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SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, July 26, 2012

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

FRANK JOYCE, VICE-PRESIDENT

ROBERT MCGOFF

PAT ROGAN

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

JAMIE MARCIANO, ASSISTANT CITY CLERK

BOYD HUGHES, SOLICITOR

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

3 MS. EVANS: Roll call, please.

4 MS. MARCIANO: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. MARCIANO: Mr. Rogan. Mr.

7 Loscombe.

8 MR. LOSCOMBE: Here.

9 MS. MARCIANO: Mr. Joyce. Mrs.
10 Evans.

11 MS. EVANS: Here. Dispense with the
12 reading of the minutes, please.

13 MS. KRAKE: THIRD ORDER. 3-A. TAX
14 ASSESSOR'S REPORT, FINAL RESULTS FROM APPEAL
15 HEARING HELD JUNE 27, 2012.

16 MS. EVANS: Are there any comments?
17 If not, received and filed.

18 MS. KRAKE: 3-B. TAX ASSESSOR'S
19 REPORT FOR APPEAL HEARINGS TO BE HELD ON
20 AUGUST 8, 2012.

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

23 MS. KRAKE: 3-C. CHECK RECEIVED FROM
24 THE SINGLE TAX OFFICE IN THE AMOUNT OF
25 \$253,477.16 ON JULY 18, 2012.

1 MS. EVANS: Are there any comments?
2 If not, received and filed.

3 MS. KRAKE: 3-D. CHECK RECEIVED FROM
4 THE UNIVERSITY OF SCRANTON ON JULY 16, 2012
5 IN THE AMOUNT OF \$175,000.00 FOR PAYMENT IN
6 LIEU OF TAXES.

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

9 MS. KRAKE: 3-E. RECEIVED A COPY OF
10 THE APPROVED INDEPENDENT AUDITOR'S REPORT OF
11 THE SCRANTON REDEVELOPMENT AUTHORITY FOR THE
12 YEAR ENDED DECEMBER 31, 2011.

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

15 MS. KRAKE: 3-F. AGENDA FOR CITY
16 PLANNING COMMISSION MEETING HELD ON JULY 18,
17 2012 AT 7:00 P.M. IN COUNCIL CHAMBERS.

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

20 MS. KRAKE: 3-G. NOTICE OF
21 RE-SCHEDULED CITY PLANNING COMMISSION
22 MEETING FROM JULY 18, 2012 AT 7:00 P.M. TO
23 JULY 25, 2012 AT 12 NOON IN THE GOVERNOR'S
24 ROOM.

25 MS. EVANS: Are there any comments?

1 If not, received and filed.

2 MS. KRAKE: 3-H. LACKAWANNA COUNTY
3 PLANNING COMMISSION SUBDIVISION AND LAND
4 DEVELOPMENT EVALUATION RECEIVED ON JULY 16,
5 2012.

6 MS. EVANS: Are there any comments?

7 If not, received and filed.

8 Are there any clerk's notes tonight?

9 MS. KRAKE: No, Mrs. Evans.

10 MS. EVANS: Thank you, Mrs. Krake.

11 Do any council members have announcements at
12 this time? On tonight's agenda, I have
13 placed a resolution in Fifth Order for
14 introduction which demands the return of
15 excess funds from the Scranton Parking
16 Authorities' reserve bond account to the
17 City of Scranton.

18 During last week's meeting, council
19 passed a similar motion, which I amended
20 correctly to include only excess funds.
21 However, after discussion with Council
22 Solicitor Hughes it was determined that a
23 resolution was more appropriate and
24 effective in achieving our purpose.

25 Also, I'd like to announce a new

1 business in Scranton. It is Mann's Tire and
2 Auto located at 1200 South Main Avenue.
3 They offer tires, brake work, oil changes
4 and suspension work and we wish them the
5 best of luck. They said under the
6 circumstances they are not afraid to open
7 their business here in Scranton and they
8 look forward to meeting many of you. And
9 that's it.

