALTH OF PENNSYLVANIA

1 DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT PURSUANT TO THE
3 MUNICIPALITIES FINANCIAL RECOVERY ACT,
4 ACT 47 OF 1987, AS AMENDED.

5 MR. ROGAN: Second.

6 MS. EVANS: On the question?

7 (No response.)

8 MS. EVANS: All those in favor of
9 said ordinance signify by saying aye.

10 MS. EVANS: Aye.

11 MR. JOYCE: Aye.

12 MR. ROGAN: Aye.

13 MR. MCGOFF: Aye.

14 MR. LOSCOMBE: Aye.

15 MS. EVANS: Opposed?

16 (No response.)

17 MS. EVANS: The ayes have it and
18 so moved.

19 MS. KRAKE: 5-B. EMERGENCY
20 CERTIFICATE - AUTHORIZING THE MAYOR
21 AND OTHER APPROPRIATE CITY OFFICIALS
22 OF THE CITY OF SCRANTON TO RECEIVE AN
23 INTEREST FREE LOAN IN THE AMOUNT OF
24 TWO MILLION DOLLARS FROM THE
25 COMMONWEALTH OF PENNSYLVANIA

1 DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT AND TO RECEIVE A GRANT OF
3 \$250,000 FROM THE COMMONWEALTH OF
4 PENNSYLVANIA DEPARTMENT OF COMMUNITY
5 AND ECONOMIC DEVELOPMENT THE
6 MUNICIPALITIES FINANCIAL RECOVERY ACT,
7 ACT 47 OF 1987, AS AMENDED."

8 MS. EVANS: At this time I'll
9 entertain a motion that Item 5-B be
10 introduced into its proper committee.

11 MR. ROGAN: So moved.

12 MR. JOYCE: Second.

13 MS. EVANS: On the question?

14 (No response.)

15 MS. EVANS: All those in favor of
16 introduction signify by saying aye.

17 MS. EVANS: Aye.

18 MR. JOYCE: Aye.

19 MR. ROGAN: Aye.

20 MR. MCGOFF: Aye.

21 MR. LOSCOMBE: Aye.

22 MS. EVANS: Opposed?

23 (No response.)

24 MS. EVANS: The ayes have it and
25 so moved.

1 MR. JOYCE: I make a motion
2 pursuant to the Emergency Certificate
3 to place on the agenda File of Council
4 No. 53 of 2102 entitled "AUTHORIZING
5 THE ISSUANCE AND SALE OF A SIX MILLION
6 TWO HUNDRED FIFTY THOUSAND DOLLAR
7 PRINCIPAL AMOUNT, TAX ANTICIPATION OF
8 THE CITY OF SCRANTON KNOWN AS TAN
9 SERIES B-2012 AWARDED TO AMALGAMATED
10 BANK; DETERMINING THE FORM AND TERM OF
11 SAID NOTE; AWARDING SAID NOTE;
12 AUTHORIZING AND DIRECTING THE FILING
13 OF CERTAIN DOCUMENTS; AND DIRECTING
14 THE PROPER OFFICIALS OF THE CITY OF
15 SCRANTON TO TAKE AND ALL OTHER ACTIONS
16 AS MAY BE REQUIRED IN CONNECTION WITH
17 THE ISSUANCE OF SAID NOTE."

18 MR. ROGAN: Second.

19 MS. EVANS: On the question?

20 (No response.)

21 MS. EVANS: All those in favor of
22 said ordinance signify by saying aye.

23 MS. EVANS: Aye.

24 MR. JOYCE: Aye.

25 MR. ROGAN: Aye.

1 MR. MCGOFF: Aye.

2 MR. LOSCOMBE: Aye.

3 MS. EVANS: Opposed?

4 (No response.)

5 MS. EVANS: The ayes have it and
6 so moved.

7 MS. KRAKE: 5-C. EMERGENCY
8 CERTIFICATE, AUTHORIZING THE ISSUANCE
9 AND SALE OF A SIX MILLION TWO HUNDRED
10 FIFTY THOUSAND DOLLARS PRINCIPAL
11 AMOUNT, TAX ANTICIPATION NOTE OF THE
12 CITY OF SCRANTON KNOWN AS TAN SERIES
13 B-2012 AWARDED TO AMALGAMATED BANK;
14 DETERMINING THE FORM AND TERM OF SAID
15 NOTE; AWARDING SAID NOTE; AUTHORIZING
16 AND DIRECTING THE FILING OF CERTAIN
17 DOCUMENTS; AND DIRECTING THE PROPER
18 OFFICIALS OF THE CITY OF SCRANTON TO
19 TAKE ANY AND ALL OTHER ACTIONS AS MAY
20 BE REQUIRED IN CONNECTION WITH THE
21 ISSUANCE OF SAID NOTE.

22 MS. EVANS: At this time I'll e
23 entertain a motion that Item 5-C be
24 introduced into its proper committee.

25 MR. ROGAN: So moved.

1 MR. JOYCE: Second.

2 MS. EVANS: On the question?

3 (No response.)

4 MS. EVANS: All those in favor of
5 introduction signify by saying aye.

6 MS. EVANS: Aye.

7 MR. JOYCE: Aye.

8 MR. ROGAN: Aye.

9 MR. MCGOFF: Aye.

10 MR. LOSCOMBE: Aye.

11 MS. EVANS: Opposed?

12 (No response.)

13 MS. EVANS: The ayes have it and
14 so moved.

15 MR. JOYCE: I make a motion to
16 suspend the rules to move Items 5-B
17 and 5-C to 6th and 7th order to be
18 considered for final passaged based on
19 the attached emergency certificate.

20 MR. ROGAN: Second.

21 MS. EVANS: On the question?

22 (No response.)

