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SCRANTON CITY COUNCIL MEETING

HELD:

Tuesday, December 20, 2011

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

CATHENE S. NARDOZZI, RPR - OFFICIAL COURT REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

PAT ROGAN, VICE-PRESIDENT

ROBERT MCGOFF

FRANK JOYCE

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

KATHY CARRERA, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

1 (Pledge of Allegiance recited and
2 moment of reflection observed.)

3 MS. EVANS: Roll call, please.

4 MS. CARRERA: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. CARRERA: Mr. Rogan.

7 MR. ROGAN: Here.

8 MS. CARRERA: Mr. Loscombe.

9 MR. LOSCOMBE: Here.

10 MS. CARRERA: Mr. Joyce.

11 MR. JOYCE: Here.

12 MS. CARRERA: Mrs. Evans.

13 MS. EVANS: Here. Dispense with the
14 reading of the minutes, please.

15 MS. KRAKE: THIRD ORDER. NO
16 BUSINESS AT THIS TIME.

17 MS. EVANS: Do we have any clerk's
18 notes, Ms. Krake?

19 MS. KRAKE: No, we do not, Mrs.
20 Evans.

21 MS. EVANS: Thank you. Do any
22 council members have announcements at this
23 time?

24 MR. LOSCOMBE: None.

25 MR. MCGOFF: I would just like to

1 say at the end of last week's meeting I
2 asked if we were going to meet this evening
3 and the answer I received was not -- no,
4 unless there was a veto from the mayor on
5 the budget and in the meeting with PEL
6 yesterday we discussed the announcement of
7 the \$5 million deficit and with that in mind
8 knowing that I got assurances from the mayor
9 that, in fact, there would be no veto of the
10 budget today or by today and I attempted to
11 setup a meeting with the administration,
12 with PEL and with DCED and council so that
13 we could discuss -- so that the parties that
14 were necessary could discuss how to resolve
15 that problem.

16 I spoke to Mr. Joyce on Monday
17 afternoon, I spoke with Mr. Rogan, I
18 attempted to get in touch with Mr. Loscombe
19 and everybody seemed to be in agreement that
20 that would be a good idea, that canceling
21 the meeting since there was no agenda and
22 meeting to discuss that situation would be
23 prudent at this time, and then today I find
24 out that, in fact, we are having a meeting
25 and I was surprised and just wondering why

1 we would give up the opportunity to meet
2 with PEL, meet with DCED and the
3 administration and instead have a meeting
4 that has no agenda.

5 MS. EVANS: First of all, the agenda
6 was posted yesterday and, Mr. McGoff, you
7 never contacted me. However --

8 MR. MCGOFF: I attempted to contact
9 you today.

10 MS. EVANS: Well, I didn't receive
11 your call.

12 MR. MCGOFF: Twice.

13 MS. EVANS: Because the mayor's veto
14 has not yet been submitted to city council
15 there are no items on tonight's agenda.
16 However, the information that council
17 members will present to the public is very
18 important. Consequently, council will
19 suspend it's rules and change the order of
20 its meeting to first allow council members
21 motions and comments in order that speakers
22 will have the opportunity to comment and
23 pose questions if they choose during
24 citizen's participation.

25 I ask that all council speakers

1 would adhere to the five-minute time limit.
2 When the bell rings, please finish your
3 sentence and be seated. I also ask that
4 audience members turn off all cell phones
5 and remain quiet throughout the meeting in
6 order that all may be heard. Personal
7 conversations should be conducted outside
8 council chambers.

9 I also apologize for my attire this
10 evening, but I have just recently left a
11 doctor's appointment.

12 MR. JOYCE: If I could add, I have
13 no opposition whatsoever in meeting with
14 PEL, the mayor or DCED, but I actually just
15 got off the phone with Gerry Cross with PEL
16 not too long ago and he is headed to a
17 meeting in Wyoming County, so I'm not sure
18 if such a meeting could have been setup on
19 such short notice.

20 MS. EVANS: And thank you,
21 Mr. Joyce.

22 MR. MCGOFF: Just all parties had
23 agreed to meet.

24 MR. JOYCE: Okay.

25 MS. EVANS: Not all parties had

1 agreed to meet, Mr. McGoff. Mrs. Krake?

2 MS. KRAKE: FIFTH ORDER. 5-A.

3 MOTIONS.

4 MS. EVANS: Mr. McGoff, do you have
5 any motions or comments?

6 MR. MCGOFF: I would just like to --
7 I think that we missed an opportunity to
8 resolve a situation that is important to the
9 city. I think that -- and, in fact, the
10 administration, the mayor and the business
11 administrator had agreed to meet. The
12 membership of -- the members from PEL and
13 DCED had agreed to the meeting, and while I
14 did not talk to you specifically,
15 Mrs. Evans, I had asked Mr. Joyce or
16 Mr. Rogan to please convey the message since
17 when I did -- when I do call I get a
18 voicemail and I did call twice today and
19 left messages both times and did not receive
20 a response.

21 I just think that having a meeting
22 with really -- without an agenda which
23 was -- which we knew there would not be a
24 veto of the mayor's budget or of the budget
25 this evening, I just think that we passed up

1 on an opportunity and I'm very disappointed
2 that we did so.

3 MS. EVANS: And, Mr. Rogan, do you
4 have any comments or motions?

5 MR. ROGAN: Yes. I'm going to
6 comment, I know that the majority of the
7 comments tonight will be about the \$5
8 million, and I'll let my colleagues speak to
9 that. I did receive a -- I was e-mailed a
10 letter today from HUD regarding CDBG
11 funding, and I'll read some of the
12 highlights.

13 Under the subject, the opening
14 paragraph, it says, "I have reviewed the
15 information regarding the Scranton Fiscal
16 Year 2011 Action Plan amendments. My office
17 is unable to opine on the local and state
18 laws that would determine what version of
19 the action plan is valid. Accordingly, HUD
20 should not allow grants funds to be released
21 under either version of the action plan
22 until Mayor Doherty and Scranton City
23 Council resolve the dispute.

24 Further, I suggest that your office
25 clearly explain all relevant CDBG/HOME

1 requirements to the Council and Mayor
2 Doherty to ensure compliance once a final
3 action plan is enacted."

4 And apparently the mayor is saying
5 that council's plan that was passed isn't
6 legal. It says here, "In correspondence
7 from the City Council, Mayor Doherty
8 indicated that the mayor believes council
9 utilized the proper procedures when it
10 submitted the amended action plan to the
11 mayor for his signature. The mayor
12 believing council's amendments to be
13 procedurally and proper, signed one version
14 of the action plan without council's
15 amendments and now wishes to spend grant
16 funds under that version.

17 As mentioned above, HUD's Office of
18 Council does not issue opinions on local or
19 state law."

20 So, what they are saying is the
21 mayor is saying that council's amendments
22 weren't legally passed. He signed I guess
23 the city's OECD's proposed plan without
24 council amendments that were amended, I
25 believe it was 4 to 0 and then I think it

1 was 5-0 in the override.

2 It goes onto say that Mayor Doherty
3 believes that council amendments do not
4 comply with federal law. Again, at that
5 time their office would not analyze
6 council's amendments for compliance with
7 federal law.

8 So I did receive an e-mail from Ms.
9 Aebli earlier this morning, I didn't get a
10 chance to talk to her, but I will be
11 speaking to her on this issue tomorrow, and
12 from what it seems, it seems again the mayor
13 is, you know, doing his own thing and not
14 listening to what council did once again,
15 and I will get a little more information on
16 this tomorrow, but if that's the case it's
17 deeply disturbing if he is going to push his
18 own plan against council wishes.

19 And in the letter it mentions it was
20 passed 4-0 by council, but, that is all for
21 today. I will have more to say on that at
22 the next meeting. Thank you.

23 MR. HUGHES: Mrs. President, if I
24 could, I will be very brief, but the mayor
25 is absolutely wrong. His actions are

1 improper, they are illegal, that every
2 ordinance and resolution passed by council
3 is presumed to comply with law unless it's
4 challenged. As such, what Mr. Rogan said
5 was that the ordinance that was passed
6 amending the CDBG funding is presumed valid,
7 that's the one that must be enforced. The
8 mayor's idea is total folly because if he
9 correct there is no reason to come to
10 council. The solicitor's office all it has
11 to do is draft legislation and just send it
12 to the mayor and totally ignore council and
13 that's a violation of law, it's a violation
14 of the Home Rule Charter, and his actions
15 are totally illegal and unenforceable in my
16 opinion.

17 MR. ROGAN: Thank you, Attorney
18 Hughes, I agree completely with your
19 opinion.

20 MS. EVANS: And if I can just add
21 that looking at the correspondence received
22 by Councilman Rogan it states, "Similarly, I
23 can't opine of the legality of the council's
24 override of the mayor's veto, however,
25 Scranton's Home Rule Charter lends

1 credibility to the council's claims.
2 Section 504 of Scranton's Home Rule Charter
3 states that no ordinance or resolution shall
4 be become effective until has been signed by
5 the mayor or passed by an extraordinary
6 majority of the council over the mayor's
7 veto. The council seems to have followed
8 this veto procedure."

9 MR. ROGAN: What it seems like the
10 mayor is doing is saying he doesn't care
11 about the vote of council and he is saying
12 he wants to go with his plan anyways, that's
13 the one he signed, and how we get into
14 something beyond that is me, but we'll --
15 I'll talk to Linda tomorrow and we'll see
16 how this plays out over the next few weeks.

17 MS. EVANS: Thank you, Councilman
18 Rogan. And, Councilman Loscombe, do you
19 have any comments?

20 MR. LOSCOMBE: Yes. Thank you, just
21 briefly. I apologize for my voice, I have
22 been under the weather and I'll let my able
23 colleagues give some more details, but, you
24 know, just as Yogi Bera stated, "It's déjà
25 vu all over again. Last year we go

1 surprised with a \$5 million hole in the
2 budget and it appears this year the same
3 thing. Now they want to meet with us at the
4 11th hour, actually the 12th hour, our
5 budget was passed. Our budget was -- you
6 know, where were they, and again, I'll let
7 my colleagues, Mr. Joyce, who I know, and
8 Mrs. Evans, but Mr. Joyce has been
9 constantly on the phone with PEL, DCED, Ryan
10 McGowan's Office, and he forwarded e-mails
11 continuously and it looks like they are
12 playing games again, another budget
13 sabotage. You know, we can't afford this.

14 This administration, I don't
15 understand. They are risking your public
16 safety and they just don't seem to give a
17 damn on where the money is going. There is
18 no accountability. Perhaps if we had that
19 audit we would have seen this already.
20 That's why there has to be something
21 criminal about this, and I'm going to ask
22 our solicitor if he could research it. I
23 mean, there is concealment, there is
24 malfeasance, there is -- there is a whole
25 slew of things going on here that shouldn't

1 be at the cost of every taxpayer in this
2 city. This is no way to run an operation.

3 And I know how hard my colleagues
4 worked on this budget and got every number
5 they could possibly get, but we weren't
6 provided and we still do not have a complete
7 audit, and again, you know, we found out --
8 I found out about this in the newspaper.
9 This is no way to run a big city like this
10 and I think those people that are in the
11 position that have done this should be held
12 accountable and I would ask to seek any
13 legal means possible to hold them
14 accountable.

15 And I'm going to leave the rest up
16 to Mr. Joyce and Mrs. Evans because they are
17 much more deeply familiar with the process
18 that this involved. Thank you.

19 MS. EVANS: Thank you. Councilman
20 Loscombe. Councilman Joyce, do you have any
21 comments or motions?

22 MR. JOYCE: Yes. First of all,
23 tonight I'm going to comment on some of the
24 allegations made against council's budget
25 amendments by both BA Ryan McGowan and Mayor

1 Doherty in the Scranton Times. Last
2 Thursday, the Scranton Times published an
3 article entitled "Scranton City Council
4 budget may be short \$3 million."