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

12 MS. EVANS: Our first speaker is
13 Andy Sbaraglia.

14 (Whereupon during the comments, Mr.
15 Rogan took the dais and joined the meeting.)

16 MR. SBARAGLIA: Andy Sbaraglia,
17 citizen of Scranton. Fellow Scrantonians, I
18 gather you got it on the agenda your 7-A,
19 did you ever get the notice from the paper
20 telling you exactly what is stated?

21 MR. ROGAN: Yes, Mr. Sbaraglia.

22 MR. SBARAGLIA: Did you notice you
23 had 30 days to send your -- any kind of
24 complaints you might have to OECD, not to
25 here, OECD. Why are you passing something

1 that hasn't even been decided on by OECD?

2 MR. ROGAN: I'm actually going to
3 make a motion to table that until August 9,
4 which will be the expiration of the 30 days.

5 MR. SBARAGLIA: But the question is
6 do you want that money to go to cuts or do
7 you want it to go somewhere else that's more
8 immediate? You and I know that half of them
9 streets cuts will not be used because people
10 in wheelchairs maybe don't live all over the
11 city or maybe don't live in the boondocks.
12 That money was for supposedly for police
13 patrols and police vehicles from -- well,
14 you got it on there, and '10 and '11. They
15 didn't use the money because they didn't
16 care about the police at that time, they
17 were in trouble with them, so OECD said, "We
18 are not going to use that money."

19 Now they are talking about they
20 can't use it in 2012, okay? But why wasn't
21 it used in '10 and '11 where they could have
22 used it, and you go along with these people?
23 You got to get down there and shake some
24 heads, all of them. They are making fools
25 of you, and I don't like to be made a fool

1 you. I believe that when you are going to
2 do something you should do it with the
3 greatest input from all city residents.
4 Other people may have use for this money.
5 They are saying they cared little or nothing
6 about the views of the city. These dumb
7 people we have to pay, why should we listen
8 to them? This is what this says. This is
9 on the agenda for you to pass before even
10 HUD gets approval for it.

11 I don't know how far you are going
12 to get going on some of this other junk on
13 the agenda with North Scranton again. They
14 want us to assume the loan because we gave
15 it to another company and the other company
16 is transferring the assumption to another
17 company, why don't we ask for the money to
18 help with the loan? Let's just get the
19 \$700,000. Let them pay us because we need
20 it desperately now. We don't need another
21 mortgage. That's one thing we don't need
22 unless we can find something who wants to
23 buy mortgages, I am sure we can find a lot
24 of them somewhere.

25 But this \$700,000, when it came

1 before us they said they are going to do
2 something with tax credits, now we are
3 talking about 4 million bucks in borrowing,
4 us assuming that assumption of that mortgage
5 agreement when we should ask for the money
6 being it was -- they owe us the money. They
7 defaulted on what they were going to do.
8 The money should be returned to the city.
9 That's all I can tell you about some of
10 those things and when somebody tells you tax
11 credits don't say we will give the loan on
12 top of tax credits. That's not the way to
13 work it. I don't know where that four
14 million from that company is, but they want
15 borrow \$4 million.

16 Well, I'm not going to get into a
17 big soap opera today. It's not worth it, we
18 got too many other problems besides these,
19 but look at it, anybody took the tax credits
20 they could find, but when they talk about
21 loans on top of tax credits that's not out
22 of pocket. Thank you.

23 (Whereupon while Mr. Sbaraglia was
24 speaking Mr. Joyce took the dais and joined
25 the meeting.)

1 MS. EVANS: Ozzie Quinn.

2 MR. QUINN: Ozzie Quinn, Taxpayers'
3 Association, Scranton.

4 MR. LOSCOMBE: Good evening.

5 MR. QUINN: Good evening. The
6 Taxpayers' Association met the other night
7 and they passed a motion unanimously and
8 they wanted me to read this letter to city
9 council and then submit it to city council
10 for questioning.

