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1 SCRANTON CITY COUNCIL MEETING

2 PUBLIC HEARING

3 FILE OF COUNCIL NO. 140, 2007 -

4 APPROPRIATING FUNDS FOR THE EXPENSES OF THE CITY

5 GOVERNMENT FOR THE PERIOD COMMENCING ON THE FIRST

6 DAY OF JANUARY 2008 TO AND INCLUDING DECEMBER 31,

7 2008 BY ADOPTION OF THE GENERAL CITY OPERATING

8 BUDGET FOR THE YEAR 2008.

9

10 HELD:

11

12 Tuesday, November 27, 2007

13

14 LOCATION:

15 Council Chambers

16 Scranton City Hall

17 340 North Washington Avenue

18 Scranton, Pennsylvania

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21 CATHENE S. NARDOZZI- COURT REPORTER

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2 CITY OF SCRANTON COUNCIL:

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MS. JUDY GATELLI, PRESIDENT

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5 MS. JANET E. EVANS

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MS. SHERRY FANUCCI

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8 MR. ROBERT MCGOFF

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MR. WILLIAM COURTRIGHT

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11 MS. KAY GARVEY, CITY CLERK

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MS. NEIL COOLICAN, ASSISTANT CITY CLERK

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14 MR. AMIL MINORA, SOLICITOR

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1 MS. GATELLI: I'll like to call the

2 public hearing to order.

3 MR. COOLICAN: Mrs. Evans.

4 MRS. EVANS: Here.

5 MR. COOLICAN: Mrs. Fanucci.

6 MS. FANUCCI: Here.

7 MR. COOLICAN: Mr. McGoff.

8 MR. MCGOFF: Here.

9 MR. COOLICAN: Mr. Courtright. Mrs.

10 Gatelli.

11 MS. GATELLI: Here. The purpose of

12 the public hearing is to hear testimony and

13 discuss: THE FILE OF COUNCIL 1402, 2007 -

14 APPROPRIATING FUND FOR THE EXPENSES OF THE

15 CITY GOVERNMENT FOR THE PERIOD COMMENCING ON

16 THE FIRST DAY OF JANUARY 2008 TO AND

17 INCLUDING DECEMBER 31, 2008, BY THE ADOPTION  
18 OF THE GENERAL CITY OPERATING BUDGET FOR THE  
19 YEAR 2008.

20 And the first speaker is

21 Mr. Sbaraglia. We'll start by allowing you  
22 two minutes and if we have time left before  
23 the regular meeting you can come back up,  
24 okay?

25 MR. SBARAGLIA: Andy Sbaraglia,

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1 citizen of Scranton. Fellow Scrantonians,  
2 I'm sorry for the delay, they have a  
3 reporter there from the -- actually from the  
4 University or someone that is trying to be a  
5 reporter and they asked a lot of questions,  
6 so they tagged me there for a little while.  
7 Okay, we are looking at the budget, we  
8 are looking to save money. I went through  
9 the budget fairly good, but I also went  
10 through the audit for the parking authority,  
11 and the authority is only one short program,  
12 I'll read it, what is it costing us to  
13 collect? The authority has entered a

14 management for the City of Scranton. This  
15 agreement requires that 10 percent of the  
16 meter revenue be paid to the authority in  
17 exchange for the responsibilities conducted  
18 daily activity of on-site parking program.  
19 The city is also required to reimburse the  
20 authority for expenses incurred by the  
21 on-street parking program, expenses rate for  
22 the year ending December 31, 2006, amounted  
23 to \$595,269 plus management fees of \$78,705.

24 I think the city should look into seeing  
25 that if you want to do something maybe we  
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1 should outsource this. If the police don't  
2 want to do it then maybe someone else will  
3 pick it up. I mean, we are spending I think  
4 three quarters of a million dollars to  
5 collect the parking revenue. That's what  
6 it's costing the city, and I don't see the  
7 point of it. I mean, they tell me a cop  
8 can't do it, well, the cops used to do it,  
9 that used to be one of their duties. You  
10 got, I don't know what the manning part is

11 on the shift now, but even if you had to  
12 hire two policemen, give them a moped and  
13 let them go through the city and two  
14 eight-hour shifts, two men, eight-hour  
15 shifts, because that's all it is on the  
16 revenue, eight hours and Saturday we go  
17 free, that's all. I don't think you would  
18 lose that much, but I know you would  
19 probably save a lot, but even so you can  
20 always outsource this program. I don't see  
21 the point of spending that much money for so  
22 little return.

