

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SCRANTON CITY COUNCIL MEETING  
PUBLIC HEARING

IN RE: FILE OF COUNCIL NO. 49, 2008 -  
APPROPRIATING FUNDS FOR THE EXPENSES OF THE CITY  
GOVERNMENT FOR THE PERIOD COMMENCING ON THE FIRST DAY  
OF JANUARY 2009 TO AND INCLUDING DECEMBER 31, 2009 BY  
THE ADOPTION OF THE GENERAL CITY OPERATING BUDGET FOR  
THE YEAR 2009.

HELD:

Tuesday, November 25, 2008

LOCATION:

Council Chambers  
Scranton City Hall  
340 North Washington Avenue  
Scranton, Pennsylvania

CATHENE S. NARDOZZI- COURT REPORTER

1 CITY OF SCRANTON COUNCIL:

2

3 MR. ROBERT MCGOFF, PRESIDENT

4

5 MS. JUDY GATELLI, VICE-PRESIDENT

6

7 MS. JANET E. EVANS (Not present)

8

9 MS. SHERRY FANUCCI

10

11 MR. WILLIAM COURTRIGHT

12

13 MS. KAY GARVEY, CITY CLERK

14

15 MR. NEIL COOLICAN, ASSISTANT CITY CLERK

16

17 MR. AMIL MINORA, SOLICITOR

18

19

20

21

22

23

24

25

1 MR. MCGOFF: I'd like to call this  
2 public hearing to order. Roll call, please?

3 MR. COOLICAN: Mrs. Evans.

4 (Mrs. Evans not present.)

5 MR. COOLICAN: Mrs. Gatelli.

6 MS. GATELLI. Here.

7 MR. COOLICAN: Ms. Fanucci.

8 (Ms. Fanucci not present.)

9 MR. COOLICAN: Mr. Courtright.

10 MR. COURTRIGHT: Here.

11 MR. COOLICAN: Mr. McGoff.

12 MR. MCGOFF: Notice is hereby given  
13 that a public hearing of Scranton City  
14 Council will be held on Tuesday,  
15 November 25, 2008 at 6:00 p.m. in council  
16 chambers. The purpose of said public  
17 hearing is to hear testimony and discuss the  
18 following: FILE OF COUNCIL NO. 49, 2008 -  
19 APPROPRIATING FUNDS FOR THE EXPENSES OF THE  
20 CITY GOVERNMENT FOR THE PERIOD COMMENCING ON  
21 THE FIRST DAY OF JANUARY 2009 TO AND  
22 INCLUDING DECEMBER 31, 2009 BY THE ADOPTION  
23 OF THE GENERAL CITY OPERATING BUDGET FOR THE  
24 YEAR 2009.

25 I would ask that before the meeting

1           that we could limit comments to three  
2           minutes per speaker and if time allows  
3           people, if there is still time that people  
4           may speak a second time after the listed  
5           speakers are finished. First, Andy  
6           Sbaraglia.

7                         MR. SBARAGLIA: Andy Sbaraglia,  
8           citizen of Scranton, fellow Scrantonian.  
9           This budget is 78 pages, that's a lot to cut  
10          down to three minutes, but I'll have to go  
11          page by page, which I would have gone a lot  
12          further, but since you limit us so we go.  
13          Let's go with page 12, the local service  
14          tax, that's the \$52 one. I assume people  
15          are now realizing they only make \$12,000 and  
16          no longer have to pay this tax because it's  
17          decreased 22 percent. I assume that's the  
18          reason for it, at least I hope that's the  
19          reason for it.

20                        Let's continue on, page 16, Junkyard  
21          license we went from \$6,901 to \$667.00,  
22          minus 90 percent, does that mean that we  
23          have less junkyards in Scranton I assume or  
24          has something changed that we don't know  
25          about. That's hard to say.

1                   Let's look at the pinball machine  
2                   permits. In 2008 we had 6,400 and some and  
3                   as you know this is only for the nine months  
4                   and now we have only 1,000. That's an  
5                   85 percent drop again.

6                   Let's continue on. Of course,  
7                   amusement rides, I guess that would probably  
8                   effect May Aug the most, but we have a  
9                   51 percent reduction in that.

10                  Page 20, they took out the actual  
11                  recycling and put it somewhere else, I don't  
12                  know, but it's off of that with a little  
13                  note underneath it saying the city still  
14                  receives Act 101 Recycling grants, since the  
15                  grant has certain restrictions the city  
16                  shall raise the funds out of operation's  
17                  account into a special city account. I  
18                  don't know why if -- that wasn't done in  
19                  2008, too? I must have missed that or is  
20                  that just done this coming year?