23 MS. EVANS: All those in favor
24 signify by saying aye.

25 MS. EVANS: Aye.

1 MR. JOYCE: Aye.

2 MR. ROGAN: Aye.

3 MR. MCGOFF: Aye.

4 MR. LOSCOMBE: Aye.

5 MS. EVANS: Opposed?

6 (No response.)

7 MS. EVANS: The ayes have it and
8 so moved.

9 MS. KRAKE: 6-A. READING BY
10 TITLE - FILE OF COUNCIL NO. 51, 2012 -
11 AN ORDINANCE - ORDINANCE OF THE CITY
12 OF SCRANTON, LACKAWANNA COUNTY,
13 PENNSYLVANIA APPOINTING W. BOYD
14 HUGHES, ESQUIRE AND PAUL A. KELLY,
15 JR., ESQUIRE AS SPECIAL COUNSEL TO THE
16 CITY OF SCRANTON AND CASECON
17 CAPITAL, INC. AS CO-FINANCIAL ADVISOR
18 TO THE CITY OF SCRANTON ON THE
19 ISSUANCE AND PLACEMENT OF ANY
20 BONDS, NOTES OR FINANCING OF THE CITY
21 OF SCRANTON'S UNFUNDED DEBT OR
22 REFINANCING OR REFUNDING OF ANY OF
23 THE CITY'S OUTSTANDING BOND ISSUES AND
24 2012 TAX ANTICIPATION NOTE B AND
25 AUTHORIZING THE MAYOR AND OTHER

1 APPROPRIATE CITY OFFICIALS TO EXECUTE
2 A CONTRACT WITH CASECON CAPITAL, INC.

3 MS. EVANS: You've heard reading
4 by title of Item 6-A. What is your
5 pleasure?

6 MR. ROGAN: I move that Item 6-A
7 pass written by title.

8 MR. JOYCE: Second.

9 MS. EVANS: On the question?

10 MR. MCGOFF: Yes. I wasn't here
11 last week when this was introduced.
12 Is there a dollar amount on the
13 contract with Casecon.

14 MS. EVANS: No. And it will not
15 taken from the operating budget. It
16 will be included in the costs of the
17 issuance of the TAN.

18 MR. MCGOFF: Thank you.

19 MS. EVANS: And the legislation
20 was sent down to us from the
21 administration.

22 MR. ROGAN: I would just add. I
23 like the idea of having the solicitor
24 from city council and the city
25 solicitor involved even though I was

1 against the unfunded borrowing, it
2 passed. It has to be done right. You
3 know, I believe having both branches
4 of government involved is always the
5 best way to go.

6 MS. EVANS: Anyone else on the
7 question?

8 (No response.)

9 MS. EVANS: All those -- I'm
10 sorry. Yes, okay. So All those in
11 favor signify by saying aye.

12 MS. EVANS: Aye.

13 MR. JOYCE: Aye.

14 MR. ROGAN: Aye.

15 MR. MCGOFF: Aye.

16 MR. LOSCOMBE: Aye.

17 MS. EVANS: Opposed?

18 (No response.)

19 MS. EVANS: The ayes have it and
20 so moved.

21 MR. LOSCOMBE: I make a motion to
22 suspend the rules to move Item 6-A to
23 7th order to be considered for final
24 passage.

25 MR. JOYCE: Second.

1 MS. EVANS: On the question?

2 (No response.)

3 MS. EVANS: All those in favor
4 signify by saying aye.

5 MS. EVANS: Aye.

6 MR. JOYCE: Aye.

7 MR. ROGAN: Aye.

8 MR. MCGOFF: Aye.

9 MR. LOSCOMBE: Aye.

10 MS. EVANS: Opposed?

11 (No response.)

12 MS. EVANS: The ayes have it and
13 so moved.

14 MS. KRAKE: 6-B FORMERLY 5-B,
15 READING BY TITLE FILE OF COUNCIL NO.
16 NO. 52, 2012, AN ORDINANCE AUTHORIZING
17 THE MAYOR AND OTHER APPROPRIATE CITY
18 OFFICIALS OF THE CITY OF SCRANTON TO
19 RECEIVE AN INTEREST FREE LOAN IN THE
20 AMOUNT OF TWO MILLION DOLLARS FROM THE
21 COMMONWEALTH OF PENNSYLVANIA
22 DEPARTMENT OF COMMUNITY AND ECONOMIC
23 DEVELOPMENT AND TO RECEIVE A GRANT OF
24 \$250,000 FROM THE COMMONWEALTH OF
25 PENNSYLVANIA DEPARTMENT OF COMMUNITY

1 AND ECONOMIC DEVELOPMENT THE
2 MUNICIPALITIES FINANCIAL RECOVERY ACT,
3 ACT 47 OF 1987, AS AMENDED.

4 MS. EVANS: You've heard reading
5 by title of Item 6-B. What is your
6 pleasure?

7 MR. ROGAN: I move that Item 6-B
8 pass reading by title.

9 MR. MCGOFF: Second.

10 MS. EVANS: On the question?

11 (No response.)

12 MS. EVANS: All those in favor
13 signify by saying aye.

14 MS. EVANS: Aye.

15 MR. JOYCE: Aye.

16 MR. ROGAN: Aye.

17 MR. MCGOFF: Aye.

18 MR. LOSCOMBE: Aye.

19 MS. EVANS: Opposed?

20 (No response.)

