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SCRANTON CITY COUNCIL MEETING
PUBLIC HEARING

IN RE: FILE OF COUNCIL NO. 40 - 2010 -
AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS
IN THE CITY OF SCRANTON TO TAKE ALL NECESSARY ACTIONS
TO IMPLEMENT THE CONSOLIDATED SUBMISSION FOR COMMUNITY
PLANNING AND DEVELOPMENT PROGRAMS TO BE FUNDED UNDER
THE COMMUNITY DEVELOPMENT BLOCK GRANT, (CDBG) PROGRAM;
HOME INVESTMENT PARTNERSHIP PROGRAM, (HOME) PROGRAM;
AND EMERGENCY SHELTER GRANT, (ESG) PROGRAM.

HELD:

Tuesday, September 21, 2010

LOCATION:

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

CATHENE S. NARDOZZI, RPR - COURT REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

(Not present)

PAT ROGAN, VICE-PRESIDENT

ROBERT MCGOFF

FRANK JOYCE

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

CATHY CARRERA, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

(Not present)

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

3 MS. KRAKE: Mr. McGoff.

4 MR. MCGOFF: Here.

5 MS. KRAKE: Mr. Rogan.

6 MR. ROGAN: Here.

7 MS. KRAKE: Mr. Loscombe. Mr.
8 Loscombe actually called to say he would be
9 a few minutes late. Mr. Joyce.

10 MR. JOYCE: Here.

11 MS. KRAKE: Mrs. Evans.

12 MR. ROGAN: Mrs. Evans called, she
13 is going to be a little late as well. The
14 purposes for this public hearing is for
15 testimony and to discuss the following:

16 FILE OF COUNCIL NO. 40 - 2010 -
17 AUTHORIZING THE MAYOR AND OTHER APPROPRIATE
18 OFFICIALS IN THE CITY OF SCRANTON TO TAKE
19 ALL NECESSARY ACTIONS TO IMPLEMENT THE
20 CONSOLIDATED SUBMISSION FOR COMMUNITY
21 PLANNING AND DEVELOPMENT PROGRAMS TO BE
22 FUNDED UNDER THE COMMUNITY DEVELOPMENT BLOCK
23 GRANT, CDBG PROGRAM; HOME INVESTMENT
24 PARTNERSHIP PROGRAM (HOME) PROGRAM AND
25 EMERGENCY SHELTER GRANT (ESG) PROGRAM.

1 I'd like to turn it over to Ms.
2 Aebli right now.

3 MS. AEBLI: I'd like to thank city
4 council for holding this public meeting this
5 evening. I would like to introduce the OECD
6 staff. On my left is Lori Reed, deputy
7 director; and on my right is Ryan McGowan,
8 Director of Finance and Compliance.

9 As you stated, this public meeting
10 is being held to receive citizens' views on
11 housing and nonhousing community development
12 activity needs in the City of Scranton for
13 2011 funding year. If anyone is not able to
14 attend tonight's public meeting, there is a
15 30-day public comment period and anyone can
16 submit their comments in writing to OECD and
17 they will be submitted to HUD with our 2011
18 action plan.

19 The 2011 action plan must be mailed
20 on Friday, November 12, in order for it to
21 be received at HUD no later than Monday,
22 November 15, and that's 45 days before our
23 funding year begins.

24 At this time, the amount of funding
25 that Scranton will be receiving is not

1 known. However, the anticipated funding
2 based on previous years, we did approximate.
3 The CDBG 3.9 million; HOME investment
4 partnership, \$700,000; and emergency shelter
5 grant (ESG) \$150,000. OECD will not receive
6 notification of our allocation from HUD
7 until 2011. If the amount is lower than
8 expected, the funding activities will need
9 to be adjusted.

10 All applications were submitted to
11 OECD by Friday, August 6, 2010. We received
12 over \$7.6 million worth of CDBG
13 applications. From that amount we received
14 \$1 million of public service applications
15 included in that \$7.6 million. When
16 reviewing the applications, please keep in
17 mind that only 15 percent of our total
18 entitlement can be used for public
19 services.