23 I mean, what are they talking about?

24 Well, I know the budget is a big problem,

25 but I think we collected like \$850,00 on

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6

1 this revenue and out of that we spent

2 almost-- well, in '06 we spent three

3 quarters of a million, I mean, that leaves

4 us with very little out of that proposed

5 program. I mean, somewhere along the line

6 even you should be able to outsource, I

7 mean, two people probably could go around

8 and do it. Thank you.

9 MS. GATELLI: Mr. Quinn.

10 MR. QUINN: Good evening, Ozzie

11 Quinn, President of the Scranton Taxpayers'

12 Association. First of all, I want to know,

13 the city is proposing a 5.5 million balloon

14 payment on a previous loan and they seek to

15 refinance that payment according to Stu

16 Renda. How does this affect our debt, will

17 it increase it during the year? That's a

18 question I would like to have answered.

19 Okay, and the other thing is this year

20 we have to go through line by line and skim

21 down this budget to it's bone. The record

22 budget increased roughly seven million in

23 2007. There is two distinctions that the

24 mayor has, a record budget and being the

25 worse administrator in the history of

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7

1 Scranton. The 2007 decreases fire and the

2 police department, unbelievable. With the

3 exception of a large pay increases for

4 Director Hayes, fire and police chiefs,

5 people forget easy with the fire and police  
6 do on an every day basis. They are our  
7 bread and butter covering the 26 square  
8 miles of the city. Nondepartmental  
9 increases, \$7 million from the 2007 budget  
10 to the 2008 budget. What is the  
11 nondepartment budget? What does it mean and  
12 what does it include that it increased  
13 \$7 million from last year, I can't figure  
14 that out. The cronies that Mayor Doherty  
15 created jobs for and gave raises to since he  
16 came into office cost the city taxpayers  
17 roughly \$12 million, the taxpayers' money  
18 could have been used to decrease taxes or  
19 pay off our debt service.  
20 One of the council members said that  
21 to attract good people you have to pay them  
22 well. Are the mayor's cronies doing the  
23 best they can to run the administration? If  
24 they are doing a poor job. I'm sure there  
25 are more qualified people in the public,  
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1 this includes contractors and lawyers. This



2 does not count Kay Garvey. Thank you very  
3 much.

4 MS. GATELLI: Thank you. Mrs.  
5 Schumacher.

6 MS. SCHUMACHER: Hi, Marie

7 Schumacher. I'll start now and I guess

8 continue during the regular meeting if we

9 don't have time. Number one, by account

10 what principal amounts are to earn a total

11 of \$50,000 of interest earnings in 2008? At

12 5 percent that's roughly \$11 million

13 squirreled away someplace.

14 Two, what asset is being sold for

15 \$700,000 and what is the annual cost of the

16 leaseback for that asset?

17 Three, if you divide the local

18 services tax difference from 2007 to 2008

19 you get 4,012, so I would like to know if we

20 are forecasting the loss of approximately

21 4,000 jobs in 2008 since that's paid on a

22 per person basis.

23 Four, why is \$100,000 amusement tax

24 included in the budget when it has not been

25 approved by council?

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1 Five, is it typical for 50 percent

2 of the building permits to be taken out in

3 the last quarter of the year or will the

4 2007 budget not be attained?

5 Six, are there no departmental

6 earnings listed -- there are no departmental

7 earnings listed for parks and recreation,

8 from that are we to assume that there will

9 be free swimming in 2008?

10 Seven, total employee compensation

11 has no line item for the \$900 per employee

12 bonus reported in the Monopoly newspaper?

13 Does this mean there is no bonus?

14 Eight, does the \$185,000 dollar

15 police capital expenditure budget including

16 finishing the paving of the police

17 headquarters parking lot? I'll be back.

18 Thank you.

19 MS. GATELLI: Mr. Jackowitz.

20 MR. JACKOWITZ: Bill Jackowitz, South

21 Scranton. Yeah, I have got some questions

22 on the current wage tax. Why is the wage

23 tax revenue less than previous years

24 budgeted and also the local service tax?

25 Does that mean we are having a decline in

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10

1 population which we are being told that we

2 are not and does that mean that more jobs

3 are going to be lost and we are programming

4 for that in advance? Again, we are being

5 told everything is going good in the city

6 and there is jobs galore and people are

7 making money and we got 50 vacant stores

8 that -- store fronts in town according to

9 council they are all filled, is that why

10 it's projected for less because people are

11 going to be paying less wage taxes and local

12 service taxes because there is going to be

13 less people working, because there is going

14 to be less people living in the city? Can

15 someone please answer that for me sometime

16 today?