21 MS. EVANS: The ayes have it and
22 so moved.

23 MS. KRAKE: READING BY 6-C,
24 FORMERLY 5-C READING BY TITLE FILE OF
25 COUNCIL NO. 53, 2012, AN ORDINANCE

1 AUTHORIZING THE ISSUANCE AND SALE OF A
2 SIX MILLION TWO HUNDRED FIFTY THOUSAND
3 DOLLARS PRINCIPAL AMOUNT, TAX
4 ANTICIPATION NOTE OF THE CITY OF
5 SCRANTON KNOWN AS TAN SERIES B-2012
6 AWARDED TO AMALGAMATED BANK;
7 DETERMINING THE FORM AND TERM OF SAID
8 NOTE; AWARDING SAID NOTE; AUTHORIZING
9 AND DIRECTING THE FILING OF CERTAIN
10 DOCUMENTS; AND DIRECTING THE PROPER
11 OFFICIALS OF THE CITY OF SCRANTON TO
12 TAKE ANY AND ALL OTHER ACTIONS AS MAY
13 BE REQUIRED IN CONNECTION WITH THE
14 ISSUANCE OF SAID NOTE.

15 MS. EVANS: You've heard reading
16 by title of Item 6-C. What is your
17 please?

18 MR. ROGAN: I move that Item 6-C
19 pass reading by title.

20 MR. JOYCE: Second.

21 MS. EVANS: On the question?

22 (No response.)

23 MS. EVANS: All those in favor
24 signify by saying aye.

25 MS. EVANS: Aye.

1 MR. JOYCE: Aye.

2 MR. ROGAN: Aye.

3 MR. MCGOFF: Aye.

4 MR. LOSCOMBE: Aye.

5 MS. EVANS: Opposed?

6 (No response.)

7 MS. EVANS: The ayes have it and
8 so moved.

9 MS. KRAKE: 7th Order, 7-A. FOR
10 CONSIDERATION BY THE COMMITTEE ON
11 FINANCE FOR ADOPTION -FILE OF COUNCIL
12 NO. 50, 2012 - AMENDING FILE OF
13 COUNCIL NO. 56, 2011, AN ORDINANCE
14 ENTITLED "GENERAL CITY OPERATING
15 BUDGET 2012" BY TRANSFERRING
16 \$178,000.00 FROM ACCOUNT NO.
17 01.401.13090.4299 (NONDEPARTMENTAL
18 OPERATING EXPENSES - CONTINGENCY) TO
19 THE ACCOUNTS LISTED BELOW TO PROVIDE
20 FUNDING FOR LIFE/DISABILITY
21 INSURANCE PAYMENTS THROUGH THE PERIOD
22 ENDING DECEMBER 31, 2012.

23 MS. EVANS: What is the
24 recommendation of the chair for the
25 Committee on Finance?

1 MR. ROGAN: As chairperson for
2 Committee on Finance, I recommend
3 final passage of Item 7-A.

4 MR. ROGAN: Second.

5 MS. EVANS: On the question?

6 (No response.)

7 MS. EVANS: Roll call, please.

8 MS. MARCIANO: Mr. McGoff.

9 MR. MCGOFF: Yes.

10 MS. MARCIANO: Mr. Rogan.

11 MR. ROGAN: Yes.

12 MS. MARCIANO: Mr. Loscombe.

13 MR. LOSCOMBE: Yes.

14 MS. MARCIANO: Mr. Joyce.

15 MR. JOYCE: Yes.

16 MS. MARCIANO: Mrs. Evans.

17 MS. EVANS: Yes. I hereby
18 declare 7-A legally and lawfully
19 adopted.

20 MS. KRAKE: 7-B. FOR
21 CONSIDERATION BY THE COMMITTEE ON
22 RULES FOR ADOPTION -FILE OF COUNCIL
23 NO. 49, 2012 - AMENDING THE REVISED
24 RECOVERY PLAN FOR THE CITY OF SCRANTON
25 PURSUANT TO THE FINANCIALLY DISTRESSED

1 MUNICIPALITIES ACT; AND AUTHORIZING
2 THE MAYOR OF THE CITY OF SCRANTON TO
3 ISSUE AN ORDER DIRECTING THE
4 IMPLEMENTATION OF THE REVISED RECOVERY
5 PLAN DATED AUGUST 1, 2012, ATTACHED
6 HERETO AS EXHIBIT "A" IN ACCORDANCE
7 WITH THE PROVISIONS OF SECTION 245 OF
8 THE FINANCIALLY DISTRESSED
9 MUNICIPALITIES ACT.

10 MR. JOYCE: I'd like to make a
11 motion to amend Item 7-B as follows:
12 No. 1, in summary title, second line,
13 delete financially distressed
14 municipalities act and insert
15 Municipalities Financial Recovery Act.
16 No. 2, also in the summary title,
17 fifth line, delete the date of
18 August 1st and change to August 21st,
19 2012. No. 3, again in summary title,
20 sixth line, delete Section 245 of the
21 Financially Distressed Municipalities
22 Act and insert Section 249
23 Municipalities Financial Recovery Act.
24 No. 4, in the first whereas clause
25 delete Distressed Municipalities Act

1 and insert Municipalities Financial
2 Recovery Act, Act 47 of 1987 as
3 amended. No. 5, in the third whereas
4 clause, second line, delete prepared
5 and insert filed and delete August 1st
6 and insert August 24th. No. 6, delete
7 the fourth whereas clause as it is
8 written and replace it with whereas
9 Act 47, Section 249 states that an
10 amendment to adopted plan shall be
11 adopted by ordinance. No. 7, in the
12 now therefore clause, first line,
13 delete submitted and insert filed.
14 No. 8, in the now therefore clause,
15 third line, after the word approved,
16 insert, and adopted in accordance with
17 the provision of Section 249 of the
18 Municipalities Financial Recovery Act.
19 No. 9, delete the entire first be it
20 further ordained paragraph. No. 10,
21 delete Exhibit A revised recovery plan
22 for the City of Scranton dated August
23 2nd, 2012, and insert corrected copy,
24 Exhibit A, revised and updated Act 47
25 recovery plan for the City of Scranton

1 dated August 24th, 2012. No. 11, on
2 Page 4-2 of Exhibit A under the
3 general plan provisions insert,
4 following the adoption of the revised
5 recovery plan Scranton City Council
6 shall implement a forensic audit of
7 the finances of the City of Scranton.