11 "Dear Honorable City Council, the
12 Scranton/Lackawanna County Taxpayers' and
13 Citizens' Association, Inc., on July 24,
14 2012, approved unanimously a motion
15 regarding the proposed revised Recovery Plan
16 for the City of Scranton. The motion
17 carried. We request the city council to:

18 (1). Place the new revised Recovery
19 Plan on the November 2012 election ballot.

20 (2) The city council provide a
21 Recovery Plan plan public hearing prior to
22 said election.

23 Since a revised Recovery Plan does
24 not actually take effect until 2013, we
25 believe this is a plausible request by the

1 Taxpayers' Association. Thank you. Ozzie
2 Quinn, President."

3 We appreciate if you would consider
4 honoring our motion so the people of the
5 City of Scranton could have something to
6 say. I know you like the people and we
7 respect that, but everything that's going on
8 about this tax break that the mayor wants to
9 put up there and then he had a Recovery Plan
10 and he was pushing that Recovery Plan and he
11 didn't really have a Recovery Plan, he had\$
12 5.4 million that was trying to sell what
13 wasn't even the City of Scranton's, so he
14 don't have a Recovery Plan. I don't know if
15 he ever got five more -- 5.4 million to fill
16 that gap, but I think the people have got
17 something to say in regard to what this man
18 is doing. He just -- he is just -- he is
19 just way out in left field someplace. He is
20 finding the money in banks and he is -- now
21 he wants to hit pensions, and he is just all
22 over and I think people are about fed up
23 with him and they want to express it either
24 in a public hearing or on a ballot and I
25 would appreciate it if you could consider

1 that, okay, because it does have to do with
2 the lives of people for years to come.

3 Thank you very much.

4 MS. EVANS: Thank you. Gary Lewis.

5 MR. LEWIS: Good evening.

6 MS. EVANS: Good evening.

7 MR. JOYCE: Good evening.

8 MR. LEWIS: Was anyone on council
9 aware the mayor attempt to borrow \$16
10 million from the pension fund?

11 MS. EVANS: Yes. I was sent -- I
12 received a letter on Saturday at my home.
13 It was addressed to not myself, a gentleman
14 from the Composite Pension Board with a copy
15 to quite a number of people, and also
16 included in the package was a piece of
17 legislation that would provide for that type
18 of situation.

19 MR. LEWIS: So the mayor was
20 pursuing this without your knowledge until
21 Saturday obviously; right?

22 MS. EVANS: Well, he had -- he had
23 mentioned it to me previously.

24 MR. LEWIS: And I hope you don't
25 support it or endorse that?

1 MS. EVANS: Well, I believe that the
2 Composite Pension Board has the right to
3 make its own decisions and to handle its own
4 pension funds as it sees fit.

5 MR. LEWIS: Even though --

6 MS. EVANS: And so I would comply
7 with their decision.

8 MR. LEWIS: Even though borrowing a
9 third of the pension funds would leave them
10 in an even worse situation than they are,
11 leaving the city with a much, much, much
12 larger liability to the pension fund in
13 future years?

14 MS. EVANS: Well, my understanding
15 is that they have been advised, the pension
16 board has been advised by their attorney, by
17 representatives from Mellon Bank and others
18 and they will be further advised, and I will
19 adhere to their decision. From what I was
20 able to learn, it appears that they have
21 been advised against doing this. And again,
22 that's going to be their decision. Council,
23 no one on city council receives a pension.
24 Previous council members did and that was in
25 violation of the Home Rule Charter, but I do

1 believe that this is a decision that has to
2 be made by those members of the pension
3 board and by their membership.