21                  Well, let's keep going, three  
22                  minutes you got a lot of pages to go  
23                  through. Twenty-four, cable TV revenue.  
24                  They called for \$780,000 in revenue when you  
25                  I believe were given 24 percent -- a quarter

1 of that does the cable, Electric City  
2 Cable -- that's what I mean.

3 (During Mr. Quinn speaking Ms.  
4 Fanucci enters council chambers.)

5 MR. QUINN: Ozzie Quinn, Taxpayers'  
6 Association. What bothers me is the fact  
7 that it's been reported that this is a  
8 balanced budget. Now, I don't know how it  
9 can be balanced when we had to borrow money  
10 in order to pay off that debt, you know what  
11 I mean? It's like myself, if I have a  
12 budget and I want to rent an apartment and  
13 it's \$500 and the budget says \$400 I can't  
14 rent that apartment, but somebody -- if I  
15 borrow \$100 then I can rent that apartment,  
16 you know? I wouldn't call my budget  
17 balanced, you know? This is just a play on  
18 words, there is no doubt about it. In other  
19 words, we are increasing our debt and when  
20 you increase your debt you are not balancing  
21 your budget. It's ashame, okay, that this  
22 man has come up with this facade that he is  
23 balancing the budget.

24 The other thing is in I went over to  
25 the County Assessor's Office and you know we

7

1 need revenue, there is no doubt about it,

2 and taxes, our taxes are a source of  
3 revenue. At least they say that now we are  
4 getting a windfall from the wage tax, that's  
5 revenue. Property taxes, wage taxes,  
6 mercantile taxes, this is what the heart of  
7 the budget is. Now, the fact is I went over  
8 to the assessor's office and I was able to  
9 look up these tax exempt properties and in  
10 the city there is 1,221 tax exempt parcels  
11 of land, 498 or 41 percent are owned by the  
12 city. Now, you know, what are they doing  
13 laying out there? That's Mr. Doherty's  
14 program of getting that blight, clearing  
15 that blight, so what does it do? It's not  
16 tax producing? The fact is it's not.

17 I counted 155 nonprofits in the  
18 city, you know, it's difficult to count them  
19 the nonprofits because sometimes the  
20 churches are different denominations and you  
21 don't know if they are the same  
22 denominations or not, but you know, what he  
23 is doing is he by saying he is a removing  
24 blight by taking these houses and these  
25 properties and whatnot, he is taking them

1 off the tax rolls and it's just adding up

2 and adding up and if you take it off the tax  
3 rolls you are taken the revenue away and  
4 there only a few of us left in the city that  
5 are property owners are going to have to pay  
6 for, you know, the tax bills and it's just  
7 won't work, so I just hope that, you know,  
8 that they do something about, you know, the  
9 fact that they face up to the this issue and  
10 try to start sell some of this land. Some  
11 of this land actually might be Nay Aug or  
12 something like that or in a flood zone, but  
13 a lot of it is not. Thank you.

14 MR. MCGOFF: Mr. Spindler?

15 MR. SPINDLER: Les Spindler, city  
16 resident and home owner. Two years ago in  
17 the budget Mayor Doherty wanted to borrow  
18 \$44 million. Last year we had a 25 percent  
19 tax hike and borrow millions, now all of a  
20 sudden this year this is no tax hike, no  
21 borrowing, while the rest of the country is  
22 struggling Scranton all of a sudden is doing  
23 terrific, we don't have to borrow any money.  
24 Can you say election year?

25 And about the two raises, a raise

9

1 for Ray Hayes and a raise for Lisa Moran of  
2 \$10,000, first of all, Ray Hayes shouldn't

3 even have a job. When Mayor Connors was  
4 mayor PEL wouldn't let him have a public  
5 safety director. All of a sudden Chris  
6 Doherty can have a public safety director  
7 and he is getting a \$10,000 raise? I have  
8 been on my job for 16 years, in 16 years I  
9 haven't had \$10,000 worth of raises. This  
10 man is getting a \$10,000 raise in one year?

11 And Lisa Moran, does she deserve a  
12 raise of \$10,000? I don't think so. She  
13 didn't even know about index cards with  
14 people's social security numbers on them  
15 dumped outside in the alley. She should  
16 have been responsible for them. These  
17 people don't deserve \$10,000 raises and they  
18 should be taken out of the budget. That's  
19 all I have. Thank you.