5 First, one of the comments made in
6 this article was that law makers added
7 \$600,000 from a grant that would reimburse
8 the city for retiree prescriptions. Mayor
9 Doherty stated to the Times that the city
10 would get the grant, but questioned how much
11 it would be. And I know Mr. McGoff likes to
12 stress the importance of communication,
13 however, by Mr. Doherty making this
14 statement he obviously must not communicate
15 effectively with his own business
16 administrator since it was Ryan McGowan, the
17 city's BA, who informed me that the grant
18 would likely be \$600,000. Go figure.

19 Mayor Doherty also stated that he
20 did not know whether he would use the grant
21 money towards the reinstatement of the
22 firefighters, however, I am sure he fully
23 knew well that he intended to go against
24 council's wishes, as I have been informed
25 that no firefighters will be reinstated.

1 Mayor Doherty has never showed an interest
2 in restoring fire protection.

3 Secondly, business administrator
4 Ryan McGowan stated that there was no
5 guarantee that the city would receive \$3.3
6 million in revenue from the tax office
7 through the end of the year, thus,
8 criticizing me. What he failed to say is
9 that he himself told me that, "Just look at
10 the cash flow report to determine what the
11 city would receive in December from the tax
12 office," and guess what that number was? It
13 was \$3.3 million.

14 Actually, the \$3.3 million dollar
15 figure, which was used for my projection of
16 what the city would receive in December, is
17 rather conservative when compared to last
18 year. After speaking with tax collector
19 Bill Courtright, he informed me that in
20 December of 2010 the city received \$4.7
21 million, which is nearly \$1.4 million more
22 than Mr. McGowan was projecting for this
23 year. The statement made by the business
24 administrator, Mr. McGowan, in this case is
25 hypocritical since he is questioning his own

1 projections that were used in forming
2 council's amendments.

3 Third, Mr. McGowan criticized
4 council's tax increase reduction and stated
5 that the tax should actually be 11 percent.
6 Though he criticizes this method for
7 increasing the real estate tax, this was the
8 same method used to decrease the real estate
9 tax in 2010 by 10.5 percent and actually
10 have the latest cash flow projection
11 Mr. McGowan actually projects that we are
12 going to hit the 12.998 number right on the
13 button almost, and this was the same method
14 that was used to increase taxes by 26
15 percent in the past in reviewing past
16 budgets during last year.

17 Finally, in the same article one of
18 my colleagues, Mr. McGoff, stated that the
19 numbers don't add up. However, in
20 actuality, the numbers that Mr. McGoff
21 provided me didn't add up either in his
22 suggestions. In all the suggestions
23 Mr. McGoff provided me for the budget and
24 all of the cuts that he suggested which
25 involved cutting nine DPW union workers as

1 well as casual workers, an assistant city
2 solicitor as well as adding the 12
3 firefighters he didn't allocate costs
4 correctly besides their salaries as he
5 failed to allocate costs for uniform
6 allowances or appropriate health insurance
7 expenditures where appropriate to the DPW
8 and also the fire department as well as the
9 liability and casualty insurance.

10 And also Mr. McGoff cut one of the
11 accounts that is being used to repair the
12 elevator in city hall this order to ensure
13 that the building is ADA compliant.

14 Thus, if any numbers didn't add up,
15 it wasn't the numbers that I crunched
16 together during this budget. I worked too
17 hard on this budget to put up with such
18 blind criticism.

19 Secondly, I'm just going to comment
20 on the negative editorial in the Times
21 regarding overestimating revenue. Let me
22 make this absolutely clear, besides the real
23 estate tax decrease from the mayor's budget,
24 all other tax revenue additions were
25 confirmed by tax collector Bill Courtright

1 and business administrator Ryan McGowan
2 which consists of the addition of \$400,000
3 from the nonresident tax projection. All
4 other revenue additions such as the
5 additions dealing with parking meters were
6 extracted from the 2010 operating budget and
7 thus are a product of the administration as
8 well. The editorial written by the Scranton
9 Times should actually be criticizing Ryan
10 McGowan and Mayor Doherty, not city council,
11 since the numbers used in the budget were
12 the numbers that they provided to us.

13 On other cost savings measures, it
14 was the recommendation of the business
15 administrator that it would save \$600,000 in
16 health care costs by applying for the
17 retiree prescription savings grant, and it
18 was Mayor Doherty that stated that we would
19 save \$1.4 million by refinancing debt early
20 in January. Therefore, the Scranton Times
21 is criticizing council for overestimating
22 revenues and under estimating expenditures
23 when we are following the suggestions that
24 were given to us by the administration as
25 well as PEL and, you know, this is just

1 ludicrous.

2 Finally tonight, I'm going to
3 comment on today's article in the Scranton
4 Times regarding the borrowing of \$5 million
5 from the Workers' Compensation Trust Fund to
6 pay back TAN-B from 2011. The desire of the
7 mayor to borrow \$5 million from the Workers'
8 Compensation Trust Fund was never
9 communicated to city council until December
10 15. In fact, I was not informed about the
11 wish of the city to borrow \$5 million by the
12 administration, it was actually PEL who
13 informed me. I received an e-mail from
14 Gerry Cross.

15 On December 7 of this year, while
16 council was working and budget amendments,
17 there was a meeting that with a held with
18 Fidelity Bank, a number of bankers from
19 various area banks regarding TAN-B. The
20 mayor was there, Mr. McGowan was there,
21 Mr. McGoff and I attended as two council
22 people and our solicitor, Boyd Hughes, was
23 also there. At this meeting Mayor Doherty
24 clearly stated that we would be paying TAN-B
25 this year and when asked by our council

1 solicitor whether we would be borrowing to
2 pay this money, Mayor Doherty simply said,
3 "No, we will be paying TAN-B back with
4 cash."

5 Therefore, with this being said,
6 Mayor Doherty lied to Fidelity Bank and a
7 whole entire room full of the bankers from
8 the banking community.

9 Now, I knew that Scranton had a
10 deficit, that's no surprise, this is a
11 direct result of the deficit that was
12 carried over 2010 that Mayor Doherty failed
13 to reveal at the time. You would have to
14 live in a box not to know that Scranton has
15 a deficit. In the past, Mayor Doherty has
16 been on record as stating that he would
17 divert bills from 2011 into 2012 and pay
18 payroll on TAN-B this year. While he stated
19 this to the newspaper, this is also another
20 lie. When I was speaking to Mr. McGowan
21 yesterday he stated that he would be paying
22 bills with excess money that was distributed
23 from the tax office in 2011.

24 So in conclusion, I would like to
25 reiterate that throughout the whole budget

1 process I have had various conversations
2 with business administrator Ryan McGowan,
3 Gerry Cross from PEL, as well as DCED,
4 however, in none of these conversations was
5 there any mentioning of borrowing \$5 million
6 from the Workers' Compensation Trust Fund.
7 It's unfortunate that when you extend
8 yourself to work with other parties that
9 oversee city finances, one cannot obtain
10 truthful and honest and straight forward
11 answers.

12 In regard to the restoration of
13 funds to pay back the \$5 million in
14 borrowing from the Workers' Compensation
15 Fund and, of course, we need to pay this
16 back, though this is not the decision or
17 fault of council I myself developed a plan
18 to restore funding back to the Workers'
19 Compensation Fund without an additional tax
20 hike on the residents of this city, and I'll
21 tell you what, this is what a leader does.
22 You react and you handle the situation
23 accordingly.

24 I'm going to provide each council
25 member with a copy of this plan and

1 hopefully we could all work together on
2 making this plan work and it can be provided
3 to DCED as well as PEL and the
4 administration so that we can all come to
5 together. It's time for the mayor to start
6 working with council here. Though the
7 Scranton Times likes to blame the lack of
8 cooperation between council and the mayor on
9 city council, I would challenging the
10 editorial board of the Scranton
11 Times-Tribune to name one situation where
12 Mayor Chris Doherty has attempted to work
13 with every member of council. And that's
14 all I have for tonight.

15 MS. EVANS: And thank you,
16 Councilman Joyce. One other thing though I
17 just want to piggyback on before I give
18 might have comments, we received a letter
19 today from the mayor telling us -- well,
20 basically the letter is a feckless excuse
21 for more of his financial machinations and
22 this letter, as I said, was sent today while
23 Mr. Joyce has been in contact with PEL
24 yesterday and today. I know he attempted to
25 contact Mr. McGowan, and I'm not sure if he

1 got through to him, but one of the mayor's
2 suggestions for filling that \$5 million hole
3 is to increase the unfunded borrowing up
4 to --

5 MR. JOYCE: 11.7 I think.

6 MS. EVANS: Yes, from 6.7 million to
7 11.7 million, and that is to address the
8 repayment of the \$5 million from the
9 Workers' Compensation Reserve Account.

10 Now, I'm also aware that when PEL at
11 the -- after the deadline informed city
12 council that the mayor was borrowing from
13 Workers' Comp and had to obtain state
14 permission to do that, and they admitted
15 basically that council was never told about
16 any of this, and I believe it was Mr. Joyce
17 who said, "We could increase," thinking
18 similarly to the mayor, "we could increase
19 the unfunded borrowing," and PEL's answer
20 was what, Mr. Joyce?

21 MR. JOYCE: Actually at the time
22 they suggested that it shouldn't be
23 increased past a certain point that they had
24 specified earlier which was \$8.2 million.
25 However, I'm not sure if that's now changed

1 somehow.

2 MS. EVANS: Well, it's either
3 changed so that PEL lied to you or the mayor
4 doesn't know what he is talking about and
5 the mayor hasn't been in contact with PEL.
6 It's one or the other. Pick your story,
7 folks.

8 MR. JOYCE: Before you begin, I just
9 also -- I was a little heated before, but I
10 just wanted to wish everyone a joyous
11 holiday season and a Merry Christmas and
12 Happy New Year as well. That's all.

13 MS. EVANS: Thank you, Councilman
14 Joyce. Good evening. This council meeting
15 was particularly convened to expose another
16 financial mess created by the administration
17 and PEL and to report all occurrences and
18 lies to people of Scranton. As my
19 colleague, Councilman Joyce, has already
20 explained in detail the latest Doherty mess
21 was not reported to Scranton City Council
22 until after the 2012 budget as amended was
23 adopted and the final deadline for adoption
24 passed on December 15, 2011. All other
25 financial messes and debts that were brought

1 to our attention prior to December 13, were
2 addressed successfully in the council
3 amendments. Had the administration or the
4 Pennsylvania Economy League brought this
5 problem to council as it did the multitude
6 of other problems it, too, would have been
7 addressed in council's amendments.

8 Further, Council Solicitor Hughes
9 questioned Mayor Doherty on December 7
10 during a meeting among the banking
11 community, the administration, city council
12 members and the Pennsylvania Economy League.
13 After Mayor Doherty stated to the banks that
14 the 2011 tax anticipation note would be paid
15 by year end, Solicitor Hughes asked the
16 mayor how he intended to pay for it and
17 would he borrow to do so, meaning, would
18 money be used that has to be repaid? The
19 mayor responded that, no, he was not
20 borrowing and would pay off the TAN in cash.

21 And at this time, I ask Solicitor
22 Hughes for his recollection of the December
23 7 meeting at Fidelity Bank and any of his
24 comments.