20 I have indicated on the proposals
21 that I submitted to city council, the ones
22 that are public services under the name of
23 the applicant. Keep in mind that if you add
24 additional funding to public services, you
25 are going to have to take it off of another

1 public service, so at this time if you want
2 to take public comments.

3 MR. ROGAN: Yes. We will take
4 public comments and then we'll go to council
5 members after that. The first speaker is
6 Tom Noone.

7 MR. NOONE: Good evening, Council.
8 My name is Tom Noone and I'm the board chair
9 of the Community Intervention Center of
10 Scranton. The Community Intervention Center
11 is in it's 40th year of service as a drop --
12 in-- a community drop-in center in the City
13 of Scranton. CIC has received OECD/ESG
14 funding for the drop-in or 14 years and the
15 CDBG funding for cash match dollars to meet
16 a HUD requirement for a permanent support of
17 housing for five years.

18 This year, CIC submitted an
19 application to OECD requesting a \$40,000
20 CDBG grant to fund three HUD cash match
21 requirements for three permanent supportive
22 housing programs and, unfortunately, our
23 request was denied. Last year we requested
24 \$30,000 for two projects that were decreased
25 to \$5,000.

1 Permanent support of housing grants
2 are awarded by HUD through the City of
3 Scranton's homeless continuum of care annual
4 application to assist chronically homeless
5 disabled individuals with housing and
6 intensive case management.

7 The continuum consists of a network
8 of social service housing providers who are
9 also members of the Scranton Lackawanna
10 Housing Coalition. This year HUD awarded
11 \$1.6 million to the continuum to provide
12 housing and case management services to
13 homeless individuals with disabilities.

14 CIC is leveraging \$390,000 during
15 the next year. CDBG request is only a
16 portion of what is needed for CIC to fulfill
17 the HUD requirement. The HUD cash match
18 requirement is 20 or 25 percent of the grant
19 awarded to the individual projects within
20 the continuum.

21 I am asking council to reconsider
22 CIC's request for a CDBG funding. Thank you
23 for your attention. I do have for counsel
24 members who are not familiar with our
25 agency, I have some brochures I would like

1 to --

2 MR. ROGAN: Yes, please.

3 MR. JOYCE: Thank you.

4 MR. NOONE: Thank you.

5 MR. ROGAN: Ozzie Quinn.

6 MR. QUINN: Ozzie Quinn, president

7 of the Scranton Taxpayers' Association.

8 Good evening. According to the CDBG

9 applications, \$740,000 is to go for

10 administration of the program, \$3.9 million

11 dollars, and another \$7,500 for the

12 emergency grant program and the \$60,000 for

13 the HOME program, that's for administration

14 so we are talking about \$870,500 for

15 administration. I don't know how much staff

16 they have over there, but that's quite a bit

17 of money. Even though you are allowed a

18 certain percentage, I believe it's up to 20

19 percent you don't have to go to 20 percent.

20 Another thing is that even those 3.9

21 million I believe you receive program money

22 every year?

23 MS. AEBLI: Program?

24 MR. QUINN: Program -- you receive

25 money every year in addition for the

1 program --

2 MS. AEBLI: Program what? Program
3 what?

4 MR. QUINN: For such as UDAG and
5 what not, you receive program --

6 MS. AEBLI: Program income?

7 MR. QUINN: Yes. How much do you
8 receive of that annually?

9 MS. AEBLI: We don't receive any.

10 MR. QUINN: You don't receive any
11 program income?

12 MS. AEBLI: Yeah, but not from HUD,
13 from pay back of loans.

14 MR. QUINN: No, you use that for
15 community development block grant?

16 MS. AEBLI: No.

17 MR. QUINN: What would you use it
18 for? How much would it be?

19 MS. AEBLI: I don't know off the top
20 of my head honestly.

21 MR. QUINN: It's a couple of hundred
22 thousand dollars?

23 MS. AEBLI: No.

24 MR. QUINN: Less than \$100,000?

25 MS. AEBLI: /AL I believe so, but I'm

1 not sure.