20 MR. MCGOFF: Ms. Schumacher?

21 MS. SCHUMACHER: The first item, I  
22 see Mr. Renda is in attendance and I would  
23 like to tell him how much I do appreciate  
24 the fact that he has at least made some  
25 variant explanations without having to go

10

1 through every single line item.

2 However, using the current year's

3 base year may be appropriate, but calling it  
4 a historical trend is not appropriate. One  
5 year's variance is not a historical trend.  
6 We need more information on what  
7 professional services are being procured.

8 And regarding the salary adjustments,  
9 the human resource increase should be  
10 disallowed because part of that job  
11 description is the recovery plan  
12 administration and the recovery plan has  
13 expired so that's a decrease in  
14 responsibilities and the salary should  
15 actually be reduced to reflect that.

16 And public safety, I say it's a  
17 travesty to continue giving raises to the  
18 administration when the people who are  
19 performing the services, our firefighters  
20 and police, have not received a cost of  
21 living or pay increase for seven consecutive  
22 years.

23 There have been operating surpluses  
24 growing for the past four years and the  
25 current year to date, 2004 was 104,253, 2005

11

1 was 644,631, and 2006 was \$6,710,000, 2007  
2 was \$1,446,659 and through October of this  
3 year revenues exceed expenses by \$7,174,480.

4                   These surpluses are never reflected in the  
5                   operating budget, so please tell me where  
6                   they disappear to?

7                   The tax anticipation notes are  
8                   booked as revenue. Since the anticipated  
9                   taxes are also included as revenue, this  
10                  appears to be a double booking. Why are  
11                  both shown as revenue?

12                  Council passed a resolution to bring  
13                  OECD back to city hall when their current  
14                  lease expires in midyear. Where is the  
15                  \$25,000 plus rental income from OECD that  
16                  should be booked?

17                  Why is the one time revenue of  
18                  5.5 million from the Single Tax Office  
19                  identified as delinquent wage tax? The wage  
20                  tax had to have been paid, the only  
21                  delinquency was the Single Tax Office did  
22                  not transfer it to the city.

23                  On the expenses, is ECTV not  
24                  receiving a percent of the cable fees in  
25                  '09? I can't find that reflected anyplace,

12

1                   and the recreation. Hopefully I will be  
2                   back.

3                   MR. MCGOFF: Mr. Jackowitz.

4 MR. JACKOWITZ: Bill Jackowitz,  
5 South Scranton resident. Good evening, city  
6 council. Mr. Renda, thank you for  
7 attending. The 2009 budget is the best the  
8 mayor has offered, but cuts do need to  
9 occur. Government and private industries  
10 are cutting every day. Moms and dads right  
11 here in the City of Scranton are cutting  
12 their home budgets every single day.  
13 Scranton cut theirs, also, but I don't think  
14 they cut it enough.

15 You know, we have two major pay  
16 raises in this budget, which has been spoken  
17 about, Lisa Moran's and Ray Hayes, \$10,000  
18 raises. As I was coming here the Scranton  
19 Fire Department and Police Department are  
20 responding to a major accident on 81 North.  
21 The same fire department and police  
22 department that has not had a raise in seven  
23 years. I don't think Ray Hayes' raise and  
24 Lisa Moran's raise should be approved until  
25 the brave men and woman of the Scranton Fire

13

1 Department and the Scranton Police  
2 Department who right now as we speak are out  
3 on 81 North risking their life possibly  
4 saving someone's else's life, please do not

5 allow that raise.

6 MR. MCGOFF: Anyone else? If anyone  
7 would wish to speak again.

8 MR. SBARAGLIA: On 7-E, the last page  
9 I want to just get to that because somebody  
10 else may have some other things to say, is  
11 the debt. Total interest and debt service  
12 in '09 it's going to be \$22,393,017. That  
13 is almost 1/3 of our budget is now put out  
14 in debt, which is terrible. Somewhere along  
15 the line it makes know -- because he wants  
16 to build more. I mean, what are we going to  
17 do with this debt? It keeps piling up and  
18 he makes no provision in this budget or any  
19 budget to reduce it. You cannot reduce debt  
20 by borrowing more or changing it and  
21 refinancing and so forth and so on. It  
22 doesn't make sense. It never will make  
23 sense because if nothing else you are going  
24 to pay interest on refinancing, you are  
25 going to being paying all costs upfront for

14

1 legal fees and whatever. Well, I'm not  
2 going get too far into it other than the  
3 fact that almost 1/3 of this budget is being  
4 thrown out the window.