25 MR. HUGHES: Thank you, Madam

1 President. The meeting took place at 7:30
2 on December 7 on the appropriate day at
3 Fidelity Bank. There were approximately I
4 would say 20 bankers in the room along with
5 PEL, representatives of DCED they were
6 there, Mr. McGoff, Mr. Joyce, myself, the
7 mayor, Mr. McGowan and I'd say about 20, 25
8 bankers. Mr. O'Brien from Fidelity Bank
9 headed the meeting, he was chairman, asked
10 Mr. Joyce for comments, asked the mayor for
11 comments, and then he gave the terms and
12 conditions for the city to receive a TAN for
13 2012, the two most relevant were, number
14 one, the tax anticipation note that was
15 outstanding at that time in the amount of I
16 believe it was about \$6.25 million had to be
17 repaid by December 31; and second, that the
18 city would have to have it's audit for 2010
19 completed before they would entertain
20 financing of the TAN, and that's both the
21 9.5 and the \$5 million TAN.

22 As a result of that, and I know that
23 Mr. Joyce was having extreme difficulty in
24 obtaining accurate figures as to what the
25 amount of this year's deficit was going to

1 be and whether the city would pay their
2 obligations to the vendors and then borrow
3 the money for the payment of the TAN and
4 also for the payment of the \$1.7 million to
5 Pennstar Bank. Ironically, when you add up
6 the \$5 million in the TAN and \$1.7 million
7 in the amount due to Pennstar Bank it comes
8 to \$6.7 million, which is the legislation
9 submitted by the solicitor's office to
10 council for the unfunded debt. I reported
11 on that before on several occasions.

12 As a result of that, I specifically
13 asked the mayor, I said -- he stated that
14 the TAN would be paid by the end of the
15 year, that a half a million dollars would be
16 paid to Fidelity by the end of that week,
17 another half a million would be paid to
18 Fidelity by the end of the second week, and
19 the balance of that, which would be about
20 5.25 million, would be paid to Fidelity by
21 the end of the year.

22 Now, Fidelity is the lead bank of a
23 consortium of banks. All the banks were
24 there, they all have a percentage of the
25 loan, but the Fidelity is the lead bank so

1 the payment comes to Fidelity. I
2 specifically asked the mayor, I said, "Is
3 this going to be paid in cash or will you
4 have to obtain a loan in order to make the
5 payment?"

6 It was specific, the answer without
7 any equivocation, "It will be paid in cash."

8 This was extremely relevant from the
9 standpoint that the borrowing resolution
10 that had come down, Mr. Joyce needed
11 information as to what made up the payment
12 of the \$6.7 million assuming the Court
13 approved it, so we knew that that was off
14 the table because it was going to be done in
15 cash. I took the mayor at his word. I
16 mean, it wasn't a cross-examination, he
17 wasn't under oath, but I figured he is there
18 before 20 witnesses, bankers who are going
19 to loan us the money, if he says it's going
20 to be paid in cash I don't know the source
21 of the funds, I don't know where the city is
22 going to get the money from, I'm not in that
23 position.

24 As a result, what's happened is that
25 there has only been one payment of a half a

1 million dollars. People were there from PEL
2 and from DCED, they were there, they heard
3 it and as a result today we find out that
4 they want to borrow five point -- the
5 balance due on the TAN today is \$5,750,000
6 and in order to do this they now want to
7 borrow from the Workers' Compensation Fund
8 and then that money would be then paid back.

9 I don't know what happened. I don't
10 know where this \$5 million that the mayor
11 said was available to pay it off by the end
12 of the year where that's gone. The only
13 thing I could assume would be that he used
14 it to pay current bills so, therefore, why
15 do you have to increase the amount of the
16 \$6.7 million up to \$11.7 million? I don't
17 know, I'm not an accountant to figure that
18 out, but there is something drastically
19 wrong. I mean, something has happened as
20 Zero Mostel said, "A funny happened on the
21 way to the forum," I think a funny thing
22 happened from the mayor's office up to city
23 council tonight as to where is the \$5
24 million.

25 As was aptly put before, this \$5

1 million last year was a \$5 million deficit
2 that was concealed from council and the
3 public. Last years tax anticipation note
4 had a balance as of December 31 of \$5
5 million. It was not paid. What happened
6 was the mayor kited this year's TAN. He
7 took \$5 million from this year's TAN after
8 it came in which legally can only be used to
9 pay 2011 bills under the Unit Debt Act. You
10 cannot use this year's tax anticipation note
11 funding to pay off last year's TANS. It can
12 only be used for this year's bills.

13 The ordinance that was passed by
14 council approving the TANS specifically
15 stated that those funds can only be used
16 prospectively for 2011 bills. What happened
17 was after the money came in for the 2011
18 TANS \$5 million was taken by the mayor was
19 used to pay off last year's TAN, which is a
20 violation of the Unit Debt Act, a violation
21 of the city ordinance, and is contrary to
22 law, and as a result he plugged up last
23 year's \$5 million deficit with this year's
24 monies which were used to pay this year's
25 expenses.

1 That's how he ended up in a \$5
2 million hole this year. Compounded on that
3 is the Pennstar loan which he knew matured
4 on December 15 council was totally unaware
5 of that, it was not put in this year's
6 budget, it wasn't until Attorney Winfield
7 called me in June and informed me of the
8 seriousness of it and that the city was
9 going to be declared in default and that the
10 city had liability. I reported on that many
11 times.

12 So as a result, there is \$6.7
13 million of a hole of this year's budget, \$5
14 million of which was created last year, \$1.7
15 million which the mayor knew about this year
16 but never plugged in this year's budget to
17 be paid or setup a reserve to pay it and as
18 a result that's where we are. I think PEL
19 knows it, DCED knows it, and the letters
20 that we received today totally ignore it as
21 does the mayor's letter to council totally
22 ignores all of the facts and the finances.
23 To this day, I look at this whole thing that
24 the mayor has done it's like playing three
25 card monty. It's either that or it's the

1 pea in the shell game and he just keeps
2 slipping everything around and I don't
3 believe that Mr. Joyce, who is very able and
4 has developed this budget, that has a better
5 handle on it today as to if the city does
6 borrow \$6.7 million or whether it borrows,
7 you know, 11.7 million, the source of the
8 fund are known, but how the distribution of
9 those funds and to whom they are going to be
10 paid is still unknown. It's a very in orbit
11 thing. It changes every day, nobody knows
12 what it is, at least not that I am there
13 every day, I don't know I only know from
14 talking to Mr. Joyce, but I don't think that
15 Mr. Joyce has any idea if council approved
16 that tonight where those funds would be
17 distributed and to whom and in what amount.

18 MS. EVANS: Thank you.

19 MR. HUGHES: If anybody has any
20 questions I would be glad to answer them.

21 MR. ROGAN: I have one question,
22 Attorney Hughes, could the mayor or anyone
23 in the administration be prosecuted for any
24 of these violations?

25 MR. HUGHES: I don't know if there

1 is any violations other than, you know, the
2 Indians used to say that "Him speaketh with
3 fork tongue." I mean, there is really no
4 way that you can -- that council can get a
5 handle on how this is going to be paid and
6 how this deficit, you know, first of all,
7 what the deficit it. I mean, obviously we
8 knew that December 7 that the tax
9 anticipation notes were not going to be part
10 of the deficit because it was going to be
11 paid. We all relied on that. Now all of a
12 sudden today magically, oh, now we don't
13 have the money to pay it. Well, where is
14 the money that was supposed to there, the
15 cash, the \$5.7 million, what happened to it?
16 Where did it go? I mean, he lied, if that's
17 the truth he did not tell the truth, he lied
18 in front of 20 bankers in front of me, in
19 front of Mr. Joyce, in front of Mr. McGoff,
20 in front of PEL that he was concealing
21 information to make it look good that, here,
22 we had the cash, we are going to pay it.
23 Obviously, it wasn't truthful. I wish I had
24 a tape recording of that meeting, you know,
25 but we don't.

1 MR. ROGAN: Well, I was referring to
2 the Unit Debt Act where basically if the
3 mayor is using one year's TAN to pay off
4 previous years it seems like a pyramid
5 scheme to me where he is borrowing to pay
6 off borrowing, eventually we are going to
7 wind up in the situation we are in if you
8 are doing that.

9 MR. HUGHES: The fact that the Unit
10 Debt Act says that those funds should not be
11 used to pay off last year's bills does not
12 make it a criminal act. I mean, I don't
13 have time -- I haven't had time to even take
14 a look at that issue, but the thing is that
15 we know that there is provisions even in
16 council's ordinance itself that he signed
17 that states that that was not to be used to
18 pay off last year because it's taken money
19 out of this year's funds, and that was a
20 deficit last year that should have been
21 financed, he knew it when he submitted his
22 budget.

23 But council thought, I believe, that
24 last year the budget was balanced in 2010
25 and it would have been paid and there wasn't

1 a \$5 million hole, but there was. Whether
2 that amounts to taking this funds to pay off
3 last year's, whether that -- what type -- I
4 mean, I haven't thought about looking at
5 that from a standpoint of what the law is
6 that those funds never should have been used
7 for that purpose.

8 MR. ROGAN: Thank you.

9 MS. EVANS: Attorney Hughes, it
10 seems that the collusion among the
11 administration, the Pennsylvania Economy
12 League and DCED is very easily tracked and
13 information. Vital information. Was
14 withheld from a branch of the city
15 government. Actions not just once, but I
16 believe three times, this time is by far
17 probably the most devastating, they were
18 well aware of the situation, they are
19 addressing the situation without informing
20 city council and so I guess my question to
21 you is what steps then can be taken to
22 either -- well, to report this. Obviously
23 it can't be reported to DCED because they
24 are involved in it, but there has to be an
25 authority to which all of this can be

1 reported because I think this shines quite a
2 light on 20 years of a distressed status.
3 And, you know, this type of collusion is
4 hurting the city, it's not curing it's ills
5 and we need either a new oversight manager
6 or perhaps none at all and how do we -- how
7 do we proceed along that avenue?

8 MR. HUGHES: I feel like Bugs Bunny
9 in the spotlight here, you know, like Looney
10 Tunes. You know, the one thing that I
11 really think that there is something, and
12 this is only my opinion, drastically wrong
13 that the city can be permitted to a stay in
14 a distressed status for 18 or 19 years. I
15 certainly think that if council would look
16 at it that, you know, with the Pennsylvania
17 Attorney General have -- you know, would
18 they take a look at this and see what's
19 wrong. I mean, there is something here as
20 to why the city has remained in this status
21 and I think many legislators are, you know,
22 consciously aware that there is something
23 wrong with Act 47 that the city, not only
24 Scranton, other cities can stay in it
25 indefinitely. That's not the intent of the

1 act. The intent was to have Act 47 so that
2 cities would not file for bankruptcy under
3 it's Chapter 9 of the federal bankruptcy law
4 which more municipalities are currently
5 doing. For a long time there very few
6 filed, but there is more action right now in
7 federal bankruptcy with various
8 municipalities, you know, filing and it's my
9 understanding what Act 47 was to do was to
10 afford the cities, afford municipalities,
11 you know, a method to avoid that and
12 certainly there is something wrong here.

13 I certainly think that -- and I have
14 never been to a PEL meeting, I have never
15 been to any of them, but whether, you know,
16 the attorney general would take a good look
17 at this and figure out if there is anything
18 wrong. That would be the only thing I could
19 come up with being put on the spot, you
20 know, at that fast --

21 MS. EVANS: I think a great part of
22 what's wrong here is that PEL and DCED is
23 bed with the Doherty administration and they
24 are concealing much of what has gone on just
25 like the newspaper has concealed it for days

1 until they could come up with excuses and
2 apologies for the administration, so this
3 has to end.

4 MR. HUGHES: So the one thing I
5 stated, it was back in November and when I
6 received the legislation for the unfunded
7 debt, I was out of my office, I was on
8 vacation, I didn't get back to Tuesday back
9 for council meeting that night, I had
10 received it, it was a resolution. Under the
11 Home Rule Charter you cannot borrow money,
12 it came from the solicitor's office, you
13 cannot borrow money by resolution, it has to
14 be an ordinance, and I redid it as an
15 ordinance and I also put a clause in there
16 that, hey, it's fine to go out and borrow
17 the money, but, you know, you are not going
18 to have -- be like a drunken sailor and have
19 unlimited funds and just go out and be able
20 to write checks without any overseeing by
21 council, and that's why I put in there new
22 Article II that stated that it could only be
23 used to pay for 2011 bills and they would
24 have to submit the bills to us -- I mean, to
25 council as to what was going to be paid. Do

1 you really -- it said, "Borrow up to \$6.7
2 million."