4 MR. LEWIS: I would actually like to
5 read a copy of the letter that I submitted
6 to M & T Bank on the 16th in which they
7 called me on Monday the 23rd to confirm that
8 they had received and forwarded it to their
9 credit department. It's addressed to Bob
10 Wilmers, the chairman of CEO of M & T, and
11 copies went to the vice-chairman, the
12 president and the vice-president of M & T as
13 well as the Governor's Office.

14 It reads, "Dear Mr. Wilmers: As you
15 are certainly aware the City of Scranton,
16 Pennsylvania, is in a midst of a major
17 financial crisis. With the city coffers
18 running empty, the State of Pennsylvania has
19 offered the city short-term financing and
20 the administration is currently working to
21 secure more than \$26 million in funding to
22 cover the 2012 budget deficit of
23 approximately \$16 million, as well as repay
24 the state's short-term loan of \$2 million.

25 I strongly urge you to refrain from

1 lending or participating in the procurement
2 of these funds. Not only would the terms of
3 any new financing be particularly onerous,
4 but the funding merely addresses the 2012
5 deficit and does nothing to address the
6 issues the city will face in 2013, including
7 a structural deficit of nearly \$10 million
8 exclusive of debt service, a new debt
9 service of \$8,168,536.35, exclusive of new
10 debt issuance costs, an additional \$1.4
11 million would be due to the local public
12 employee unions due to the recent settlement
13 and Court-ordered arbitration award, and
14 unpaid bills rolled forward from the prior
15 year, which in 2012 exceeded \$6 million.
16 Altogether, I believe the city will have a
17 deficit approaching \$25 million in 2013.

18 Additionally, the recent Recovery
19 Plan proposed by the mayor and rejected by
20 city council called for the sale of an asset
21 to the Sewer Authority for more than \$5
22 million. It was later discovered that the
23 Sewer Authority already owns the asset, a
24 fact the administration ignored in its
25 Recovery Plan even though the same

1 administration sued the Sewer Authority in
2 2007 for ongoing maintenance costs paid by
3 the city and won the case. Perhaps the next
4 generation of the Recovery Plan will offer
5 to sell the Brooklyn Bridge in an attempt to
6 balance the budget.

7 The Recovery Plan also call for a 78
8 percent tax increase on homeowners. The
9 simple fact is that residents of Scranton
10 who currently have a median income of
11 \$36,000 per year, according to Bloomberg,
12 cannot support additional taxes. Between a
13 3.4 percent local wage tax, the 3.07 percent
14 state wage tax and an average real estate
15 bill approaching \$2,000s, the residents of
16 this city are heavily burden, a fact
17 supported by our dismal collection rate of
18 less than 87 percent of the budgeted tax
19 revenues. Neither Lackawanna County nor the
20 Commonwealth guarantee the city tax hike.

21 The city's current year deficit, as
22 a percent of budget, more than 19 percent
23 exceeds similar metrics in Sacramento and
24 San Bernadino, both of which filed for
25 Chapter 9 bankruptcy protection in the last

1 few weeks. I believe the city is also a
2 prime candidate for bankruptcy filing.

3 Lending this money to Scranton is
4 not only an endorsement of its weak
5 financial management, it represents a less
6 than investment grade risk to bond holders.
7 Notwithstanding any credit rating agency
8 action, my analysis of the city's finances
9 should be included in any offering document
10 distributed to investors and any future
11 borrowing.

12 Should the bank fail to comply with
13 this request, I will file a Material Event
14 Notice with the Municipal Securities Rule
15 Making Board on an account of material
16 misstatement and omission under Rules 10-B-5
17 and 15-C-2-12 of the Securities Exchange Act
18 of 1934.

19 As the lender of last resort, you
20 are in the unique position to refuse a kick
21 the can down the road approach to the city's
22 financial crisis. Take a stand for the
23 taxpayer and residents of the city and send
24 a message to the administration. Such
25 action is not unprecedented. In 1974

1 Manufacturers of Hanover refused to renew
2 approximately \$2 billion in notes for New
3 York City for fear of an ability to repay
4 when due. New York City was shut out of the
5 credit market for years until it cleaned
6 it's financial management. Scranton needs
7 to learn the same lesson."