17 And also in the general fund, the

18 total miscellaneous revenue, miscellaneous

19 revenue, miscellaneous revenue for 2008, the

20 bond issuance, \$5.5 million, it's higher  
21 than last year, and that's needed to  
22 refinance the bonds, is this the reason that  
23 we can cover the salary increases for the  
24 white collar workers and what do we do next  
25 year, are we going to have to do this same

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11

1 thing again next year because we don't have  
2 any revenue generation in this budget and  
3 how can you give raises, we borrow money.  
4 How can you borrow money and give anybody a  
5 raise? Also, I would like to have that  
6 question answered. You are borrowing 5.5  
7 million, but yet we are going to give  
8 raises, it doesn't make sense. And if you  
9 vote yes for this budget you just approve  
10 more borrowing and more tax increases later  
11 on down the road. Thank you.

12 MS. GATELLI: Thank you. Anyone  
13 else?

14 MS. KRAKE: Nancy Krake. We just  
15 heard a caucus meeting that the reason we  
16 are borrowing for 2008 is that our

17 expenditures will exceed our revenue by  
18 \$6 million. I don't think that happened in  
19 one year, however, I think that this has  
20 been happening since Mayor Doherty took  
21 office, that he has been accumulating the  
22 \$6 million while at the same time he has not  
23 increased his revenue, so we, the taxpayers,  
24 have to pay for his inadequate ability to  
25 run the city and borrow money and borrow  
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1 money and spend more than he has. Since  
2 2002 he is nearing now almost \$10 million  
3 cumulatively of what he has spent on raises  
4 for middle management and new job creations  
5 of them. This is not our fault. No one  
6 asked him to do this. No one asked him to  
7 do anything except run the city the right  
8 way and he is obviously not capable of doing  
9 that.

10 Last year everybody voted for a tax  
11 increase to help him. Now, we are going to  
12 be giving him borrowing and he keeps saying  
13 that it has to be and it has to be, but he

14 is the cause. We haven't gotten any raises,  
15 and I'm sorry that some people don't like us  
16 to bring that up, but it is the truth. They  
17 have gotten raises. They being the middle  
18 management and they have gotten many new  
19 jobs, those are the only things except his  
20 borrowing that they have increased since  
21 2002, and he has never looked back. He has  
22 never asked himself or have any of the  
23 majorities on council how we can rectify  
24 this situation, instead, they simply agree  
25 to keep on doing it. Thank you.

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13

1 MS. GATELLI: Thank you.

2 MR. GERVASI: Good evening. Thank  
3 you for letting us speak. Just a few  
4 thoughts I have. I think that we have to  
5 look at the big picture and I think we have  
6 to realize that this budget is \$7 million  
7 more than last year's budget overall. We  
8 are not borrowing, well, we are borrowing.  
9 We are not supposed to vote on any budgets  
10 that borrow anymore according to some

11 council people, but apparently we are  
12 borrowing \$5.5 million this year.  
13 I think we really need to look at  
14 slashing the budget and, by the way, I want  
15 to commend Mr. Renda, I think he did an  
16 excellent job in caucus, I think he answered  
17 a lot of questions that all of us have and  
18 I'm looking forward to a few other questions  
19 that were not answered yet, but one thing  
20 that was most interesting on how the city  
21 operates and how they figure things out is  
22 they say they layout their expenditures and  
23 then they look at the revenues when, I think  
24 I have heard Mrs. Evans say this 100 times,  
25 you always look at your revenues and then  
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14

1 decide what you could spend and the question  
2 I had in the caucus was other than core  
3 services, the operation of the city,  
4 salaries for employees, health care  
5 expenses, pension expenses, buying salt,  
6 fixing streets, picking up garbage,  
7 repairing vehicles, paying for fuel, the

8 core services that are the number one duty  
9 of a city and why you pay taxes, why do we  
10 have a \$6 million supposed structural  
11 deficit? Is it because we layout our  
12 expenditures and decide what the mayor wants  
13 to do with the money and then find out where  
14 he is going to get the money and then he  
15 decides who doesn't have enough money to do  
16 what he wants to do besides running the city  
17 then he has to cut services or borrow money  
18 or raise taxes.

19 I think we are doing this backwards  
20 and I think he should look at that a little  
21 differently and I think this council, once  
22 again, should table this until I believe  
23 Mrs. Evans is working on a budget to look at  
24 alternatives and we need to cut the fat and  
25 it's obvious looking at the budget that I

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15

1 studied, and I'll have a big dissertation  
2 later on looking at the budget that the  
3 departments are running lean, health care is  
4 up, but we can put the blame where the blame



5 squarely is for health care rising because  
6 nothing has been done to help keep it down  
7 or reduce it, so I think where the fluff is  
8 and where all of the fat is the mayor's  
9 projects that he likes to do and I think  
10 maybe we should table this budget and we  
11 need to cut the fat once and for all. Thank  
12 you.