3 Up to. So depending on what the
4 bills are going to be at the end of the
5 year, give us the bills. Now, some bills
6 you might put in there that could be paid,
7 other bills would be added, but at least you
8 knew what they were. To this day almost two
9 months later or at least I'd say, you know,
10 six weeks later we don't have any idea as if
11 that borrowing went forward today and
12 council took it off the table and approved
13 it, and if the judge approved the borrowing
14 of \$6.7 million to whom are they going to be
15 paid and what amounts.

16 MS. EVANS: Exactly.

17 MR. HUGHES: I mean, certainly I
18 think when you go to Court, in fact, not
19 when I think, I know when you go to Court
20 and you are asking permission to borrow
21 money in that amount the first question is
22 going to be, where is the list of the bills
23 you are going to pay? And as I said the
24 first time, they are never going to get a
25 loan or get a Court approval to get a loan

1 without the audit, and we still don't have
2 the audit because they haven't cooperated
3 with Mr. Rossi and there is still
4 information that he needs to complete the
5 audit. And as a result, you know, it's fine
6 to write letters, but somebody has got to --
7 as the old saying goes put their money where
8 their mouth is and somebody has to produce
9 and they have to produce and state exactly
10 right now what the \$6.7 million is because
11 you know as of today, and I believe that all
12 of us are going under the assumption after
13 the mayor stated that the TAN was going to
14 be paid for in cash by the end of the year,
15 that that was not included in the \$6.7
16 million. Well, now you got the \$6.7 million
17 and he's adding another five million to it.

18 What happened from December 7 to
19 today I don't know. The \$5 million just
20 evaporated.

21 MR. MCGOFF: I'd like to comment --

22 MS. EVANS: Well, actually -- no,
23 I'm sorry --

24 MR. MCGOFF: -- to the statements
25 concerning PEL.

1 MS. EVANS: And I haven't finished
2 my--

3 MR. MCGOFF: These are in response
4 --

5 MS. EVANS: -- motions and when I
6 finish my motions --

7 MR. MCGOFF: (Untranscribable.)

8 MS. EVANS: When I finish--

9 MR. MCGOFF: We have correspondence
10 dating back to March from DCED and from PEL
11 talking about cash flow problems and about a
12 deficit. In August, September, October,
13 November, letters from PEL recommending
14 methods to take care of this. We have had
15 legislation sent from the mayor's office to
16 deal with it, so to say that we had no
17 knowledge of this is untrue.

18 MS. EVANS: Then, Mr. McGoff, why
19 didn't the mayor include this in his
20 proposed budget on November 15?

21 MR. MCGOFF: I don't know. I'm just
22 saying that --

23 MS. EVANS: I think that's -- that's
24 everything.

25 MR. MCGOFF: -- things are

1 hidden isn't right.

2 MS. EVANS: Anyway, the mayor lied
3 to the banks and to city council. He was
4 fully aware that he would take the money
5 from the Workers' Comp account because he
6 and PEL had to obtain the permission of the
7 state to do so. Mayor Doherty was also
8 fully aware that those monies had to be
9 repaid to the Workers' Comp account in
10 January 2012 and that the millions from
11 unfunded borrowing would not be realized
12 until late January or February, according to
13 Ryan McGowan, yet neither he, the business
14 administrator nor PEL ever informed city
15 council of this plan until after the 2012
16 budget was adopted. This crucial financial
17 information regarding an \$8.5 million budget
18 seems to have been orchestrated in an
19 attempt to conceal the true finances of this
20 city from the banking community and to force
21 city council to raise taxes by 26 to 29
22 percent to cover this purposely concealed
23 mess.

24 Mr. Reddig of DCED has made a feeble
25 and baseless attempt to blame Scranton City

1 Council for cash flow problems in 2011, how
2 very interesting particularly considering
3 his failure in 2010 to become involved in
4 the 2011 \$5 million deficit and the raiding
5 of the Workers' Comp Fund. There was not
6 one word from Mr. Reddig or DCED. Either
7 Mr. Redding was either -- was never aware of
8 the actions of Mayor Doherty or he chooses
9 to ignore them.

10 If the city even has a cash flow
11 problem, it is because Mayor Doherty ignored
12 and sabotaged the 2011 budget, as amended,
13 by reinstating positions which included
14 wages, overtime, and health care benefits,
15 refusing to implement a new revenue
16 generator, StreetSmart Technologies Parking
17 Program, and allowing excessive DPW overtime
18 among other actions.

19 Scranton City Council made it
20 unequivocally and continuously clear during
21 it's September, October and November public
22 council meetings that none of it's five
23 members would approve the sale of parking
24 meters to the Scranton Parking Authority.
25 Yet, as an aside, that's another suggestion

1 offered by Mayor Doherty today, turn the
2 parking meters over to the Scranton Parking
3 Authority for \$6 million.

4 Further, because Mayor Doherty has
5 an established record of ignoring or
6 substituting legally adopted legislation and
7 crossing out his signature on legislation
8 months after his original signature, he
9 could not be trusted to abide by the vote of
10 council declining the sale of parking
11 meters. Hence, the legislation was not
12 considered by council, rather an alternative
13 was proposed and offered by city council to
14 Fidelity Bank and Mayor Doherty. The bank
15 would not proceed with this plan without the
16 agreement of the mayor and the submission of
17 the 2012 budget and 2010 independent audit.

18 Thereafter, when the administration
19 submitted legislation to borrow \$6.7 million
20 for unfunded debt to city council in
21 November 2011, the legislation was placed on
22 council's agenda where it was tabled in
23 Seventh Order on December 6, 2011, until
24 such time as the administration would
25 provide it's intended uses of such borrowing

1 in writing. To date, the administration has
2 failed to respond and I believe that is what
3 our council solicitor was discussing with
4 you, the audience, earlier.

5 Also, I remind Mr. Reddig that in
6 compliance with the Home Rule Charter
7 Scranton City Council amended the mayor's
8 proposed budget, conducted two public
9 hearings, and adopted the 2012 operating
10 budget, as amended, on December 13, 2011,
11 two days prior to the charter's deadline.
12 City council no longer has the authority to
13 open or further amend the 2012 budget which
14 is why PEL and DCED had the clear obligation
15 to inform Scranton City Council of their
16 private plans prior to December 15 not
17 afterwards. Only Mayor Doherty now
18 possesses the authority to open the budget.

19 Further, in the event of a deficit,
20 the Home Rule Charter states that the mayor
21 must make recommendations to address it, not
22 city council. Mrs. Krake, please send a
23 letter to Mr. Reddig from Scranton City
24 Council and include the aforementioned
25 information in order that Mr. Reddig can

1 correct his inaccuracies and misinformation
2 and become better acquainted with the Home
3 Rule Charter and the current events. His
4 attempt to shift the blame is feckless.
5 This type of collusion and naked deceit
6 among Mayor Doherty, DCED and Pennsylvania
7 Economy League is precisely why our city has
8 remained distressed for 20 years and is
9 mired in historical Doherty debt.

10 Among their newfound solutions
11 presented to council on Friday, December 16,
12 the Pennsylvania Economy League and DCED
13 recommended raising taxes be 21 percent
14 beyond the 4.8 percent adopted by Scranton
15 City Council and increasing the unfunded
16 debt borrowing from \$6.7 million to it's
17 originally recommend \$8.2 million. I will
18 not agree to raise the taxes any further and
19 I won't be a party to the mayor's lies and
20 DCED's and PEL's slight of hand.

21 Because Mayor Doherty, business
22 administrator Ryan McGowan, PEL and DCED
23 appear to have acted jointly to conceal
24 vital financial information from Scranton
25 City Council and the local banking

1 community, and because Mayor Doherty has
2 lied to Scranton taxpayers, it is up to
3 these individuals to clean up the mess they
4 created.

5 City Council suggests the
6 implementation of the StreetSmart parking
7 program, the sale or lease of the parking
8 garages, the privatization of the Sewer
9 Authority, and the implementation of an
10 amusement tax if the mayor needs more funds
11 for whatever his agenda might be. Whatever
12 solution Mayor Doherty selects, he should
13 act on it immediately.

14 Finally, council produced a balanced
15 budget which cleaned up all Doherty messes
16 which were presented to it. Once again, in
17 2011 the Doherty administration and PEL had
18 engaged in financial shell games and slight
19 of hand machinations just as they did in
20 2010 and in 2009. The sole difference is
21 that PEL informed council after the fact
22 this time while last year we had to learn of
23 these tricks from the auditor.

24 Scranton City Council will not be a
25 party to these financial machinations and

1 the mayor and his good friends at DCED and
2 PEL must solve this problem that they
3 concealed from those who worked diligently
4 to balance a budget and start the new year
5 with a clean financial slate.

6 I will not hide their disgraceful
7 actions, I will not vote to increase taxes
8 to cover their mess, and I will not deal
9 with liars and apologists any longer.
10 That's it.

11 MS. KRAKE: FOURTH ORDER. CITIZENS'
12 PARTICIPATION.

13 MS. EVANS: Before you begin, Mrs.
14 Franus, if I could have one additional
15 minute. I apologize, I'm going to ask for
16 your indulgence. I'm going to be leaving
17 now I am not feeling well and I hope that we
18 will see everyone next week. Thank you,
19 Mrs. Franus.

20 (Whereupon Mrs. Evans and Mr. McGoff
21 leave the dais and are not present for the
22 rest of the meeting.)

23 MS. FRANUS: Fay Franus, Scranton.
24 Mr. McGoff, who I though I'd like to ask him
25 a couple of questions but after hearing all

1 your news I know why Mr. McGoff didn't want
2 this meeting tonight, he wanted every bit of
3 what you said covered up, just like the
4 Scranton Times covered it up.

5 Last week I happened to watch WNEP
6 and Scott Schaffer reported that he received
7 a letter from PEL to council received and he
8 said how this was after the budget was
9 approved December 15 saying that the city
10 was in a five point or \$5 million deficit
11 because of the TANS, so this is released,
12 like you all said, after the budget was
13 approved, so they knew it, the mayor knew
14 it, OECD knew it -- or DCED knew it and
15 Mr. McGoff even said something in the paper
16 today about officials did know, so is he
17 part of this conspiracy, Mr. McGoff? Did he
18 now this and never said a word to the rest
19 of his council members when asked about his
20 input to the budget? One has to wonder.

21 I just wish there was a transcript
22 of that bank meeting where the mayor was
23 right in writing -- put it right in writing
24 that he lied. Once a liar always a liar.
25 Once you don't trust somebody you can never

1 trust them. Mrs. Evans --

2 MR. HUGHES: If I could interrupt,
3 the next time we do have a meeting I will
4 bring my tape recorder and I'll have it
5 transcribed. Either that or we will have a
6 court reporter there, one or the other.

7 MS. FRANUS: And I hope you ask that
8 very question from him before.

9 MR. HUGHES: I was naive when I went
10 there at that meeting, I never anticipated
11 what would have happened.

12 MS. FRANUS: Who would have thought
13 that he would have lied to 25 bankers and
14 expect them to believe him ever again. I
15 hope they are watching this meeting.