8 I will be forwarding copies of
9 letter to any bank that attempts to do
10 business with the city. We can't afford
11 anymore borrowing.

12 MS. EVANS: Thank you, Mr. Lewis.
13 Gerard Hetman.

14 MR. HETMAN: Good evening, Council.
15 Gerard Hetman from the Lackawanna County
16 Department of Community Relations. First I
17 have some information to follow-up on
18 requests made last week by Mrs. Evans
19 regarding the cleanup and the refuse removal
20 policies throughout downtown events that
21 take place on or around courthouse square
22 and other places in downtown.

23 First to address several of the
24 specific events that will take place in the
25 coming weeks, first regarding the

1 three-on-three basketball tournament which
2 takes place on August 3 through 5 on the
3 first two blocks of Wyoming Avenue, the
4 cleanup will be handled by the Lackawanna
5 County Buildings and Grounds Department.

6 Second, regarding the Scranton Jazz
7 Festival, which takes place August 3 through
8 5 of that same weekend, the events will take
9 place at the Radisson Lackawanna Station
10 Hotel, so there will be no need for refuse
11 removal and cleanup of any downtown
12 thoroughfares or properties that lead from
13 the Radisson.

14 Third, regarding the events held on
15 the courthouse square property, which will
16 including the Turkish Cultural Festival
17 events that Friday night the same weekend,
18 August 3, the cleanup is handled by the
19 Lackawanna County Buildings and Grounds
20 Department.

21 Event planners when submitting their
22 request to use courthouse square to
23 Lackawanna County Commissioner's Office, are
24 asked to clean up after their events any
25 refuse or debris that is remaining, at most

1 requestees are in compliance with that
2 request when they do use the facilities on
3 the courthouse square.

4 Specifically, this isn't an event
5 that we have discussed in any of my previous
6 comments to the council, but since last
7 week's meeting our office was contacted by
8 Mr. Chris DeMattio, president and event
9 chairman for La Festa Italiano, after he
10 witnessed a replay of last week's meeting on
11 ECTV. Mr. DeMattio wanted us to note that
12 clean up for La Festa is handled by an
13 outside vendor hired by la Festa Italian's
14 organizing committee. Most set up work for
15 the event is done by volunteers with some
16 help from the Lackawanna County Work Release
17 Program.

18 This is all the information that I
19 have. I hope is a help to answer your
20 questions submitted by city council.

21 MS. EVANS: Yes, thank you very
22 much.

23 MR. HETMAN: Not a problem. Second,
24 on a logistical note, this evening the
25 drive-in downtown summer movie series

1 showing of ET, which was the on-line valid
2 poll winner, has been postponed to a time
3 and date to be determined due to the
4 inclement weather this evening, and we will
5 be sure to pass along the reschedule date as
6 soon as it is available and we remind
7 everyone that the rescheduled edition of
8 Rocky will be shown Thursday, August 9, also
9 on courthouse square in downtown Scranton.

10 The Matthew F. Flynn Library Lecture
11 Series, conducted by the Lackawanna County
12 Library system, will have its latest
13 installment entitled, "Scranton to Broadway,
14 the Jerry Orbach Story," presenting John
15 Anthony Givley, the man who wrote the book
16 about Scranton showbiz great. This
17 gentlemen wrote a book about Jerry Orbach,
18 the former Scranton resident and stare star
19 the Law and Order television series. The
20 lecture will take place, Tuesday, August 7,
21 at 7:00 p.m. at the Scranton Cultural Center
22 and information can be obtained at any
23 Lackawanna County library system library.