5 MS. SCHUMACHER: Back again. The Rec  
6 Department supplies, now we find that the  
7 illegal sale of the Bill Schmidt Sport's  
8 Complex in South Scranton is the Fourth of  
9 July, Italian Festival and First Night  
10 fireworks were paid with complex rentals.  
11 Now that that source has dried up I question  
12 whether we really need fire works at these  
13 events. Something nice to have, but not a  
14 necessary expense when we are as deep in  
15 debt as we are and our many unfulfilled  
16 promises to neighborhood parks.

17 Flood protection maintenance is more  
18 than doubling. The stated explanation is a  
19 rise in construction costs. These are  
20 capital expenses and not operating expenses.  
21 Why were they not in the capital budget?

22 Does the Shade Tree Commission  
23 remove diseased or dead trees? If so, why  
24 the '09 decrease when there are so many  
25 trees needing removal?

15

1 The Scranton Redevelopment Authority  
2 recently refinanced the Department of Public  
3 Works Complex. How is this reflected in the  
4 budget? Is that the \$5,887,002 2005  
5 leaseback in the nondepartmental expenditure

6 items? And I guess I'll quit there. I have  
7 a lot more. Maybe I'll do more later unless  
8 we have time.

9 MR. QUINN: Thank you. There is  
10 only one way to slice -- to lower the budget  
11 and that's to slice personnel. There is no  
12 doubt about it. I gave you a budget last  
13 week and I bet you don't even know where it  
14 is. I bet Mr. Courtright looked at it  
15 though, but the fact is that we are loaded  
16 with fat in this budget and you can really  
17 lower and pay off some of that debt that we  
18 are really in. You know, you hate to lay  
19 off people, you know, nobody wants to lay  
20 off people, but on the other hand, you know,  
21 people can't afford it. People can't afford  
22 to pay these high salaries and these  
23 benefits, so please consider laying off some  
24 people.

25 MR. JACKOWITZ: Bill Jackowitz. In

16

1 regards to the budget, I hope Mr. Renda will  
2 address council or address the public before  
3 he leaves tonight, hopefully he answers some  
4 of the questions that have been raised by  
5 the citizens this evening and I also hope

6 that city council will also address these.

7 We all know that the nation is in  
8 serious dire need. The City of Scranton has  
9 about in serious dire need for 17 years now  
10 and, quite honestly, nothing has changed.  
11 Now is the opportunity, 2009, is an  
12 opportunity for us to improve things in this  
13 city. It's an election year, things can  
14 change, people can make good decisions. The  
15 first decision that needs to be made is the  
16 budget. The mayor submitted his budget,  
17 Ozzie Quinn submitted a budget, I don't know  
18 if Janet Evans will be submitting a budget,  
19 but I believe it's the responsibility of the  
20 council to review all of the budgets and  
21 look at each and every budget, each and  
22 every line item and decide what is best for  
23 the city, what is best of the taxpayers of  
24 in city because we are the ones who pay the  
25 bills and we have paid the bills religiously

17

1 most of us. The ones who haven't paid the  
2 bills are paying them now, that's why we  
3 have an increase in the wage tax, okay,  
4 because they got frightened by the FBI.

5 So, please, all I'm asking council  
6 and Mr. Renda is to look at this budget and

7 make sure that it's the best budget possible  
8 for all, all citizens and taxpayers of  
9 Scranton.

10 MR. SPINDLER: Les Spindler again.  
11 Just one question, Mrs. Gatelli, as finance  
12 chair are you going to submit your own  
13 budget as Mrs. Evans did the last few years?

14 MS. GATELLI: No, I will not be  
15 submitting my own budget.

16 MR. SPINDLER: Okay. Thank you.

17 MS. GATELLI: I have been working  
18 with Mr. Renda.

19 MS. SCHUMACHER: No, wait. I'll hold  
20 it for the regular meeting so not to get  
21 behind.

22 MR. MCGOFF: We do have time. I  
23 declare this public hearing closed.

24  
25

18

1

2

C E R T I F I C A T E

3

4

5

6

I hereby certify that the proceedings and  
evidence are contained fully and accurately in the  
notes of testimony taken by me at the hearing of the

7 above-captioned matter and that the foregoing is a true  
8 and correct transcript of the same to the best of my  
9 ability.

10

11

12

CATHENE S. NARDOZZI, RPR  
OFFICIAL COURT REPORTER

13

14

15

16

17

18

19

20

21

22

23

24

25