16 When you did your budget, you put
17 money in for the firemen, \$13,000 you put in
18 for firemen. Not 13, sorry, \$600,000 for 13
19 firemen, so that money, Mr. Doherty, Mayor
20 Doherty, knew that he was never going to put
21 those firemen in. He is probably going to
22 take that money to put towards the five
23 million and all of the other money you put
24 in for -- to cover of the Parking Authority
25 loans and the OECD loans, and you didn't

1 even have to do that but yet you did. So
2 all of that money here would probably take
3 that money and spend that as well. How do
4 you know how he is going to spend the money
5 you put in that budget? Do you know?

6 MR. ROGAN: We don't.

7 MS. FRANUS: There is no tracking
8 any of this. Could he just take any money
9 you put in the money and do what he wants
10 with it?

11 MR. ROGAN: That's what he has been
12 doing.

13 MS. FRANUS: Isn't that illegal?
14 Mr. Hughes, you asked for accountability,
15 like you said about the \$6.7 million, you
16 want a copy of the bills, there is no way to
17 track down the money you put in the budget
18 how he uses it? Why do a budget then?

19 And how the Scranton Times cannot
20 put a word of this in the paper until today
21 is disgraceful because they are part of the
22 cover up. They covered this up with Mayor
23 Doherty since Scott Schaffer said on WNEP
24 about PEL and the \$5 million and how council
25 never knew a word about this \$5 million

1 before the budget, and the Scranton Times
2 deliberately didn't put it in the paper and
3 then they put it in the paper and it's all
4 lies. All lies. Just to cover Mayor
5 Doherty's rear and to take care of him, just
6 like Mr. McGoff was trying to do, the water
7 boy. Well, thank you and thank you for
8 getting the truth out.

9 MR. ROGAN: Thank you.

10 MS. FRANUS: It's wonderful that you
11 did and I hope everybody listens to this.
12 He should be arrested for malfeasance or
13 something or taking out of office. Thank
14 you.

15 MR. ROGAN: Thank you. Andy
16 Sbaraglia.

17 MR. SBARAGLIA: Andy Sbaraglia.
18 Citizens of Scranton, fellow Scrantonians.

19 MR. LOSCOMBE: Good evening.

20 MR. SBARAGLIA: For years I have
21 been coming before this council and telling
22 you about the flimflam policies of the
23 Doherty administration. This is nothing
24 new. This has been going on for the last --
25 since he got in office. As you know, our

1 credit rating, some of our credit rating is
2 low, but when he borrowed the seven -- I
3 think it was 72 million, he took out a
4 guarantee on that money, so that was a
5 triple A so you often hear them saying that
6 Scranton has a triple A rating. Well, on
7 the portion of the debt it does have a
8 triple A rating, but all of this other debt
9 there is no rating. When they say junk
10 bond, some people say they are not junk,
11 they are slightly above junk, but I think
12 they are garbage and what you got before you
13 tells you that.

14 This goes way back, way back. We
15 have been \$5 million in debt for quite a few
16 years. I mean, that's where that DPW site
17 came in where they kept selling it to this
18 authority and that authority, okay? That's
19 where you have to pay that \$1.6 million
20 back, that was from another flimflam deal
21 where we sold -- they get our \$5 million we
22 sold our delinquent accounts, so that's
23 where that came. That came back to bite us.
24 We got a lot of trouble -- well, as you said
25 HUD is starting to come into the -- pretty

1 good into the picture when we are talking
2 about some funds for different projects,
3 they are not going to get funded unless some
4 kind of an arrangement is made.

5 The mayor does not like to sit and
6 negotiate, he dictates, and you should have
7 known that. You should know that, all that.
8 I knew he was going to dictate it for the
9 last ten years that he has been there. He
10 doesn't negotiate and he is very vindictive.
11 Them are two points that tells you you will
12 never, never come to an agreement with him
13 unless it's forced upon him in some legal
14 manner, and if there is no legal manner you
15 can sit there until you're blue in the face
16 and say this, that or whatever. It's just
17 not going to register. It never did for the
18 last ten years and it ain't going to
19 probably register. I think what he got,
20 another two years left? Somewhere close to
21 two years left, it's not going to do any
22 difference.

23 He was talking about borrowing that
24 money, the \$20 million or 20 plus million or
25 whatever on top of what you are talking

1 about, I'm not even talking about the six
2 point or eight oint, that's nothing. That's
3 just a drop in the bucket. We are talking
4 been 25 million somewhere in that
5 neighborhood, probably with all the bonds
6 and whatever else that goes in with this
7 thing. You just don't get money when you
8 float a bond issue. You got a lot of costs
9 associated with that bond issue. Now he
10 talks about borrowing and all of the
11 interest for that first year, okay, so
12 that's into it, too. Now, when this comes
13 through, when if he decides not to run it's
14 going to fall upon the next administration
15 and the next administrator, the next mayor
16 or whatever. Somewhere along the line it
17 has to be made up.

18 When that comes before you, I
19 suggest you borrow for the interest of the
20 next 20 years or 30 years we can all be dead
21 before that is to be paid and that makes
22 sense, then you get rid of all of the
23 problems with us now being he is going to
24 worry about it in this budget he is going to
25 worry about the final budget. Believe me,

1 it doesn't add up. No matter what you do,
2 one and two makes three, not ten, and that's
3 where their figures come from. Everything
4 they do seems to add up more.

5 For years we have been coming before
6 you, not only me but a lot of different
7 people came before council, many different
8 councils and explained that this was going
9 to happen. Eventually it had to happen
10 because there was no way out. You can't
11 just spend what you don't have and you can't
12 borrow to replace what you want to spend.
13 It doesn't work that way. You have to keep
14 borrowing within a certain range, okay?
15 There is some improvements that you have to
16 borrow for, there is no question about it.
17 Unfortunately, we borrow a lot more for
18 improvements than we could ever afford to
19 pay.

20 I'm sorry you are stuck with it. I
21 told you this, I have been telling you that.
22 I don't lie to you. I have been telling you
23 that. I have been telling you -- last week
24 I mentioned it to you. I don't think the
25 figures add up because the mayor doesn't

1 want to put out the audit, he really doesn't
2 want to release that audit. Well, I won't
3 get into anymore. You are going to have
4 another earful.

5 MR. LOSCOMBE: Thank you.

6 MR. ROGAN: Ozzie Quinn.

7 MR. QUINN: Ozzie Quinn, Taxpayers'
8 Association member, good evening.

9 MR. LOSCOMBE: Good evening.

10 MR. QUINN: This morning in the
11 Scranton Times-Tribune the headline, "City
12 looks to tap into Comp Fund."

13 Subheading actually should have been
14 the headline, "The state approves Scranton
15 will borrow \$5 million to repay previous
16 borrowing."

17 That's been going on since 2003 as
18 Mr. Loscombe says, déjà vu, you know. And
19 you know, being as humble as I can, you
20 know, I get around, okay, to various sport
21 event, social events, I go to malls and
22 whatnot and people come up to me and ask me
23 what the hell is that Doherty doing and they
24 put a lot of the blame, and I'm telling you,
25 on the Scranton Times for this problem

1 because of the fact that they put a lot of
2 spin and protect Doherty.

3 Case in point was that three days
4 before you saw that story in the Tribune
5 today, and as Mr. Joyce said about the
6 editorials and so on, but a lot of people
7 are talking about the Times and what they
8 are doing and the public should realize
9 that. You know, I know one of them pretty
10 good and, you know, I can't understand what
11 he is doing.

12 Mr. Rogan, you and Mrs. Evans were
13 talking about some kind of charge or some
14 kind of a penalty on Mr. Doherty, you might
15 want to research it through your solicitor,
16 but the taxpayers' law, okay, and that's a
17 law, if on the single independent audit,
18 okay, if they can see that there is
19 mismanagement of the funds they can
20 surcharge the mayor, okay? It's allowable
21 to surcharge the mayor. I don't know if you
22 want that cite, I can get it for you some
23 time.

24 Mr. Rogan, you were speaking about
25 the fact about HUD and I followed -- I was

1 following up on the November of last year
2 the 2010 audit, okay, and actually it was
3 they had their exit audit and in October of
4 2010 before the audit was released OECD sent
5 a letter to HUD trying to resolve their
6 findings, HUD in turn replied that their
7 comments and, you know, they didn't agree
8 with them, okay, and that's on-line under
9 the OIG, so I did contact under the Freedom
10 of Information Act, Federal Freedom of
11 Information Act how they are repaying who
12 was seeking the information from HUD from
13 the Office of the Inspector General in
14 Washington D.C., she is in Washington D.C.
15 to develop a management plan for OECD to
16 abide by, so you might want to check with
17 Beverly Pane, she is with the Freedom of
18 Information Act in Washington D C.

19 I also want to point out that, you
20 know, OECD is federal funds and upon my
21 review of various campaign funding reports I
22 found that many of the employees over at
23 OECD, and even the solicitor and at since
24 our solicitor at SRA is one in the same I
25 think, are contributing to Mr. Doherty's

1 campaign and that's a no-no under the
2 Hatchet Act, all right? You might want to
3 look into it that, all right?

4 I'm sorry Mr. McGoff isn't here
5 because I was going to -- I was going to
6 say, him and Mr. McGowan's legs must be
7 very, very sore because the mayor is telling
8 them to jump and they said how high so many
9 times and I don't know. I don't know how
10 they continue to did it, so I thank you and
11 commend you for having this meeting tonight.
12 It was very informative and find out where
13 we are and we knew we are in sad shape. We
14 are talking about this money right now, but
15 don't forget, we also have \$20 million in
16 public safety money, also. Thank you.

17 MR. ROGAN: Thank you. Mr. Quinn.

18 MR. LOSCOMBE: Thank you.

19 MR. ROGAN: Doug Miller.

20 MR. MILLER: Good evening, Council.
21 Doug Miller, Scranton. I just want to
22 briefly begin tonight, I know he is not
23 here, but I just want to say that
24 Mr. McGoff's actions a few moments ago were
25 truly uncalled for. To shout and interrupt

1 over Mrs. Evans during her motions, I think
2 there McGoff needs to understand the concept
3 of motions. When you are done with your
4 motions you are done. Mrs. Evans had the
5 floor and what he did shouting over her was
6 truly disturbing and, you know, sitting here
7 tonight all he has done up there tonight is
8 shake his head, roll his eyes and he's like
9 a living bobble head doll all night tonight
10 and, you know, his arrogance just spews each
11 week and I've about had it with his
12 arrogance.

13 But obviously the reason we are all
14 here tonight is we have been handed a nice
15 little early Christmas present by the
16 honorable one once again, one of his little
17 surprises, and now once again we are
18 expected to clean this mess up. You know,
19 we were obviously made aware of this \$5
20 million TAN that the mayor, the BA and PEL
21 had pledged to the bank that they were going
22 to pay and, you know, listening to Attorney
23 Hughes tonight it's truly disturbing to hear
24 some of the statements that were made at
25 that meeting, that the mayor made a verbal

1 commitment and pledged that this was going
2 to be paid \$5 million cash and went back on
3 his word, and it just goes to show what his
4 word actually means. You know, we have had
5 to deal with this for ten years and it's
6 truly, truly appalling, but what I really
7 find odd about this situation, as I just
8 said, where did the mayor, BA Ryan McGowan
9 and PEL think this money was coming from? I
10 mean, where did they think they were going
11 to pull this out of? As I said a few weeks
12 ago, does the mayor have a magic hat
13 downstairs that he pulls money out of it? I
14 mean, I don't understand where he intended
15 on getting this money, and now we find out
16 tonight that once again he wants to take
17 another \$5 million out of the Workers' Comp
18 Trust Fund.

19 But, you know, I just -- I'm getting
20 to the point where I'm speechless because
21 each week it's something new and it's never
22 good. But I think most of all what I'm
23 really disturbed by is the fact that
24 obviously the mayor and PEL and Ryan McGowan
25 knew about this for months and yet they let

1 you go, Councilman Joyce, through the budget
2 process and putting your amendments and all
3 of the hard work you went through, and as
4 you stated, you had several conversations
5 with PEL, conversations with Ryan McGowan
6 through e-mails, and not one time did they
7 ever inform you of this, and yet now after
8 you pass your budget they want to say, oh,
9 they want to surprise you and say, oh, hey,
10 we got to pay a \$5 million TAN and now they
11 expect you to come up with a plan for this
12 and once again want to throw this in your
13 lap unfairly.