24 Also, on a little more sporting
25 note, Team U.S.A. luge will be holding it's

1 U.S.A. luge slider search, which is a
2 tryout, an open tryout for youth
3 participants for the U.S.A. luge team that
4 we all see in the Olympics and international
5 sporting competitions. The trials take
6 place Saturday, August 18, and Sunday,
7 August 19, 9 a.m. to 2 p.m. and 2 to 5 p.m.
8 each day and it will be at the Toyota
9 Pavilion main parking lot at Montage
10 Mountain open to boys and girls ages 9 to
11 13. No experience necessary and the event
12 is completely free.

13 To register or for more information
14 visit www.usaluge.org or call
15 1-8000-USA-LUGE. That's USALUGE, extension
16 105.

17 Finally, tomorrow with our noon
18 concert series, weather permitting, will be
19 the Great Condrat duo performing around the
20 courthouse square and the Poets will perform
21 from 6 p.m. to 8 p.m. this Saturday, July
22 28, as part of our Saturday evening concert
23 series.

24 And that's all the announcements I
25 have for this evening. Thank you and have a

1 great week.

2 MR. JOYCE: Thank you.

3 MS. EVANS: Thank you. Les
4 Spindler.

5 MR. SPINDLER: Good evening,
6 Council. Les Spindler, city resident and
7 homeowner and taxpayer.

8 MS. EVANS: Good evening.

9 MR. LOSCOMBE: Good evening.

10 MR. SPINDLER: Mrs. Evans, you
11 brought up about the Parking Authority, that
12 was the first on my list tonight to talk
13 about. With all due respect, I think it's a
14 waste of time this resolution. I think you
15 can send resolution after resolution. As
16 you said yourself last week, Mrs. Evans,
17 they thumbed their nose at city council for
18 years and I think they will continue to do
19 it. I don't think they will abide by any
20 resolution. I think the only way you can
21 stick it to them is don't give them a penny
22 any more. Let them drown in their own debt.
23 It looks like it might be turning out to be
24 a mistake that you did give them money to
25 pay that debt off, I don't know that for a

1 fact, but Mr. Scopelliti still has his job
2 and we are well past July 7.

3 MS. EVANS: I'm going to be
4 addressing that under motions, Mr. Spindler.

5 MR. SPINDLER: But I know they will
6 probably be here in September again asking
7 for more money and I think it will be time
8 to city council to thumb their nose back to
9 the Parking Authority.

10 Moving on, Attorney Hughes, welcome
11 back. I have a question for you for a few
12 weeks now.

13 MR. HUGHES: Thank you,
14 Mr. Spindler. Unfortunately everywhere I
15 was they don't have ECTV so --

16 MR. SPINDLER: About the nonprofits,
17 everyone knows people have been asking them
18 to contribute more money, if they don't
19 contribute their fair share is the city
20 legally obligated to provide services for
21 them or could we send a letter and say, "If
22 you don't give us more, we are not going to
23 provide services"?

24 MR. HUGHES: I'll just give you --
25 and this is bad for a lawyer to say, an off

1 the cuff legal opinion. The city is legally
2 obligated to provide services to them even
3 though they are a nonprofit and don't pay
4 taxes. I believe if we didn't and we turned
5 off the services, and I'd really have to
6 look into this, but I think there would be a
7 liability by the city. I really think that,
8 you know, even though when I was away I see
9 the University of Scranton contributed
10 \$175,000, I would state that in I believe it
11 was in 2010 the University of Scranton's
12 budget was over \$250 million, that's three
13 times the city's budget. 1 percent would be
14 a contribution of \$2.5 million. A half of 1
15 percent would be \$1,250,000. They have
16 taken more real estate there and have paid
17 more in taxes every year of over \$2 million.

18 MR. SPINDLER: Absolutely. I said
19 that last week.

20 MR. HUGHES: And they are the
21 largest landowner in the City of Scranton,
22 they are the largest landlord in the City of
23 Scranton, and to pay \$175,000 is mere
24 pittance, however, I have explained it many
25 times before, and I'll state it, that the

1 City of Scranton problems are local but the
2 solutions are in Harrisburg, one of the
3 items would be that something should be done
4 with the tax exempts to give municipalities,
5 especially the municipalities that are
6 county seats, the ability to tax them.