8 MS. EVANS: We have a motion to
9 amend on the floor. Do we have a
10 second?

11 MR. LOSCOMBE: Second.

12 MS. EVANS: On the question?

13 MR. MCGOFF: Just on No. 11, it
14 says Scranton City Council shall
15 implement a forensic audit of the
16 finances of the City of Scranton. It
17 does not give any date for the extent
18 of the audit.

19 MS. EVANS: I believe that the
20 number of years that would be covered
21 in the audit will in great part be
22 determined by the amount of funding
23 that is available in the budget to
24 provide for it. This amendment was
25 discussed with the mayor, DCED and PEL

1 and they are in agreement.

2 MR. ROGAN: Also I think Mr.
3 Loscombe also made a motion.

4 MS. EVANS: Yes.

5 MR. ROGAN: At council --

6 MR. JOYCE: Yes.

7 MR. ROGAN: And I would just
8 add -- I do have to agree with the
9 aspect of having a financial -- a
10 forensic audit. We desperately need
11 to know where the money is.

12 MS. EVANS: Anyone else on the
13 question?

14 (No response.)

15 MS. EVANS: All those in favor
16 signify by saying aye.

17 MS. EVANS: Aye.

18 MR. JOYCE: Aye.

19 MR. ROGAN: Aye.

20 MR. MCGOFF: Aye.

21 MR. LOSCOMBE: Aye.

22 MS. EVANS: Opposed?

23 (No response.)

24 MR. ROGAN: No.

25 MS. EVANS: The ayes have it and

1 so moved. As chair for the Committee
2 on Rules, I recommend final passage of
3 Item 7-B as amended.

4 MR. JOYCE: Second.

5 MS. EVANS: On the question?

6 MR. ROGAN: I'll be very brief
7 since we've already went over all of
8 this the last few weeks. Mr. McGoff,
9 Mr. Joyce and Mr. Loss mentioned a lot
10 of numbers tonight and they're
11 accurate, the price of the tax
12 increase going up for a specific
13 person. You know, they range from
14 \$108 on property in this so-called
15 best scenario. But that scenario
16 would also levy a one percent tax on
17 goods which would be any good that you
18 purchased currently that is taxed by
19 the state on the exemptions from what
20 I've gathered by talking to Mr. McGoff
21 would be the same, so food, clothing,
22 things of that nature but anything
23 else other than there's a one percent
24 sales tax included. The worst case
25 scenario \$219.62 for -- I believe that

1 was the resident that was in the
2 newspaper that Mr. Loscombe was
3 talking about. And, you know, someone
4 who is currently looking to purchase a
5 house in the City of Scranton I'll say
6 this it's certainly a buyer's market
7 so we welcome everybody to come into
8 the city and purchase property. But
9 one of the things that anyone who is
10 purchasing property looks at the tax
11 rates. And somebody like myself who
12 works three jobs can absolutely afford
13 to pay these level of taxes. You
14 know, if something like that comes --
15 you know, I can work an extra night
16 here or there. But what worries me is
17 there are people that, you know, four
18 dollars a week, six dollars a week
19 through the course of a year, it's not
20 that easy to put money away. We all
21 know that. Things happen. Cars
22 breakdown. You know, you need repairs
23 in your home. You need medicine. N
24 different things happen and it's
25 sounds so easy to say, well, this is

1 only six dollars a week or this is
2 only eight dollars a week but when you
3 add it up and you go to that person
4 who may be on a fixed income who
5 receives \$500 a month in Social
6 Security, it's very difficult for that
7 person to save money along the way.
8 And for them to come up with that much
9 at the end of the year it's very
10 difficult. And there's no question
11 about it that what was mentioned that
12 the school taxes and the county are
13 the bulk of the property tax bill.
14 And for many senior citizens it's
15 especially frustrating because many of
16 the their children didn't even attend
17 public schools in the city. Some of
18 them did 50 years ago and they're
19 still paying. So there's a lot of
20 frustration on the part of the day
21 taxpayer. I do support cuts outside
22 of public safety within the budget.
23 If that means eliminating almost every
24 other department besides public safety
25 and I would include housing

1 inspections dollars in with public
2 safety because that is a matter of
3 safety and with the rental
4 registration ordinance, again, that
5 was something else that I supported.
6 If that's all the city provides is a
7 service, we keep the people safe, I
8 think the city did their job. I spoke
9 with residents in Hanover Township who
10 have private garbage service and I
11 understand it cannot be done in 2013.
12 I'm not saying it can. It's something
13 that can be done 2014 moving forward
14 as many of these items are. They're
15 garbage fee is \$22 more than the City
16 of Scranton for a weekly pickup, not
17 per bag. It's a weekly pickup and
18 once a month you can put out --
19 basically they call it a clean up day
20 where you can put out whatever you
21 want. You know, that's \$22 more and
22 you said say, well, it's \$22 more
23 through the course of a year. It is
24 but at the same time the taxes that
25 subsidize the DPW could be -- the

1 burden of a tax increase could be less
2 than that aspect. And also there may
3 be windfall that's realized by the
4 initial sale of pack masters and
5 things of that nature. I also believe
6 that, you know, that I like the idea
7 of there being some departmental
8 expenditure cuts in there. I was
9 under the assumption that they were
10 going to be realized through the
11 budget and Mr. Joyce mentioned that
12 the department heads would be making
13 the choices. I hope that they submit
14 recommendations before budget time.
15 But all and all by speaking to
16 residents and, you know, some people
17 say well it's easy to just vote no.
18 It's not easy to just vote no. You
19 know, being on a losing end of a
20 four/one vote is not an easy thing.
21 But I firmly believe that this is not
22 the best plan for the city, and I
23 stand by that and I will be voting no.