14 This isn't your problem. I think
15 it's time to stop cleaning this guy's mess.
16 I think we ought to stop sitting back and
17 finding solutions to clean his mess, and I
18 know -- I'm not saying that we want to sit
19 back and let this slide, but I think it's
20 time to hold him accountable and let him
21 face this mistakes and let him clean this
22 one up because we've done enough cleaning up
23 and the only thing that happens afterwards
24 is another mess, and I think he needs to
25 come forward right here right now, as I have

1 said, him, the BA and the PEL and explain
2 themselves publically.

3 You know, Mr. McGoff wants to talk
4 about an alleged meeting that was going to
5 take place at the 12th hour when, in fact,
6 earlier this evening Mr. Joyce stated that
7 officials from PEL were going to be out of
8 town tonight, so I don't know where
9 Mr. McGoff thought these individuals were
10 coming from but, you know, if Mr. McGoff was
11 truly concerned, since we all know he has a
12 close relationship to the mayor, why didn't
13 he ever reach out? He likes to talk about
14 the spirit of cooperation, if I hear that
15 one more time, as I said, I'm going to be
16 sick. I mean, how many times are we are
17 going to sit here and listen to this guy up
18 here, and I have to single him out because
19 he has been on council the longest, besides
20 Mrs. Evans, okay? He has a been part of
21 rubber stamp councils. He has let all of
22 this go by as president of council and he
23 did nothing about it and he wants to sit up
24 here and criticize you and shake his head
25 all night and then show his arrogance by

1 leaving and show how much he really cares
2 about what's going on. I mean, his actions
3 speak for itself walking out and then he is
4 going to be critical that you had a meeting
5 tonight. Well, you are darn right we are
6 going to have a meeting tonight because we
7 have business to discuss. If he wants to
8 talk about no agenda, no, there is an
9 agenda. There has been an agenda for ten
10 years, and the agenda has been trying to
11 straighten up a mess that you and your
12 counterparts have created.

13 And, you know, I'm just disgusted, I
14 really am. I come up here each week and I
15 only get more frustrated, but tonight I
16 think it's time that we call for an
17 investigation by the federal and state
18 attorney general, the secretary service, the
19 governor and any other authority to hold
20 Chris Doherty, PEL and Ryan McGowan
21 accountable for their actions. We have sat
22 back, we have let this go on for far too
23 long, okay? Council has been pinned in a
24 corner far too many times, you have been
25 expected to clean these messes up, and every

1 time you do make an attempt to move forward
2 and to take two steps forward we take three
3 steps back because we are thrown something
4 else, we are thrown another surprise. Now
5 it's the TAN, last year it was the same
6 thing. I mean, what's it going to be
7 tomorrow when we wake up?

8 But I think it's time to hold him
9 accountable, I think it's time to do an
10 investigation if it's possible and I hope,
11 as you said, you know, you were going to ask
12 Attorney Hughes to look into it, I just hope
13 it can be done because I think that's the
14 only way we are going to hold this man
15 accountable once and for all.

16 We've put up with his shenanigans
17 for far too long. This information should
18 have been sent down to you before you passed
19 your budget and we probably wouldn't be in
20 this dilemma right now and you would have
21 been able to come up with a plan and
22 hopefully alleviated some of this. But I
23 just think that it's time to forego our
24 relationship with PEL, they have caused
25 nothing but headaches and grief and

1 regarding the mayor, as I said, he needs to
2 be held accountable legally.

3 For two years this council majority
4 has made attempts to revive this city, and
5 as I have said, we have only gone back
6 because we have been hit with one surprise
7 after another.

8 MR. ROGAN: Thank you, Mr. Miller.

9 MR. MILLER: And I appreciate your
10 time. Thank you, and I would like to wish
11 everyone a Merry Christmas and a Happy New
12 Year.

13 MR. ROGAN: Merry Christmas to you
14 as well.

15 MR. JOYCE: Thank you and Merry
16 Christmas.

17 MR. ROGAN: Marie Schumacher.

18 MS. SCHUMACHER: Marie Schumacher.

19 MR. JOYCE: Good evening.

20 MS. SCHUMACHER: Good evening.

21 Before I get to this other confusing mess on
22 the budget, can you verify whether the
23 closure of Engine 10 and 15 as of 1 January
24 2012 is official?

25 MR. LOSCOMBE: I can't confirm that

1 because I haven't seen anything in writing,
2 but I could probably guarantee that probably
3 maybe two to three stations in existence
4 after January 1 with the cutbacks.

5 MS. SCHUMACHER: I understand there
6 might be a release on that. Could you check
7 with -- has Mr. McGoff left for the evening
8 or just --

9 MR. ROGAN: It appears so.

10 MS. SCHUMACHER: Oh, okay. I
11 thought maybe -- yeah, maybe somebody could
12 check with Chief Davis and find out and then
13 Boyd Hughes is leaving because that was --
14 my next question is his dissertation left me
15 a tad confused because I thought he said
16 that TAN-B of 2010, which I had understood
17 was paid from the Workers' Comp surplus,
18 that's what I thought to be case, but then
19 you start talking about it was paid from the
20 2011 TAN-A. Now, which was it?

21 MR. JOYCE: It's my understanding
22 that the 2010 TAN was --

23 MS. SCHUMACHER: "B". No, wait,
24 there are two.

25 MR. JOYCE: TAN-B.

1 MS. SCHUMACHER: Let's use letters.

2 MR. JOYCE: TAN-B was paid off in
3 the following the year, in 2011 in January,
4 once we received money from TAN A and B.

5 MS. SCHUMACHER: So it wasn't from
6 the Workers' Comp surplus?

7 MR. JOYCE: Correct.

8 MS. SCHUMACHER: It can't be both.

9 MR. JOYCE: Correct. There was
10 money transferred, I'd have to go back and
11 look at all my notes, I think the transfer
12 at the time I believe it was \$2.9 million
13 was transferred over from Workers' Comp to
14 pay other bills. However, I know that the
15 2010 TAN payment was made in January of
16 2011.

17 MS. SCHUMACHER: Okay. Well, maybe
18 Mr. Hughes could answer directly. Is he
19 coming back, Mrs. Krake, do you know? I
20 guess nobody really cares about public
21 comment, just letting us vent, so I'm still
22 confused on that.

23 And I know on the 6th of December
24 council decided not to vote on the unfunded
25 debt funding until the first meeting of the

1 new year. That same evening Mr. Joyce
2 stated that it was his understanding from
3 Mr. McGowan that even if funding the
4 unfunded debt was approved that evening on
5 the 6th of December the dollars would not
6 come in until late January or early February
7 at best.

8 MR. JOYCE: Correct.

9 MS. SCHUMACHER: You know, that's
10 true, and Mr. Joyce also announced that
11 there was to be a meeting tomorrow morning
12 about the loans and TANS and the various
13 things and then Mr. Hughes announced that he
14 had received the legislation, as he stated
15 tonight, in the form of a resolution on the
16 11th of November and the money from that,
17 even it had had been acted upon that
18 evening -- that same time they could not
19 have -- the monies could not have come in on
20 this in this year both because of the
21 advertising and because the resolution was
22 not the legal medium, it was to be an
23 ordinance.

24 So on the 15th of December the mayor
25 is quoted in the paper as saying he has no

1 intention of putting this city in a hole at
2 the start of 2012. How can he have not
3 known that the budget would be short without
4 the unfunded borrowing at this point? I
5 don't understand this at all.

6 And how does the city proceed from
7 here? I mean, you can't -- Mrs. Evans just
8 said you all can't do anything because it's
9 past the 15th, so is the only option left to
10 wait until the first meeting of the year and
11 increase the unfunded borrowing?

12 MR. JOYCE: There is two options --
13 well, there is some -- there is various
14 options. One is to increase the unfunded
15 borrowing. Two involves the sale of the
16 parking meters, which everybody on council
17 was against. I drafted a plan myself, I
18 could read the whole thing, it would take
19 quite awhile. If you would like I could
20 read it for you.

21 MS. SCHUMACHER: Well, maybe at the
22 conclusion if anybody else doesn't object
23 and you don't mind staying I would like to
24 hear it.

25 MR. JOYCE: Okay, I could give you a

1 copy actually.

2 MS. SCHUMACHER: Oh, okay, that
3 would be fine, but the second item is not
4 possible because the sale of the parking --
5 well, at least not this year because the
6 sale of the parking meters would also have
7 to -- I mean, even if you sold them the
8 Parking Authority doesn't have any money to
9 buy them so they would have to go out and
10 float a loan, those parking meters could be
11 replaced. We've got what, 1200 parking
12 meters? They cost less than \$1,000 new.
13 How would anybody take that as collateral
14 when it has no value?

15 But I guess I'll remain confused
16 until the next meeting, which I assume will
17 be next week?

18 MR. ROGAN: Yes. Assuming the mayor
19 vetoes.

20 MS. SCHUMACHER: Say what?

21 MR. ROGAN: Assuming the mayor
22 vetoes the budget.

23 MS. SCHUMACHER: Otherwise -- is
24 there going to be a motion tonight so it's
25 official that there will be no meeting next

1 week unless the --

2 MR. ROGAN: I would vote for a
3 meeting next week regardless so --

4 MS. SCHUMACHER: Okay. Thank you.

5 MR. JOYCE: If you could approach I
6 could give you a copy of this plan I gave to
7 all of the other council members about the
8 \$5 million and we will try to attempt to
9 contact Chief Davis and obtain a list of the
10 engine companies and truck companies opened
11 and closed as of January 1.

12 MS. SCHUMACHER: Okay. And, night,
13 Ruthie.

14 MR. ROGAN: Thank you. Bob Bolus.

15 MR. BOLUS: Good evening, Council.
16 Bob Bolus, Scranton.

17 MR. ROGAN: Good evening.

18 MR. BOLUS: It's kind of
19 disappointing to have to come here before
20 Christmas and see what's going on, the
21 deception, the lies, the smoke and mirrors.
22 Right back where we started from a long time
23 ago before this council and the cameras
24 started putting everything public. I think
25 we all take a personal offense to what the

1 mayor just pulled. True to form, this
2 council and other councils have been here
3 publically. Everything is exposed,
4 everything is upfront. There are no
5 secrets, everybody hears and sees what's
6 going on here, yet Chris Doherty is old
7 school politics. He likes the two-step
8 shuffle, now you see it, now you don't since
9 he has \$5 million in cash in his piggy bank.

10 Taxpayers, we are just his piggy
11 bank, but guess what, Mayor, not this time.
12 Not with this council, you are not going to
13 get away with it. You played the game, you
14 squandered three million plus of the golf
15 course money that was to go to playgrounds
16 so kids could play and have a future just
17 based on the interest. You have no concept
18 of money any way somebody else does.

19 Bob McGoff stood here tonight and I
20 think he insulted every one of us. He was a
21 council president here and he allowed this
22 mayor, who I think he believes walks on
23 water, well, I want to tell him he doesn't
24 and he is not going to do it this time
25 hopefully. The mayor has been playing smoke

1 and mirrors, McGoff sits here and then
2 tonight he runs out because he can't face us
3 because it's a conscience you have to have
4 to sit here and he doesn't have one. He
5 knew or should have known what this mayor
6 was pulling, the deception, the games, you
7 can't hide it. That's what the cameras tell
8 us. Well, now he is scared because his idol
9 is coming down.