7 One thing that has to happen and
8 anything that they use up there that's
9 proprietary where they making a profit it's
10 up to the county assessor to go in. The
11 city can't go in and do it, it's up to the
12 county. I don't know what their arrangement
13 is, but they have a Chick-fil-A, a national
14 franchise. It's not publicized here, it's
15 open to the public. They are selling to the
16 public. What's the arrangement between them
17 as a franchisee, who has the franchise? I
18 don't know that. That's up to the
19 assessor's to go up to the DeNaple's
20 building, go through there and see the
21 Starbucks and Chick-fil-A, they have a
22 restaurant that's open to the public, all of
23 that should be taxed. They should be paying
24 real estate tax on it. They provide public
25 functions. That's a county assessment

1 responsibility to go do it, and that's where
2 it has to come from.

3 It's my opinion that even though
4 they are a nonprofit and not paying real
5 estate taxes they are operating within the
6 law. I explained it one night, I said, by
7 virtue of the fact that they are a nonprofit
8 and they are a 501-C-3 corporation there is
9 cases out of the Pennsylvania Supreme Court
10 that their properties are not tax exempt.
11 That's up to the county to go after them on
12 that and when they have revenue producing
13 properties and they are making money from it
14 that those have to be -- that they could be
15 charged real estate taxes.

16 MR. SPINDLER: Absolutely. We have
17 had people here in the past talk about the
18 parking space they get money for.

19 MR. HUGHES: That's another thing
20 that I think that all their parking spaces
21 or parking garages and everything else now
22 that the city has the ordinance in effect,
23 it doesn't apply to the Parking Authority
24 because legally it can't, there is a case
25 out of the Supreme Court of Pittsburgh

1 Parking Authority vs. The City of Pittsburgh
2 where they couldn't be taxes on the tax that
3 was imposed and as a result I certainly
4 think all their parking spaces or parking
5 garages they should be paying on that
6 because they are charging for those spaces
7 and they you had be paying the city on that.

8 The parking garage I think should be
9 looked at by the county to say that, here,
10 should they be paying real estate taxes on
11 that garage in addition to what the taxes
12 are from the city.

13 MR. SPINDLER: Absolutely. And
14 maybe council could send the county assessor
15 a letter asking if he could look into that.

16 MS. EVANS: Well, actually,
17 Mr. Spindler, that was discussed -- that was
18 the primary topic of discussion during the
19 first meeting of the county, the school
20 district, and the City of Scranton and
21 Solicitor Hughes was present at that
22 meeting, our city clerk was present, our
23 Finance Chair and myself and they can
24 correct me if I'm wrong, but the message
25 that was received by Commissioner O'Brien

1 was that he really had no interest in
2 pursuing the University of Scranton, that he
3 felt they are an economic engine and they
4 provide so many assets to the city and the
5 county they are no different than other
6 colleges and universities across the country
7 and basically he is taking a hands-off
8 approach to it.

9 MR. SPINDLER: I don't think he is
10 right doing that.

11 MS. EVANS: Well, I certainly don't
12 agree either. That was why I went before
13 them for an intergovernmental meeting, but,
14 you know, in terms of the nonprofits and
15 those meetings I don't believe there has
16 been much progress.

17 MR. SPINDLER: Thank you. And,
18 Attorney Hughes, I said it last week,
19 \$175,000 they have probably taken more
20 properties off the tax rolls than probably
21 add up to more than that, so I don't know
22 how they can continue to get away with it.
23 I wish we could do something about it.