13 MS. GATELLI: Thank you. Anyone  
14 else?

15 MR. DOBSON: Good evening, Council.  
16 Dave Dobson, resident of Scranton, Taxpayer  
17 Association associate. I missed the first  
18 part due to a dental appointment, however, I  
19 would like to just express concern that all  
20 levels of government, all taxing bodies are  
21 generating huge deficits at this time from  
22 federal on down to the school district to  
23 municipal and it's time to really sit down  
24 and try and iron things out and stop the  
25 borrowing wherever possible. That's all I

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16

1 have to say. Thank you.

2 MS. GATELLI: Thank you. Anyone  
3 else? If there is no one else then anyone  
4 that would like to come back again you can  
5 come up because we have some time before the  
6 regular meeting, so if you would like come  
7 back again. We'll go for another ten  
8 minutes so we have --

9 MR. SBARAGLIA: Andy Sbaraglia. I'm  
10 looking at the deficit in the budget, well,  
11 I shouldn't say the deficit, I should say  
12 the bond payments in the budget, and all  
13 seven of those 22 million three thousand  
14 dollars, then we come over to '08 and it  
15 jumped 28,607-- 28,607,000, that's quiet a  
16 jump in the interest rate. Are all of these  
17 loans escalating loans? They must be. I  
18 mean, if the loans are fixed -- they are not  
19 fixed. In other words, when you okayed all  
20 these loans you didn't look to see if your  
21 escalating loans. The city is in the same  
22 problem as a lot of homeowners, it's being  
23 escalated. And that's quite not right. You  
24 should have got fixed loans even it might  
25 have been a half a percent or so higher.

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1 These escalating loans are going to bankrupt  
2 the city, there is no way about it, you  
3 know? I mean, when you jump from 22 to 28  
4 that's over \$6 million just in loans, that's  
5 pretty high. You know, the budget that they  
6 put in there we are spending almost a  
7 quarter of our budget is wasted money being  
8 spent out on interest and not actually put  
9 into the infrastructures of the cities  
10 somewhere, but I know you can't change them.  
11 Once they are fixed, they are fixed, but any  
12 new loans that come before you, you should  
13 always take a magnifying glass and read the  
14 bottom lines. I mean, that's the only way.  
15 As you know, I mean, I'm up in age,  
16 okay, I could actually leave the city any  
17 time I wanted to, not that I will, but I  
18 could, but there a lot of people that are  
19 young that's going to be stuck with these  
20 high costs and like you say, if you love the  
21 city you want your children actually if they  
22 can be to stay here and not travel to

23 somewhere else, of course, Miami isn't bad

24 where my son is. Thank you.

25 MS. GATELLI: It's nice and warm

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18

1 there, too, Andy, no snow.

2 (While Mr. Sbaraglia was speaking,

3 Mr. Courtright entered the hearing room.)

4 MS. SCHUMACHER: Marie Schumacher,

5 back again. I would like to know if the

6 Scranton Parking Authority citation issuers

7 are receiving a 10 percent increase or are

8 additional citation issuers being hired? If

9 it's the latter, why should we bother when

10 the ticket increases only \$25,472, but the

11 pay increase is \$78,680, not a good deal.

12 Next, what capital items are from the

13 mayors so-called wish list otherwise known

14 as his five-year capital budget are included

15 in the \$856,539 capital budget request?

16 Does the 30 percent increase in paint

17 and sign materials mean that crosswalks and

18 lane markings will actually be done in 2008

19 and will fire hydrants be painted to reflect

20 the flow levels?

21 What drives the quarter million

22 dollar reduction in the need for rental

23 vehicles and equipment?

24 I'm sorry, that was answered in

25 caucus, but what changes have been made that

.

19

1 will save \$60,000 on the gas bills? Why

2 does the law department require professional

3 services of \$200,000 when they have a staff

4 of six people?

5 Why does the DPW director require an

6 additional administrative assistant and why

7 the \$36,000 increase in professional

8 services for DPW?

9 Does the \$150,000 increase over 2007

10 in parks and recreation include the 2002

11 promised Robinson Park improvements,

12 actually that was answered in caucus and the

13 answer is once again, five years later, no,

14 it's sidewalks at Connell Park, greenhouse

15 at Nay Aug and some kind of heating project

16 at Weston Park.