24 MR. JOYCE: Though I respect your
25 opinion I humbly disagree. Right now

1 we're faced a financial crisis.
2 Without a revised recovery plan we
3 can't get any bank in the world to
4 loan us money let alone in the United
5 States or the State of Pennsylvania.
6 We need money to survive. Right now
7 if the city doesn't receive unfunded
8 borrowing it false into the abyss. If
9 the city doesn't receive this tax
10 anticipation note, how do we make
11 payroll? How do we pay our bills? We
12 can't. If the city doesn't receive
13 the money to pay the firefighters and
14 police officers which will have to
15 been done in terms of a loan or a bond
16 issue, what do we do then? That leads
17 us into the bankruptcy option. And
18 when we get into the bankruptcy
19 option, what happens, the state fights
20 it, they appoint a receiver, the taxes
21 go up at the receiver's will. At that
22 point instead of a 39.2 percent tax
23 increase, best case scenario 79
24 percent tax increase, worst case
25 scenario, we could be looking at

1 possibly 150 percent tax increase
2 because that receiver that's appointed
3 isn't going to care about what gets
4 raised and the people move out of
5 here. So I'm voting yes for this
6 recovery plan because though it's a
7 big burden -- and believe me, the last
8 thing I want to do is raise taxes on
9 people but we've come to a situation
10 where it's not do we want to it but
11 rather do we have to do it in order
12 for the city to survive and this right
13 now is the only way for the city to
14 survive. Believe me, I've been on
15 calls with Ryan McGowan trying to get
16 a bank to loan us and they are not
17 biting without a recovery plan at this
18 point. So though I humbly disagree
19 with your opinion, I will be voting
20 yes for this piece of legislation.

21 MR. LOSCOMBE: And I think I made
22 may comments earlier. I think
23 everybody knows where I stand.

24 MS. EVANS: I think the most
25 difficult, most difficult position

1 here is to take responsibility, to do
2 all the work involved and to step up
3 to the plate and approve this and I've
4 been on council now since 2004 and I
5 never before approved borrowing, I
6 never approved tax increases, but each
7 time I've provided a plan. Granted my
8 council colleagues did not agree with
9 my plans and so they were
10 unsuccessful. But I think it is too
11 easy just to say no and to think that
12 this is an easy decision for anyone up
13 here, it is not. It certainly is not.
14 This is the first time I've ever had
15 to do something like this and I do so
16 because I don't want you to have to
17 suffer what will come without this
18 recovery plan. Now, you can say we've
19 got the budget but I can say from just
20 city council standpoint we do not
21 function alone. We have a staff. We
22 have a city clerk and we have two
23 employees and everything that we do --
24 on Thursday evenings just as one
25 example is produced by this office,

1 the legislation is written by the
2 women in this office. The calls that
3 are fielded everyday in terms of
4 answering citizen's problems, pointing
5 them in the right directions, the
6 amount of research that is done by our
7 office so that I am better enabled to
8 negotiate with DCED, PEL, Senator
9 Blake, Mayor Doherty is imperative.
10 And so we're saying, well, we would
11 gut a budget. That would leave
12 council unable to even conduct its
13 weekly meetings.

14 MR. ROGAN: I believe the city
15 clerk is mandated by the Home Rule
16 Charter; is that correct?

17 MS. EVANS: Yes, it is.

18 MR. JOYCE: Yes, it.

19 MS. EVANS: But so are, you know,
20 quite a number, quite a number of
21 other things and all of the city
22 departments, et cetera, they are
23 mandated in the Home Rule Charter but
24 you're proposing cutting them. So
25 government would be unable to function

1 and, you know, I have heard many
2 suggestions and I wish they could be
3 implemented, suggestions like cutting
4 all salaries to under \$50,000 but all
5 that does is create labor unrest for
6 the next decade and flushing millions
7 of dollars down the toilet in legal
8 fees from one court battle to another.
9 It simply cannot be done. The
10 contracts have been negotiated. They
11 are in place until their termination
12 dates and those wages were set by the
13 Pennsylvania Supreme Court so no one
14 on this council, no one in city
15 government and forgive my verbiage
16 here but even God, himself, cannot
17 change those salaries and so it is, it
18 is a very difficult thing to do and
19 this recovery plan and this financing
20 that we have just approved was
21 realized through the combined efforts
22 and cooperation of the mayor, city
23 council, DCED, PEL, and the city
24 unions and there were many tough
25 decisions to make and those decisions

1 arose from factors like the Supreme
2 Court award and ever growing pension
3 obligations and rises in health care,
4 they had to be an addressed. And
5 throughout all of this our goal
6 remained to make the best attempt
7 possible not to over burden the
8 Scranton taxpayer and to provide a
9 plan that fairly shares the burden
10 among all the stakeholders of this
11 city. And I believe that's been
12 achieved because PEL had 129 percent
13 on its plate for you, the mayor
14 originally had 78 percent and city
15 council through its negotiations with
16 all of the aforementioned parties have
17 cut that in more than half and going
18 forward throughout the next three
19 years it will require the cooperation
20 of the city, the county and the state
21 to realize the goals of this revised
22 recovery plan. So I'm not naive but I
23 do believe just because something is
24 or because someone says to me you
25 can't do that, my answer is why can't

1 I do that, why not. And if not now,
2 when. Saying that a nonprofit doesn't
3 have to pay, that's all well and good.
4 But if you don't make the attempt,
5 they never well. You're giving them a
6 license to just carry on with business
7 as usual and that can't be allowed
8 anymore because 30 percent of our
9 property has -- more than 30 percent
10 of our taxable property has been
11 devoured by nonprofits who are
12 continuing to grow as we speak. The
13 attempts have to be made. A commuter
14 tax, well, the city cannot even
15 petition the Lackawanna County courts
16 for a commuter tax until it has passed
17 a revised recovery plan. These things
18 have to been done. And it isn't --
19 like I said, it is not an easy thing
20 and I would echo what you said earlier
21 Councilman Joyce, I won't sleep well.
22 I don't sleep well. And this has
23 required tremendous work round the
24 clock to try to save the city but more
25 than saving the city, it's saving you,

1 the people of this city.