10 Hopefully there will be an
11 investigation by the proper authorities and
12 we are going get to the bottom what's going
13 on here once and for all and we need them to
14 find out how to get from Wilkes-Barre to
15 Scranton. When they get here maybe they
16 will do the job that's necessary because
17 it's long overdue. Deception can only last
18 so long and this administration has played
19 the game much too long at the expense of the
20 people of this city. Taxpayers that suffer
21 day in and day out, can't pay their bills,
22 don't know where tomorrow is coming from
23 without the cash in their hand yet McGoff
24 sits there and smirks and laughs at people
25 and thinks he can just trump his chest and

1 run out the door. Well, King Kong tried it
2 and he fell off the building, too, remember
3 that. And it's coming down and I think you
4 gentlemen are going to bring him down. You
5 came to the fight, you have stayed the
6 course.

7 It was sad to see Council President
8 Janet Evans tonight in the pain that she is
9 suffering, but she is a true champion. She
10 came here tonight and she kicked his butt
11 and he needed it kicked, and that's what
12 this council is about. It's dedication to
13 the people here and the people out there.
14 That's the difference with this council,
15 whether talk show hosts want to criticize it
16 and say it isn't going anywhere, they should
17 come here and stand in your shoes because
18 you are doing your job. You did it on time,
19 you followed the rules, and that's the key
20 to the game.

21 Follow the rules, Chris Doherty.
22 That's what we put you here for is to follow
23 the rules. You are done breaking them. You
24 broke this city, you have embarrassed us,
25 DCED, PEL and the mayor should be lumped

1 into one cell because that's they are. They
2 have robbed us, they have mislead us and
3 they denied us what we need. They got to
4 go. We've paid them enough and we paid them
5 far too long and I know you'll do the right
6 thing. You have been doing the right thing
7 and we believe in what you are doing.

8 Last week after I left here
9 Mr. Hartman showed up down here like a
10 babbling brook about the land under his
11 house. He has built that on city-owned
12 property, whether he likes it or not that's
13 what he has done. He can criticize me any
14 way he wants. I'm up there 20 some years,
15 he moved into the neighborhood, he is not a
16 good neighbor. He has created a problem.
17 The lawsuit he talked about is the suit we
18 filed against him for destruction and damage
19 he did to my home with his negligence. We
20 have to take him to Court yet on the 16 1/2
21 foot under his house. He babbled about a
22 deed he has. I showed the deeds here that
23 the city owns that property and Paul Kelly
24 has not produced the deed and neither has
25 Tom Hartman. Let him come down, bring the

1 deed that shows the city transferred that
2 property to the -- or the prior land owners
3 and all this goes away. He hasn't done that
4 and he is good at running off at the mouth.

5 He came in here, and one important
6 reason I came here tonight is you start
7 talking about wage tax, wether I pay or
8 whatever, as we all know wage tax
9 information is confidential, and I'm asking
10 for an investigation into who or how Todd
11 Hartman got any wage tax information on me
12 or any other citizen in this city. He is
13 good at breaking the rules and then he sits
14 up there crying and blames everybody else.
15 Now he is going to be held accountable.

16 MR. ROGAN: Thank you, Mr. Bolus.

17 MR. BOLUS: And finally I'll say
18 goodnight. As you know, our dinner, the Bob
19 Bolus dinner is Sunday, Christmas Day at St.
20 Lucy's Church, it's an all day buffet.
21 Anyone who doesn't want to stay home just
22 bring your Christmas spirit and your
23 appetite and the comradery and meet a lot of
24 new friends and you will enjoy it. And to
25 you gentlemen and Janet, she is not here,

1 Merry Christmas. And to Bob McGoff, I hope
2 you get coal in your stocking. Thank you.

3 MR. LOSCOMBE: Thank you.

4 MR. ROGAN: Lee Morgan.

5 MR. MORGAN: Good evening, Council.

6 Well, once again I have to say that I
7 disagree with the majority of the speakers I
8 have heard tonight, okay? I personally
9 think that it's impossible to mislead this
10 council. Absolutely impossible. Why?
11 Because council has the power of subpoena
12 and any information this council needed they
13 could have relatively got in a very easy
14 fashion by bringing the Court into this
15 process. Last year we faced the same
16 problem.

17 You know, if anybody got a kick in
18 the teeth it's been the residents of this
19 city because they're seriously overtaxed and
20 we keep listening to the same responses that
21 we didn't have information. I think that
22 the council could even have went and forced
23 the administration to produce the audit, and
24 I just have to say that as we continue to
25 blame other people for what's occurring in

1 this city we do nothing but keep hurting
2 ourselves. We can blame the Scranton Times
3 for the way they report, but I have to be
4 very honest and tell you that I know
5 firsthand that they don't have an
6 investigative reporter because I have talked
7 to their editor about it.

8 I think we have a lot of problems,
9 and honestly, I don't see how we can ever
10 put a budget, although Mr. Joyce I agree
11 probably worked very hard on the budget, and
12 I appreciate your struggles with it as I
13 appreciate everything this council does.

14 MR. JOYCE: Thank you.

15 MR. MORGAN: And I'm not trying to
16 browbeat the council, but how can you make
17 decisions of a relevant fashion that has to
18 do with the city's finances without the
19 correct information? And until the council
20 is prepared to issue subpoenas and find out
21 facts then no budget will ever be true, and
22 to say that we didn't know that TANS weren't
23 paid, by the same token it's just not
24 possible. I mean, we can keep blaming
25 everybody for what's going on in this city,

1 but I really believe that so many people --

2 MR. ROGAN: Mr. Morgan, in a
3 functional government one branch of the
4 government should be able to trust what the
5 other branch sends down without --

6 MR. MORGAN: You're right, but you
7 do have to realize that even the federal
8 government uses subpoenas to get information
9 and I think that if we are going to talk
10 about a government that has not cooperated
11 with council for over ten years is that
12 that's the statements that have been made
13 did something change? Absolutely not. This
14 is the same problem we had last time.

15 MR. ROGAN: The majority of the last
16 ten years council rubber stamped whatever
17 the mayor pushed through.

18 MR. MORGAN: I'm not disagreeing
19 with that, but I'm saying that the debt has
20 continued to grow and we have continued to
21 use one-time revenue fixes to solve the
22 city's problems. We've had nothing but
23 problems with PEL, and to be honest with
24 you, you know, I wish we had a council like
25 Harrisburg has because now they have done an

1 appeal to the federal government over their
2 petition for bankruptcy, and I think that in
3 the end they are going to win because it's
4 only a fact that the residents are leaving
5 the city because they can't pay anymore, and
6 if we just keep borrowing, let's say next
7 year after January 1 we get forced into
8 selling the parking meters, is that a
9 solution to anything? I don't think it is,
10 personally I don't think it is. Is the
11 solution never having your audit on time?
12 Does that help any of residents in this
13 city? Does it give any of the residents of
14 the city hope that they should stay here and
15 invest and try to do the right thing and
16 fight it out? Because I have talked to so
17 many who just gave us.

18 And I just think that when we are
19 trying to put a document together as complex
20 as a budget with not real figures or a
21 question of whether they are real what's
22 next year's shortfall going to be? That's
23 the question we should be asking ourselves
24 right now, because from what I sat through
25 the meeting and heard so far is that you not

1 sure of the numbers, so how much of it is
2 real? What's been paid, what hasn't been
3 paid, where are we going, what facts are
4 real, what facts aren't real, why isn't the
5 audit produced and given to council?

6 These are all questions that had to
7 be addressed prior to the creation of a
8 budget and I really think that if the mayor
9 didn't veto the budget it's touche. He has
10 played a game of chest and I think he has
11 won. That's only my opinion. And it's not
12 a shot at any of the council members because
13 you worked with facts and I think that next
14 year it's time to issue subpoenas, use your
15 solicitor, go to Court, compel the mayor to
16 produce the audit, use the Home Rule Charter
17 as it was written. I just think in all of
18 the years I have sat here people have always
19 talked about the Home Rule Charter, but they
20 have never used it, and it's here to benefit
21 the residents.

22 And, you know, we are not even a
23 medium city anymore, we are becoming a small
24 city with a very large debt and maybe, you
25 know, it would be a beautiful thing to have

1 the council petition the Courts for
2 permission to file and proceed through
3 bankruptcy because let the federal
4 government decide, they are trying to
5 protect the bonds, that's what's going on.
6 Even in Harrisburg they have put a bond
7 lawyer in the head of their government.
8 Well, that's their plan. Thank you.

9 MR. ROGAN: Thank you, Mr. Morgan.
10 Dave Dobrzyn.

11 MR. JOYCE: And I will check with
12 our counsel solicitor about subpoena powers
13 and what we could possibly do in the future.

14 MR. MORGAN: Merry Christmas. Thank
15 you.

16 MR. DOBRZYN: Good evening, Council.
17 Dare Dobrzyn. I'd like give a little a card
18 for your office.

19 MR. ROGAN: Thank you.

20 MR. LOSCOMBE: Thank you very much.

21 MR. DOBRZYN: Hopefully I got
22 everybody's name on it. I would also like
23 to comment, first of all, it's not illegal
24 to lie if you are not in Court, but if you
25 are an investigative grand jury there's a

1 mayor, I don't know where he is from, I
2 think it was Detroit or maybe somewhere in
3 Illinois, the name was Fitzgerald, and he
4 was carrying on an affair and they asked him
5 in an investigative grand jury about the
6 nature of this affair and he lied. The poor
7 guy wound up in jail over an affair. You
8 know, so that's the secret. If you lie in
9 Court then you are liable.

10 And a few days ago I was rereading
11 an article written by GO Lackawanna, and
12 I'll just read a brief account of it, "The
13 city of --" this is Mayor Doherty's
14 testimony before Harrisburg, "The City of
15 Scranton has been distressed status for 19
16 years," no fooling, "But the mayor believes
17 that the city should only be under Act 47
18 for 18 months. If the municipality is
19 unable to make the necessary decisions to
20 leave Act 47 after this period he said the
21 state should take over and make those
22 decisions for the city."

23 Now, I think I aforementioned about
24 the law in Michigan where when a state comes
25 in they could sell or nullify contracts, do

1 whatever they basically want. They are
2 selling prime property, beach front property
3 to Lake Michigan out from under these poor
4 people that was donated by a mayor in the
5 1920's and they are selling it the Whirlpool
6 Corporation, which pulled out of town and
7 that's why the town is broke to begin with,
8 and they went with Nashville, and now from
9 here on in it will be a golf course and it
10 will be \$500 a year per family for
11 admission. So it just goes to show you, I
12 mean, if he wants to throw us to the sharks
13 he can dictate whatever way it's to be done
14 and how many is to be spent and whatever.

15 This is really egregious. I wish
16 the newspaper would stop facilitating him
17 because it's really ridiculous. It's one
18 thing if he are lied to, it's another thing
19 when it gets on the editorial page because
20 that's up to them and I constantly see, and
21 I am a Times customer, so I'd like to see
22 something a little different in the
23 editorial page, I have seriously criticized,
24 and they could send a reporter and he jots
25 down whatever he hears and like a little

1 robot and when it gets to the editorial or
2 the editor the whole story can be changed
3 around, so it's really shameful and I hope
4 some day we can some way get to the bottom
5 of this and I'd like to encourage you people
6 to stay on track and just keep trying to
7 smoke this out and hopefully some day we
8 will get there that we can start a new year
9 on an even keel instead of with a bunch of
10 surprises and wast all this time.

11 Now, okay, we'll get to the golden
12 parrot, and I'll make it brief tonight. Kim
13 Jung-il died, boo-hoo-hoo, and there is like
14 right now there is between half a million
15 people a year or a quarter of a million
16 people a year die in (inaudible) and I have
17 been accused of picking on the right wing
18 too much, well, I don't like right wing or
19 left wing totalitarianism in any forum and,
20 you know, I've never been a really religious
21 man and a lot of my hard shell religious
22 friends tell me, "You might die and go to
23 hell some day."