2 MR. QUINN: I look on the caper on
3 the HUD on-line and I saw that and that's
4 not included, so that's more or less
5 something that you gentleman do not -- are
6 not aware of, okay? That they money over
7 there that can be used, as you told that
8 gentleman there, he would have to use money
9 from one line item to put into the other
10 line item when they do have money that they
11 can use, you know? And they use that for
12 the mayor's special projects. It's ashame.

13 Now, I want to get back to the
14 \$740,000 for administration of a \$3.9
15 million program. Now, if you have a
16 description of your programs, I want to know
17 if this is double dipping. They have an
18 additional \$175,000 for the administration
19 and coordination of reconstruction of
20 sidewalks with the majority of the funds
21 going towards the sidewalks. Do they get
22 additional money for administration?

23 OECD, the administration
24 coordination of Scranton's small business
25 loan program for job creation another

1 \$125,000; \$600,000 of the DPW to administer;
2 \$300,000 to the Department of Parks and
3 Recreation for the Parks, some
4 administration money. Let me see, \$200,000
5 administer and coordinate demolition,
6 another \$250,000 in department of
7 recreation.

8 I mean, so what does that add up to,
9 I mean, out of that grant how much
10 administration money are we really talking
11 about? We are talking about well over a
12 million dollars, I'll bet it's probably a
13 million, close to a million and a half, you
14 know. It's probably almost 25 percent above
15 what we are receiving; am I wrong? You were
16 shaking your head no?

17 MS. AEBLI: No, the administration
18 and the coordination is part of it, but the
19 majority of say the blighted properties is
20 for demolition, for hard cost.

21 MR. QUINN: \$125,000 for small
22 business loan.

23 MS. AEBLI: Okay.

24 MR. QUINN: What is that \$125,000?
25 Is that for --

1 MS. AEBLI: For the loans. It's
2 just not for administration.

3 MR. QUINN: Is that for
4 administration, too.

5 MS. AEBLI: It's a little for
6 administration.

7 MR. QUINN: Is that person who is
8 administering that program also being paid
9 out of the \$740,000?

10 MS. AEBLI: When we do a loan or any
11 other project we could -- to save our
12 administration funds we could use project
13 delivery costs, that's what they are called,
14 and it could be for salaries, legal, our
15 spec books, advertising our legal ads,
16 anything that's a soft cost, so the
17 administration is just not salaries.

18 MR. QUINN: I understand that. I
19 understand that, but the fact is that you
20 double dipping. You are using one person
21 maybe taking out of the \$740,000 and one
22 taking out of another program that you --
23 that you would be taken out as the
24 administrator, not for yourself, but for the
25 public --

1 MS. AEBLI: We all do time sheets.

2 MR. QUINN: Which could go to some
3 other program in the city, and as a taxpayer
4 in the City of Scranton I know how bad the
5 neighborhoods are and I know how our tax
6 base has really dwindled because of the
7 blight and I just -- it's just -- I'm aghast
8 with how much money we are putting into
9 administration of programs.

10 Now, when you put the budget -- the
11 2011 budget you are going to put this under
12 parks and recreation? Will they be getting
13 another dip from the city taxpayers? It's
14 just something to be looked into here, now I
15 ask you to please put a -- what do you say,
16 a hold on approving these programming and
17 looking at it. I know you are not approving
18 it tonight because it's wrong. It's just
19 wrong that -- how much people on the staff?