2 And if anyone else has anything
3 to say on the question?

4 (No response.)

5 MS. EVANS: If not, I think we
6 can go to roll call.

7 MS. MARCIANO: Mr. McGoff.

8 MR. MCGOFF: Yes.

9 MS. MARCIANO: Mr. Rogan.

10 MR. ROGAN: No.

11 MS. MARCIANO: Mr. Loscombe.

12 MR. LOSCOMBE: Yes.

13 MS. MARCIANO: Mr. Joyce.

14 MR. JOYCE: Yes.

15 MS. MARCIANO: Mrs. Evans.

16 MS. EVANS: Yes. I hereby
17 declare Item 7-B as amended legally
18 and lawfully adopted.

19 MS. KRAKE: 7-C. FOR
20 CONSIDERATION BY THE COMMITTEE ON
21 COMMUNITY DEVELOPMENT FOR ADOPTION -
22 RESOLUTION NO. 38, 2012 - AUTHORIZING
23 THE DISBURSEMENT OF FUNDS FROM
24 SCRANTON'S OFFICE OF ECONOMIC AND
25 COMMUNITY DEVELOPMENT UDAG REPAYMENT

1 CHECKING ACCOUNT NO. 56-202174-9
2 ENTITLED URBAN DEVELOPMENT ACTION
3 GRANT REPAYMENT ACCOUNT, SAID FUNDS TO
4 BE UTILIZED FOR FINAL PAYMENTS DUE AND
5 OWING WITH RESPECT TO WORK
6 PERFORMED REGARDING THE CRISP AVENUE
7 BRIDGE PROJECT.

8 MS. EVANS: What is the
9 recommendation of the chair for the
10 Committee on Community Development.

11 MR. ROGAN: As chair for the
12 Committee Development, I recommend
13 final passage of Item 7-C.

14 MR. ROGAN: Second.

15 MS. EVANS: On the question?

16 (No response.)

17 MS. EVANS: Roll call, please.

18 MS. MARCIANO: Mr. McGoff.

19 MR. MCGOFF: Yes.

20 MS. MARCIANO: Mr. Rogan.

21 MR. ROGAN: Yes.

22 MS. MARCIANO: Mr. Loscombe.

23 MR. LOSCOMBE: Yes.

24 MS. MARCIANO: Mr. Joyce.

25 MR. JOYCE: Yes.

1 MS. MARCIANO: Mrs. Evans.

2 MS. EVANS: Yes. I hereby
3 declare Item 7-C legally and lawfully
4 adopted.

5 MS. KRAKE: 7-D. FOR
6 CONSIDERATION BY THE COMMITTEE ON
7 PUBLIC SAFETY FOR ADOPTION -RESOLUTION
8 NO. 39, 2012 - AUTHORIZING
9 THE MAYOR AND OTHER APPROPRIATE CITY
10 OFFICIALS FOR THE CITY OF SCRANTON TO
11 ENTER INTO A GRANT AGREEMENT BETWEEN
12 THE PENNSYLVANIA EMERGENCY
13 MANAGEMENT AGENCY AND THE SCRANTON
14 POLICE DEPARTMENT FOR THE FEDERAL
15 FISCAL YEAR (FFY) 2009
16 BUFFER ZONE PROTECTION PROGRAM AND
17 ACCEPT GRANT FUNDING IN THE AMOUNT OF
18 \$27,685.91.

19 MS. EVANS: What is the
20 recommendation of the chair for the
21 Committee on Public Safety?

22 MR. LOSCOMBE: As chairperson for
23 the Committee on Public Safety, I
24 recommend final passage of Item 7-D.

25 MR. ROGAN: Second.

1 MS. EVANS: On the question?

2 (No response.)

3 MS. EVANS: Roll call, please.

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Yes.

6 MS. MARCIANO: Mr. Rogan.

7 MR. ROGAN: Yes.

8 MS. MARCIANO: Mr. Loscombe.

9 MR. LOSCOMBE: Yes.

10 MS. MARCIANO: Mr. Joyce.

11 MR. JOYCE: Yes.

12 MS. MARCIANO: Mrs. Evans.

13 MS. EVANS: Yes. I hereby
14 declare Item 7-D legally and lawfully
15 adopted.

16 MS. KRAKE: 7-E. FOR
17 CONSIDERATION BY THE COMMITTEE ON
18 COMMUNITY DEVELOPMENT FOR ADOPTION -
19 RESOLUTION NO. 40, 2012 -
20 AUTHORIZING THE MAYOR AND OTHER
21 APPROPRIATE CITY OFFICIALS TO EXECUTE
22 AND ENTER INTO A DESIGN AND
23 CONSTRUCTION INSPECTION SERVICES
24 CONTRACT WITH REILLY ASSOCIATES TO
25 PROVIDE DESIGN AND CONSTRUCTION

1 INSPECTION SERVICES FOR THE
2 CONSTRUCTION WORK FOR THE PROJECT
3 ENTITLED: "RECONSTRUCTION
4 OF THE CITY STREETS TO INCLUDE
5 HANDICAPPED CURB CUTS".

6 MS. EVANS: What is the
7 recommendation of the chair for the
8 Committee on Community Development?

9 MR. ROGAN: As chair for the
10 Committee on Community Development, I
11 recommend final passage of Item 7-E.

12 MR. LOSCOMBE: Second.

13 MS. EVANS: On the questions?

14 (No response.)