24 Well, I have a plan and that plan is
25 this, if I do wind up in hell and I could

1 join forces with the devil and harass people
2 like Kim Jung-il for eternity and then I
3 could declare a paradise. Bawk, bawk, bawk.

4 And, oh, by the way, finally, the
5 Dems have 150 percent more approval than the
6 Republicans in Congress because the Dems are
7 3 percent approval and the Republicans are 2
8 percent approval so that deserves a double
9 bawk bawk. Have a good night. Thank you.

10 MR. ROGAN: Thank you.

11 MR. JOYCE: And before the next
12 speaker comes up I just wanted to say one
13 thing, I know Mr. Dobrzyn mentioned Act 47
14 and the state, I want to mention this is one
15 area that I do agree with the Scranton Times
16 on, is that the state needs to assist the
17 City of Scranton as well as other
18 municipalities throughout the Commonwealth
19 with the ability -- by granting us the
20 ability to make changes to our tax
21 structure.

22 For instance, one thing that I'm in
23 favor of is a payroll expense tax on
24 businesses and the eventual fading out of
25 the business privilege and mercantile tax.

1 This is something that they did in
2 Pittsburgh and Pittsburgh had to lobby the
3 state legislature and state senate for quite
4 sometime in order to get this done, and with
5 the rising cost of expenses that we have in
6 the city, this is something that I am
7 planning on doing throughout 2012, so
8 hopefully we could get something in 2013.

9 I know that Mayor Doherty was
10 proposing a 1 percent sales tax, however, I
11 think that the state needs to allow
12 municipalities to have more flexibility,
13 especially with nonprofits is a great
14 example, and also the ability to levy
15 certain taxes and gradually phase out others
16 because there is certain organizations such
17 as manufacturing that don't pay a business
18 privilege or mercantile tax and banks are
19 another example. While your mom and pop
20 grocery store that may have a sole
21 proprietor that maybe brings in 30 or 40
22 thousand dollars a year are subject to this
23 tax, so that's all. I just want happened to
24 add my peace on that matter.

25 MR. ROGAN: Mr. Jackowitz.

1 MR. JACKOWITZ: Bill Jackowitz,
2 South Scranton resident, member of the
3 Taxpayers' Association. You know, first of
4 all, I'd like to start off on a good note.
5 I'm really impressed with the Christmas
6 decorations that people are putting out on
7 their houses and on their properties. I
8 mean, there is actually neighborhoods where
9 there is two or three, four houses together
10 that I'm assuming got into together and
11 they've really done a real good job
12 decorating. They're giving Beansy Culkin a
13 run for his money on Moosic Street, they
14 really are, but I really am. I mean, drive
15 around the city, you really would be
16 impressed.

17 And since I'm talking about
18 Christmas tree lights, the lights at Nay Aug
19 Park are still on because every morning at
20 6:00 and I'm getting ready to go work the
21 park is all lit up at 6 a.m., and when I get
22 back at 5:15 it's all lit up, so I'm
23 assuming that they are probably on all day
24 long.

25 Okay, the audit. You know, we know

1 the audit hasn't been done, it's supposed to
2 have been done in May. I mean, something
3 has to be done about this, it really does.
4 Now, I don't know if a subpoena is the
5 answer, if it is we need to do it, but we
6 need to do something. These people who have
7 not provided the information to complete the
8 audit should be severely reprimanded at the
9 very least, and it needs to be made public.
10 I'm asking the Scranton Times to make it
11 public the department heads who have not
12 complied with the audit. I'm asking Channel
13 16 and Channel 28 and ECTV to make it
14 public, okay?

15 This is one of the big problems we
16 have is the audit has not been completed.
17 How can you balance or how can you make a
18 budget without an audit? Again, I'm asking
19 the news media, make it public. Names,
20 titles as to why the information has not
21 been made public.

22 Okay, Mr. Rogan, Mr. Joyce,
23 Mr. Loscombe, Mrs. Krake, did Mr. McGoff
24 inform anybody any of you that he was going
25 to leave the meeting before public --

1 MR. JOYCE: No.

2 MR. ROGAN: No.

3 MR. LOSCOMBE: No.

4 MS. KRAKE: No.

5 MR. JACKOWITZ: No, so that's a
6 unanimous no from all four people. You
7 know, that's a shame that he just gets up
8 and leaves without even telling anybody that
9 he is going to leave. Again, I'm asking the
10 Scranton Times, print that. Print that
11 Doherty lied to the banks and that
12 Mr. McGoff got up and left the meeting prior
13 to public speakers. Print that if you have
14 the courage. You are a newspaper. You are
15 supposed to be reporting the news. That is
16 news, okay? A mayor lied to a bunch of the
17 bankers and a councilman gets up and leaves
18 without informing anybody that he was
19 leaving. That is a news. Report it if you
20 have the courage.

21 Okay, clerk notes. I noticed now we
22 no longer have clerk notes. Is that because
23 the cabinet members and heads are not
24 reporting any and not answering any of our
25 letters. Can I ask Mrs. Krake that?

1 MR. ROGAN: Go ahead.

2 MS. KRAKE: I really don't know the
3 answer to that completely, but I can say
4 that, no, they don't answer our letters on a
5 regular basis.

6 MR. JACKOWITZ: Okay. So if we were
7 getting answers we would probably have clerk
8 notes more often; correct?

9 MS. KRAKE: All the answers --
10 well, the answers are given to the council
11 person so then they can report on them is
12 really the way it should be. I mean, I
13 shouldn't say that, but it's the way it's
14 being done and they have been reporting on
15 the responses at their pleasure.

16 MR. JACKOWITZ: Okay.

17 MR. ROGAN: Mr. Jackowitz, I will
18 say this, there is a lot more mail coming
19 out of council's office than there is coming
20 into council's office.

21 MR. JACKOWITZ: Probably very little
22 coming in.

23 MR. ROGAN: Very little.

24 MR. JACKOWITZ: Now the \$51,000 cut
25 in salaries, any of the people with salaries

1 being cut, any of these people responsible
2 for not having their audit -- their portion
3 of the audit completed?

4 MR. ROGAN: Yes.

5 MR. JOYCE: Yes.

6 MR. JACKOWITZ: Yes? Well, good.
7 Let's cut more from them. If they can't
8 provide the information for the audit let's
9 cut more from their salaries. And again,
10 let's make their names public and their
11 titles public. It's now December the 20th.
12 Okay? Let's make it public. Let's go
13 public, okay?

14 As far as the mayor and PEL and
15 business administrator supposedly could have
16 maybe had a meeting today, the table is
17 empty. The mayor could be sitting here, the
18 business administrator could be sitting
19 here, PEL could be here, they all could be
20 here at this meeting if they were really
21 serious about coming, and Mr. McGoff could
22 be the chairman of the meeting. I would
23 recommend that he could be the chairman,
24 okay? He could be the facilitator for the
25 meeting. Robert McGoff, the councilman who

1 left the meeting prior to public citizen's
2 participation. He could be the facilitator.
3 Maybe we can get a meeting setup for next
4 week and make Mr. McGoff can facilitate it,
5 okay? And we can have Mr. McGowan as the
6 note taker because we definitely need notes
7 because nobody seems to take any notes
8 around here.

9 MR. ROGAN: No objection from me on
10 that, Mr. Jackowitz.

11 MR. JACKOWITZ: And as far as the \$5
12 million, this is just a battle that's been
13 going on and on and on. I applaud you guys.
14 I feel sorry for you. I don't know if you
15 are ever going to make any progress, but by
16 all means don't stop. Continue to put the
17 pressure on this mayor, on the BA, on
18 everybody who is involved in this because
19 the citizens are suffering. I mean, we are
20 getting lied to, bankers are being lied to
21 now. I mean, I hope to see something in the
22 newspaper, I really do, I probably won't,
23 but I really hope that the headlines
24 tomorrow read, "Mayor lies to bankers,
25 McGoff leaves meeting. Ashame to face

1 citizens." Thank you.

2 MR. ROGAN: Thank you,
3 Mr. Jackowitz. Is there anyone else who
4 would like to address council?

5 MR. ELLMAN: Council, I had no
6 intention to speaking tonight, I guess I'm
7 just a ham like Paul Servino, you know, I
8 can't sit there, and what Bill said about
9 the Christmas lights, I think we should
10 remember the 600 families that won't have a
11 home this Christmas that's coming up
12 foreclosures, that's very sad to all of us.

13 You know, I have probably attacked
14 everything wearing pants in the city and the
15 county and the state year after year and no
16 one has -- out of all of these people there
17 is lots of them, not a one has ever come to
18 confront me and sue me and poke me in the
19 head or something and the reason I think is
20 because I have spoke facts. I have spoken
21 the truth about them that they can't
22 confront that, and I feel if I don't speak
23 the truth it will die. Do you like that?
24 That's how I feel. If I don't speak the
25 truth it will die and tonight listening to

1 what's going on with this administration I
2 say if, council, if you don't tell the
3 people of this city what's going on who
4 will?

5 You know, Mr. Doherty has tried to
6 shut this TV off so the people will be in
7 the dark, and I don't think anybody on
8 council has any selfish motives or agenda
9 like we know he certainly has, and I have
10 been -- a lot of times I have disagreed with
11 council or come on too strong maybe in
12 opposing something, but I want you guys to
13 know that you got my support always. I
14 think you are doing the best job you can
15 with what you have got, and I would like to
16 wish everybody a Merry Christmas and a Happy
17 New Year and to all of these people that
18 talk to me all of the time I wish everyone
19 of them have a better year coming.

20 It's going to be hard with the taxes
21 almost being doubled and so forth, but like
22 I said, I live here by choice and I just
23 love the city and I wish -- I just wish it
24 could, you know -- things could be better
25 and I appreciate, again, you people allowing

1 me to come up here week after week and let
2 off steam. Thank you.

3 MR. ROGAN: Thank you, Mr. Ellman.
4 Merry Christmas to you.

5 MR. JOYCE: Merry Christmas to you
6 as well.

7 MR. ROGAN: Come on up, Chrissy.

8 MR. SLEDENZSKI: I'm coming, Pat.

9 MR. JOYCE: Chrissy.

10 MR. SLEDENZSKI: Frankie.

11 MR. LOSCOMBE: Chrissy.

12 MR. SLEDENZSKI: Jackie.

13 MR. LOSCOMBE: Who is that handsome
14 guy?

15 MR. SLEDENZSKI: Hey, I know that
16 handsome devil is. Guys, Merry Christmas
17 and Happy New Year from me. Merry
18 Christmas, Guys.

19 MR. ROGAN: Merry Christmas. Is
20 there anyone else who would like to address
21 council? Mrs. Krake, Sixth order?

22 MS. KRAKE: 5-B. NO BUSINESS AT
23 THIS TIME. SIXTH ORDER. NO BUSINESS AT
24 THIS TIME. SEVENTH ORDER.

25 MR. ROGAN: Mrs. Krake, did we

1 receive the legislation for the 2010 File of
2 Council No. 56, 2011, as amended, from the
3 mayor?

4 MS. KRAKE: No, we did not.
5 Councilman Rogan, I would just like to say
6 that it is the 2012 budget.

7 MR. ROGAN: I apologize. I'm stuck
8 in 2011, I guess. Therefore, there will be
9 no business in Seventh Order. And that
10 being said, I would like to wish everyone a
11 Merry Christmas and to the Jewish folk in
12 Scranton I want to wish them a Happy
13 Hanukah.

14 MR. JOYCE: Yes, I would like to
15 wish a happy Hanukah as well.

16 MR. ROGAN: I will entertain a
17 motion to adjourn.

18 MR. JOYCE: Motion to adjourn.

19 MR. ROGAN: Meeting adjourned.
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C E R T I F I C A T E

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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