20 MS. AEBLI: Twelve.

21 MR. QUINN: Twelve people on staff.
22 Nice country, you know, so 12 into a million
23 dollars, you know, if you figure out how
24 much it costs to run that program even
25 though you are talking about supplies, oh,

1 also the offices are a being rented by one
2 of Doherty's financial contributors, pay to
3 play, and also the legal fees is also pay to
4 play, so you are talking millions of
5 dollars. Maybe, well, 25 percent of hidden
6 money that's not in here that's going to be
7 used for administration and the taxpayers
8 don't like it and it's got to be looked into
9 it.

10 They are double dipping and they are
11 using it for their own salaries increases to
12 take Doherty's cronies as a dumping ground
13 and they get every bit that they have, and
14 it's ashame and when we see the
15 neighborhoods falling apart like this and
16 money going away from salaries and just to
17 pay off cronies it's. As that gentleman
18 said over there, he is sitting there and I
19 know they are doing a terrific job and we
20 don't have the money, yet they won't tell
21 you how much program money they have. Thank
22 you very much.

23 (Mr. Loscombe joins the meeting
24 while Mr. Quinn was at the podium.

25 MR. ROGAN: Thank you. Is there

1 anyone else who would like to make a
2 comment?

3 MR. TALIMINI: Joe Talimini, City of
4 Scranton. I'm curious about all of these
5 funds that come up and it seems the only
6 thing we fund in this community is bars,
7 which stay here for six months or a year and
8 then they leave town, Nay Aug Park, is any
9 of this money ever spent for the betterment
10 of the entire community or is it just for
11 pet projects? Because I don't see anything
12 being done with the streets and there
13 certainly is a definite need for funding the
14 streets. There is a definite need of
15 funding for an awful lot of things, but all
16 we hear about is blight, bars, restaurants
17 which last three months and leave town and,
18 you know, is anything done to recover this
19 money? I mean, you are loaning money to
20 major corporations or giving money is
21 actually what it is because they don't pay
22 it back.

23 And we have so many entities in this
24 community which are KOZ's and subsidized one
25 way or another and yet there are a lot of

1 poor people in this town who can't make a
2 buck because there is no jobs. So, you
3 know, I don't know what the function is of
4 this organization and think it's incumbent
5 on upon them to really outline what their
6 program really is. Thank you.

7 MR. ROGAN: Thank you. Is there
8 anyone else?

9 MS. SCHUMACHER: Good evening.
10 Marie Schumacher, resident and member of the
11 Taxpayers' Association.

12 MR. JOYCE: Good evening.

13 MS. SCHUMACHER: First I'd like to
14 start off with the -- just a general
15 comment. Total, if I did my addition
16 correctly, there is \$220,000 total for
17 United Neighborhood Centers of Northeastern
18 Pennsylvania. Now, they also already have a
19 good deal of stimulus money as well as the
20 state Elm Street funding, and I just
21 wondered if any member of council has
22 reviewed this group's IRS 990 form to see if
23 this group raises any funds privately? It's
24 not that anything is necessarily wrong, but
25 it just seems to me if a so-called nonprofit

1 operates like 90 percent or over on
2 government funding they really are a de
3 facto government agency and perhaps we are
4 paying too much because they are already
5 doing their own oversight with the funding
6 we give them and then we have to pay for
7 oversight from another group or groups, so I
8 just -- I question -- I'd like it know what
9 percentage their government funding is that
10 they are total funds raised.

11 The \$125,000 for economic
12 development, last week Mr. Rogan read quite
13 a list of loans that had defaulted and were
14 in the legal system, and the latest caper
15 that showed loan payments over the year
16 showed that there were a lot of late
17 payments and delinquent payments, and I'm
18 just wondering if any analysis has been
19 performed to see if there are any -- any
20 common elements to these loans that have
21 defaulted that might preclude giving loans
22 to people who may default in the future.

23 Now, I know there are risks and
24 times aren't the best, but I would like to
25 know if there was any analysis of all of

1 these people and the loans.