15 MS. EVANS: Roll call, please.

16 MS. MARCIANO: Mr. McGoff.

17 MR. MCGOFF: Yes.

18 MS. MARCIANO: Mr. Rogan.

19 MR. ROGAN: Yes.

20 MS. MARCIANO: Mr. Loscombe.

21 MR. LOSCOMBE: Yes.

22 MS. MARCIANO: Mr. Joyce.

23 MR. JOYCE: Yes.

24 MS. MARCIANO: Mrs. Evans.

25 MS. EVANS: Yes. I hereby

1 declare Item 7-E legally and lawfully
2 adopted.

3 Is there anyone who wishes to
4 address council on Items 7-F, 7-G and
5 7-H the legislation that has been
6 moved to 7th Order.

7 MR. JACKOWITZ: Yeah. Bill
8 Jackowitz. You know, I understand and
9 really basically the state is helping
10 us out by giving us an interest free
11 loan and they're also giving us a
12 \$250,000 grant so I believe that the
13 state actually is helping us out but
14 I'm not happy about that. I'm not
15 happy about the fact that we have to
16 take another two million dollar loan
17 that we have to pay back. We do have
18 to pay that back, do we not, the loan?

19 MS. EVANS: Yes.

20 MR. JOYCE: Yes.

21 MR. JACKOWITZ: Just to make
22 payroll? Just to make -- is that the
23 way the city operate? Is that a way a
24 municipality should be operating? Is
25 it? Should we have to borrow money

1 that the taxpayers have to pay back.
2 The taxpayers have to pay that money
3 back. Why are we there? We've been
4 distressed for 7,231 days. Don't you
5 think that was long enough for the
6 mayor, the city councils and the
7 business administrators for the last
8 20 years to come up with a plan and do
9 something to rectify that problem?
10 Now here we are on the 23rd of August,
11 2012, and we have to borrow two
12 million dollars from the state. The
13 state is running the city. The mayor
14 is not running the city. City council
15 is not running the city. The state is
16 running it right now because they're
17 giving us our money to pay our police
18 officers, our firefighters, our
19 clerks, our DPW people. And if you
20 think I'm happy about that, I'm not.
21 You think I'm going to applaud getting
22 this loan. I'm not. Because it
23 should have never happened but I'm
24 realistic enough and smart enough and
25 intelligent enough to realize that it

1 did happen but I'm not happy about it.
2 And when is it going to stop? What is
3 going to happen in 2013? Are we going
4 to have to take out more loans to pay
5 our day-to-day expenses and bills?
6 That's ludicrous. That's ridiculous.
7 And applaud you, Mrs. Evans, and
8 applaud Frank Joyce and everyone of
9 you up there but I'm not happy about
10 it. And I'm not going to stand up and
11 cheer about it because it never should
12 have happened but it did happen. I
13 think it's embarrassing that we have
14 to borrow two million dollars to pay
15 our city employees. And I appreciate
16 the state giving it to us at interest
17 free, I really do, and I appreciate
18 them giving us a \$250,000 grant that
19 we don't have to pay back but I'm not
20 happy about it and I hope 2013 is
21 completely different than what 2012 --
22 from 1992 to 2012 has been. And I
23 tell you what, every week that I come
24 to city council meeting, I'm going to
25 remind you of how many days it's been

1 and how many months that we have been
2 distressed and I'm going to expect
3 results. That's why you were elected.
4 That's why the mayor was elected to
5 get results and produce results. What
6 happened in the past happened in the
7 past. Nobody listened in the past. I
8 hope people start listening in the
9 future starting today.

10 MS. EVANS: Is there anyone else?

11 MR. DOBRZYN: Thank you for
12 letting me speak quick. I'll make it
13 quick. I'd like to thank all the out
14 sources and chief and everybody else
15 that can contributed to all of the
16 economic problems in this country and
17 these would be anthill compared to
18 what -- if things weren't just
19 outsourced and we weren't sold down
20 the river by the federal government
21 right on down and I have no problem
22 with anything that's going on here
23 tonight. I support council. It's
24 what has to be done and that's the way
25 it is. Thank you and have a good

1 night.

2 MR. LOSCOMBE: Thank you.

3 MS. EVANS: Is there anyone else
4 who care to address council?

5 (No response.)

6 MS. EVANS: Mrs. Krake.

7 MS. KRAKE: 7-F FORMERLY 6-B FOR
8 CONSIDERATION BY THE COMMITTEE ON
9 FINANCE FOR ADOPTION ORDINANCE NO. 52,
10 2012, AUTHORIZING THE MAYOR AND OTHER
11 APPROPRIATE CITY OFFICIALS OF THE CITY
12 OF SCRANTON TO RECEIVE AN INTEREST
13 FREE LOAN IN THE AMOUNT OF TWO MILLION
14 DOLLARS FROM THE COMMONWEALTH OF
15 PENNSYLVANIA DEPARTMENT OF COMMUNITY
16 AND ECONOMIC DEVELOPMENT AND TO
17 RECEIVE A GRANT OF \$250,000 FROM THE
18 COMMONWEALTH OF PENNSYLVANIA
19 DEPARTMENT OF COMMUNITY AND ECONOMIC
20 DEVELOPMENT THE MUNICIPALITIES
21 FINANCIAL RECOVERY ACT, ACT 47 OF
22 1987, AS AMENDED.

23 MS. EVANS: What is the
24 recommendation of the chair for the
25 Committee on Finance?

1 MR. JOYCE: As chairperson for
2 the Committee on Finance, I recommend
3 final passage of Item 7-F.

4 MR. ROGAN: Second.

5 MS. EVANS: On the question?

6 (No response.)