17 And what drives the presumed \$70,000  
18 increase in unpaid bills, Court awards and  
19 miscellaneous? Why does the business  
20 administration/HR require \$170,000 worth of  
21 professional services? Please provide a  
22 breakdown, and I'll stop there and give  
23 somebody else a chance. Thank you.

24 MS. GATELLI: Thank you. Mr. Quinn.

25 And if he's the last one then possibly Mr.

20

1 Renda may come up and answer some of those  
2 answers.

3 MR. RENDA: I'm going to research  
4 all of them and answer them next week.

5 MS. GATELLI: Thank you very much.

6 MR. QUINN: Last week I spoke about  
7 the City of Pittsburgh how they froze their  
8 wages, reduced their debt services, other  
9 items that were to do with recovery, they  
10 had to do in the recovery plan, and it  
11 appears here that we are doing the opposite.  
12 We are not lowering our debt services and we  
13 are not -- we did not freeze our budget, I

14 want to know, has PEL commented on this  
15 budget at all? Last year they were here  
16 saying, you know, they were against  
17 everything, but, you know, now they are  
18 undercover, okay, and maybe Rendell told  
19 them to go undercover, but did they comment  
20 yet on this budget? They have a recovery  
21 team here, do you know? Did they comment?

22 MS. GATELLI: Not to me personally,  
23 no.

24 MR. QUINN: Did they comment to  
25 Mr. Renda, will he answer?

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21

1 MR. RENDA: They are reviewing the  
2 budget currently.

3 MR. QUINN: Currently reviewing the  
4 budget.

5 MR. RENDA: Yes. They got it last  
6 week.

7 MR. QUINN: Okay, I hope the public  
8 knows when they are finishing reviewing it.

9 Thank you.

10 MS. GATELLI: Thank you.

11 MR. JACKOWITZ: Bill Jackowitz, South  
12 Scranton. Yeah, I'm going to go back on  
13 this, you know, last year the budget was  
14 77 million, this year it's 84 million, and,  
15 you know, we are borrowing money. I mean,  
16 you can say what you want to say, you can  
17 deny it, you can do whatever you want to  
18 say, but we are borrowing money again, it's  
19 as simple as that. If you are borrowing  
20 money how can you possibly give people pay  
21 raises? I really mean that. I really want  
22 that answer? How can anybody get a pay  
23 raise if you have to borrow the money?  
24 What's going to happen next year? What's  
25 going to happen the year after that? We  
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22

1 have to think ahead, we just can't think  
2 minute to minute because we are in serious  
3 dire straights in this city, you know, and  
4 those questions, that needs to be answered.  
5 There is some people in here, one  
6 person is getting a 30 percent pay raise for  
7 God's sake. How are you going to give



8 people \$10,000 a year pay raises, \$12,000,  
9 \$13,000 a year pay raises when the city  
10 doesn't have the money? Last year you had  
11 to raise taxes 25 percent, you know? I  
12 mean, this is serious. This is no joke.  
13 This is serious.  
14 You know, why is the wage tax  
15 projected lower than it has been in the  
16 past? Why? Does that mean there is less  
17 people paying wage taxes, less people  
18 working? We are being told that's not true,  
19 but yet it's reflected in the budget, black  
20 and white, right here that it is less. Why?  
21 Someone tell us why. If we have all of  
22 these jobs and everybody is making all of  
23 this money and we can afford to give these  
24 people these -- I mean, wage tax revenue  
25 basically should go up because of all of the  
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23

1 people in city government who are getting  
2 pay raises. That means they are going to  
3 pay more wage tax; correct? So, shouldn't  
4 the projection be going up not down because

5 more people in the city and city government

6 are making more money? Common sense. Let's

7 get answers to this and let's look at this

8 budget very carefully.

9 MS. GATELLI: Is there anyone else?

10 MR. ANCHERANI: Is this the public

11 hearing for the budget?

12 MS. GATELLI: Yes, it is.

13 MR. ANCHERANI: Nelson Ancherani. I

14 guess everybody knows how I feel about it.

15 I don't feel you should pass that budget. I

16 think it's a record budget. If you went

17 through it you would find out that there is

18 a lot of places that you could save a lot of

19 money, so think about it and before you pass

20 it. The taxpayers are the ones that are

21 going to have to pay it back, that's all of

22 us, so I hope you really think about it.

23 Thank you.

24 MS. GATELLI: Thank you. Anyone

25 else? As long as there is no one else, I

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24

I declare this public hearing closed. Thank

2 you.

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1 C E R T I F I C A T E

2

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

9

10

11  
CATHENE S. NARDOZZI  
12 OFFICIAL COURT REPORTER

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