2 The \$75,000 for the Pinebrook
3 Neighborhood Association, I know this area
4 certainly needs something and Mary, I
5 congratulate Mary on getting involved and
6 trying to do something, but I do notice, and
7 I've got to tell you, this was faded out. I
8 think it was printed with disappearing ink
9 on the paper, but here it is. For
10 demolition, paving, lighting, banners and
11 tree trimming, I question whether or not the
12 Pinebrook Neighborhood Association is
13 capable of bidding out those kind of items
14 or even spending. I would like to know if
15 that request was split out into demolition,
16 paving, lighting, banners and tree trimming,
17 and if so other than the banners these are
18 all things that our DPW does. They do tree
19 trimming, they do demolition, they do paving
20 and they do lighting, and I think the funds
21 that are allocated for this group other than
22 the banners should be given back to the DPW
23 with earmark for the Pinebrook area. I
24 think that would make a lot more sense to do
25 it that way.

1 The \$226,500 for the COM-D program.
2 It seems to me that from the comments I have
3 heard at this podium not very much was done
4 this year in the neighborhood patrols, so I
5 wonder what the current balance is and maybe
6 some other programs could be funded out of
7 at least a portion of this because I
8 question if there is a still a large balance
9 from prior years why we need to increase it.

10 And, oh, back to -- let me check my
11 disappearing ink here again. There is a
12 \$50,000 item for United Neighborhood
13 Community Development Corporation for Cedar
14 Avenue NHRI. Now, from the description,
15 redevelopment of delinquent, abandoned and
16 condemned properties to townhouses, single
17 family homes and rental units, \$50,000. It
18 seems to me that that is a program that
19 belongs in the HOME grants section, number
20 one.

21 And number two, it's Cedar Avenue,
22 I'm assuming again this is a South Side
23 specific program and I recall that this same
24 group received a neighborhood stabilization
25 program with the same that included, I

1 believe, these same kinds of items and I
2 wonder if they burned through all of that
3 money already if they really need this
4 additional \$50,000 this year, and maybe -- I
5 know, you know, there have been a lot of
6 problems over in West Side, too, but maybe
7 they couldn't use something. It seems we
8 are pouring an awful lot into South Side
9 exclusive programs.

10 And then finally, with some of those
11 savings I would also like to suggest that
12 the city forestry programs, which is not on
13 this list, be given \$40,000 for a next year.
14 These funds could be used in the low and
15 moderate income which would help make our
16 operating budget dollars that are allocated
17 to the wonderful job that Tony Santoli does
18 throughout the city and maybe we could
19 finally get up to where we are supposed to
20 be and I think this would certainly be a
21 good and valid use. I mean, there are a lot
22 of trees.

23 I know I did speak to Mr. Santoli
24 whenever I run into him we always have a
25 conversation, those of you know Tony knows

1 forget what group, I believe it was HARB had
2 an article on SAPA in the paper yesterday on
3 the editorial page and I did pull off from
4 there a quote for \$30,000 for zoning review
5 of our zoning ordinances, and I don't know,
6 I would say maybe \$50,000 for comprehensive
7 plans, so I think those items should be
8 added, too, so they don't end up in the
9 operating budget to do a comprehensive plan
10 in the zoning review, and that finishes my
11 comments on this issue for tonight. Thank
12 you.

13 MR. ROGAN: Thank you.

14 MR. JOYCE: Thank you.

15 MR. ROGAN: Is there anyone else who
16 would like to make a comment? If not, we'll
17 turn it over for questions from council
18 members. Mr. McGoff?

19 MR. MCGOFF: I would just like to
20 start by asking Ms. Aebli if there is
21 anything that you would like to respond to
22 that was mentioned by any of the speakers?

23 MS. AEBLI: The one thing you have
24 to keep in mind, if we did not receive an
25 application we cannot fund them, so this is

1 the total list of applications that we
2 received.