7 MS. EVANS: Roll call, please.

8 MS. MARCIANO: Mr. McGoff.

9 MR. MCGOFF: Yes.

10 MS. MARCIANO: Mr. Rogan.

11 MR. ROGAN: Yes.

12 MS. MARCIANO: Mr. Loscombe.

13 MR. LOSCOMBE: Yes.

14 MS. MARCIANO: Mr. Joyce.

15 MR. JOYCE: Yes.

16 MS. MARCIANO: Mrs. Evans.

17 MS. EVANS: Yes. I hereby
18 declare Item 7-F legally and lawfully
19 adopted.

20 MS. KRAKE: 7-G FORMERLY 6-C FOR
21 CONSIDERATION BY THE COMMITTEE ON
22 FINANCE FOR ADOPTION FILE OF COUNCIL
23 NO. 53, 2012, AN ORDINANCE AUTHORIZING
24 THE ISSUANCE AND SALE OF A SIX MILLION
25 TWO HUNDRED FIFTY THOUSAND DOLLARS

1 PRINCIPAL AMOUNT, TAX ANTICIPATION
2 NOTE OF THE CITY OF SCRANTON KNOWN AS
3 TAN SERIES B-2012 AWARDED TO
4 AMALGAMATED BANK; DETERMINING THE FORM
5 AND TERM OF SAID NOTE; AWARDING SAID
6 NOTE; AUTHORIZING AND DIRECTING THE
7 FILING OF CERTAIN DOCUMENTS; AND
8 DIRECTING THE PROPER OFFICIALS OF THE
9 CITY OF SCRANTON TO TAKE ANY AND ALL
10 OTHER ACTIONS AS MAY BE REQUIRED IN
11 CONNECTION WITH THE ISSUANCE OF SAID
12 NOTE.

13 MS. EVANS: What is the
14 recommendation of the chair for the
15 Committee on Finance?

16 MR. JOYCE: As chairperson for
17 the Committee on Finance, I recommend
18 final passage of Item 7-G.

19 MR. ROGAN: Second.

20 MS. EVANS: On the question?

21 (No response.)

22 MS. EVANS: Roll call, please.

23 MS. MARCIANO: Mr. McGoff.

24 MR. MCGOFF: Yes.

25 MS. MARCIANO: Mr. Rogan.

1 MR. ROGAN: Yes.

2 MS. MARCIANO: Mr. Loscombe.

3 MR. LOSCOMBE: Yes.

4 MS. MARCIANO: Mr. Joyce.

5 MR. JOYCE: Yes.

6 MS. MARCIANO: Mrs. Evans.

7 MS. EVANS: Yes. I hereby
8 declare Item 7-G legally and lawfully
9 adopted.

10 MS. KRAKE: 7-H FORMERLY 6-A FOR
11 CONSIDERATION BY THE COMMITTEE ON 51,
12 2012 – AN ORDINANCE OF THE CITY OF
13 SCRANTON, LACKAWANNA COUNTY,
14 PENNSYLVANIA APPOINTING W. BOYD
15 HUGHES, ESQUIRE AND PAUL A. KELLY,
16 JR., ESQUIRE AS SPECIAL COUNSEL TO THE
17 CITY OF SCRANTON AND CASECON
18 CAPITAL, INC., AS CO-FINANCIAL ADVISOR
19 TO THE CITY OF SCRANTON ON THE
20 ISSUANCE AND PLACEMENT OF ANY
21 BONDS, NOTES OR FINANCING OF THE CITY
22 OF SCRANTON'S UNFUNDED DEBT OR
23 REFINANCING OR REFUNDING OF ANY OF
24 THE CITY'S OUTSTANDING BOND ISSUES AND
25 2012 TAX ANTICIPATION NOTE B AND

1 AUTHORIZING THE MAYOR AND OTHER
2 APPROPRIATE CITY OFFICIALS TO EXECUTE
3 A CONTRACT WITH CASECON CAPITAL, INC.

4 MS. EVANS: As chair for the
5 Committee on Rules, I recommend final
6 passage of Item 7-H.

7 MR. ROGAN: Second.

8 MS. EVANS: On the question?
9 (No response.)

10 MS. EVANS: Roll call, please.

11 MS. MARCIANO: Mr. McGoff.

12 MR. MCGOFF: Yes.

13 MS. MARCIANO: Mr. Rogan.

14 MR. ROGAN: Yes.

15 MS. MARCIANO: Mr. Loscombe.

16 MR. LOSCOMBE: Yes.

17 MS. MARCIANO: Mr. Joyce.

18 MR. JOYCE: Yes.

19 MS. MARCIANO: Mrs. Evans.

20 MS. EVANS: Yes. I hereby
21 declare Item 7-H legally and lawfully
22 adopted.

23 In July I had stated that city
24 council would remain in session
25 throughout August until the financial

1 crisis was resolved. The passing of
2 the revised recovery plan TAN-B and
3 the 2.25 million from DCED will
4 address the crisis. Therefore, I move
5 that city council will not meet on
6 August 30th, 2012.

7 MR. LOSCOMBE: Second.

8 MS. EVANS: On the question?

9 (No response.)

10 MS. EVANS: All those in favor
11 signify by saying aye.

12 MS. EVANS: Aye.

13 MR. JOYCE: Aye.

14 MR. MCGOFF: Aye.

15 MR. LOSCOMBE: Aye.

16 MS. EVANS: Opposed?

17 MR. ROGAN: No.

18 MS. EVANS: The ayes have it and
19 so moved.

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

22 MR. JOYCE: Motion to adjourn.

23 MS. EVANS: This meeting is
24 adjourned.

25 (Proceedings concluded at 9:55 p.m.)

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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 taken by me of the above-cause and that this copy is a correct transcript of the same to the best of my ability.

Amelia Nicol, RPR
Official Court Reporter