3 The United Neighborhood Community
4 Development Corporation that we funded
5 for -- they asked for \$200,000 and we funded
6 50 of CDBG and I moved \$100,000 over to
7 HOME. Under CDBG you cannot use it for new
8 construction, but you can under HOME and it
9 is part of the Elm Street Project.

10 It was very difficult for us to when
11 you only have 15 percent of public services
12 to jiggle with the numbers. The big bulk of
13 it went for the neighborhood police patrol
14 and the police cars. The reason we
15 decreased the neighborhood police patrol,
16 Marie stated we do have money left over from
17 previous years so that's why we reduced the
18 neighborhood police patrol, and that's it.

19 MR. MCGOFF: Actually, I don't have
20 any questions at this time for Ms. Aebli.
21 I'll reserve some comments for the regular
22 meeting.

23 MR. ROGAN: Thank you.

24 Mr. Loscombe, any comments or questions?

25 MR. LOSCOMBE: I really don't have

1 any. My concern was on the police patrols
2 and that was just answered. That's all I
3 have right now.

4 MR. ROGAN: Mr. Joyce?

5 MR. JOYCE: Sure. The one question
6 I had, and I think it would help out of the
7 viewers at home, if you could just briefly
8 summarize the selection process as far as,
9 you know, how money is allocated, how a
10 decision, you know, is finalized and this
11 much is provided to this organization versus
12 another organization.

13 MS. AEBLI: Okay. OECD took a good
14 luck at every application and, you know,
15 trying to figure out and this 3.9 million of
16 CDBG we don't know if we are going to get
17 that amount. I mean, we may get 3 million,
18 I don't know. We just took one application
19 at a time. The biggest thing is moving the
20 public services, that is, if we get 3
21 million and we only could use 15 that's only
22 \$450,000, and as you see, the neighborhood
23 police patrol and the police cars take a big
24 chunk out of that, so it's not easy jiggling
25 with the numbers to make everybody happy and

1 let everybody get a little piece of the pie.

2 But we do review them and this is
3 what we came up with. If you have any other
4 questions, you know, why we picked -- I
5 mean -- you know, we have to look for
6 compliance issues. I like to use the HOME
7 money as much as I can. Under Lackawanna
8 County Neighbors, I believe, Jody put in,
9 let's see, I think \$500,000. I moved
10 \$125,000 over to HOME because she does an
11 excellent job on purchasing, rehab, lead
12 abatement, and then she sells it to a first
13 time home buyer for approximately \$95,000.

14 MR. JOYCE: All right. That's it.

15 MR. ROGAN: Thank you. I just had a
16 few questions. You said it was 15 percent
17 maximum for public services; correct?

18 MS. AEBLI: Correct.

19 MR. ROGAN: Could it be less than 15
20 percent?

21 MS. AEBLI: Yes.

22 MR. ROGAN: Yes?

23 MS. AEBLI: Good luck.

24 MR. ROGAN: Secondly, I had
25 questions about I think it was the North

1 Scranton Little League that applied but they
2 weren't funded.

3 MS. AEBLI: That wasn't in a low
4 moderate area.

5 MR. ROGAN: That's why that
6 wasn't -- okay. That's what I thought, but
7 I wasn't sure.

8 And finally, if cuts were made to
9 the administration of OECD would that force
10 your office -- what were your office do,
11 would it cut employees, would be the --

12 MS. AEBLI: At the end of each year
13 we have to watch our pennies. I mean, we do
14 use that money. Yes, it would be difficult
15 I mean.

16 MR. ROGAN: So there would be cuts?

17 MS. AEBLI: In the office? I hope
18 not.

19 MR. ROGAN: Cuts in the office if
20 that were to happen I'm saying.

21 MS. AEBLI: So far the
22 administration has been 00 you can carry it
23 over from another year, you know, from the
24 previous year, but we basically use all of
25 our administration funds.

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MR. ROGAN: Okay. Anyone have any
final comments? Meeting adjourned.

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

CATHENE S. NARDOZZI, RPR
OFFICIAL COURT REPORTER