24 Moving on, I brought this up --

25 MR. HUGHES: Maybe we should just

1 it's unsafe. I was surprised, you know, you
2 can't even see the stop signs on the corner.
3 I'm surprised there hasn't been a terrible.
4 Accident up there. It's just pitch dark.
5 It's terrible, so hopefully, Mr. McGoff,
6 with your pull you can get something done.

7 Lastly, the Tripp Park Neighborhood
8 Association is having our annual picnic
9 August 10 and 11 at the Tripp Park Community
10 Center parking lot from 6 to 10. It's fun,
11 food, music with EJ the DJ and that's August
12 10 and 11 from 6 to 10, hope to see
13 everybody there. Thank you for your time.

14 MS. EVANS: Thank you. Is there
15 anyone else who cares to address council?

16 MR. DOBRZYN: Good evening, Council.
17 Dave Dobrzyn.

18 MS. EVANS: Good evening.

19 MR. DOBRZYN: Resident of Scranton,
20 taxes paid and so forth. I would support
21 the taxpayers' suggests that the Recovery
22 Plan go on the ballot. Too much there and
23 the more you people take on your shoulders
24 the worse it's going to look for you and we
25 have quite a bit of twisting it around in

1 the local media and what have you, and I
2 think it's really a good idea.

3 And on this pension borrowing, there
4 is two sides to that. Now, we have to
5 become much more transparent, but currently
6 I understood by the article that these
7 people are getting about a half a percent
8 from the banks return on their pension
9 investments, some of these banks they have
10 actually increased the major banks own 43
11 percent of the wealth in this country and
12 they have actually increased their wealth by
13 their holdings by about 30 percent since the
14 stock market crashed. I mean, the tea
15 partiers had a great idea, the only trouble
16 with it was that the banks eventually
17 integrated with them and took them over with
18 their donations and so now there isn't a
19 voice to call attention to any of this.

20 And really what happens is our
21 pension benefits all over the country just
22 get sopped up for credit defaults swap
23 derivatives, so if they could earn 8 percent
24 and loan the city money and it could be done
25 on a great -- it would have to be a great

1 deal different than the current situation,
2 it might be to their advantage, I don't
3 know. It's just food for thought.

4 On resolutions, I have been an
5 advocate of that for a long time. It
6 doesn't matter whether somebody can thumb
7 their nose up at you, but if you come and
8 make a resolution you are expressing
9 disapproval to their behavior, so that is --
10 I mean, you can't ask for more than that.
11 We really need to voice disapproval to some
12 of the behavior that's gone on here.

13 And I often wondered about fees as
14 opposed to property tax as an answer, and
15 block zone. It's time these people just get
16 zoned in and if they want to go somewhere
17 else go. Just go. We are on strike against
18 further tax exemptions. We don't want any
19 more, we are on strike. If we have to go up
20 there and march with picket signs that we're
21 on strike against their tax exemptions then
22 that's great. I don't want to argue about a
23 Chick-Fil-A and something like that. Well,
24 we could turn them over to the gay
25 community. There has been donating against

1 that Ozzie spoke of when he was at the
2 podium. I would just like to say that, you
3 know, Attorney Hughes said that maybe the
4 University should take the City of Scranton
5 over, and that may not be possible, but
6 maybe it's time to consider letting the
7 state come in here and clean up this mess.
8 I really have to be honest when I say that.

9 I had an opportunity this week to go
10 on a bus trip to Knoeble's in Elysburg, so
11 we picked up people in Dunmore, Nicholson
12 and, gee, there was one more town,
13 Tunkhannock. The sad part is everybody we
14 picked up was a former resident of this
15 city. Really very stark event. They didn't
16 really have anything positive to say about
17 the city, and I honestly have to say that I
18 think that just the amount of people that
19 have fled this city is astounding and I'm
20 hoping that council will put the Recovery
21 Plan on the ballot. I think there is enough
22 time to do that by law, you have to talk to
23 Attorney Hughes about that. I think it's
24 time to give the people in this city a
25 voice. Everybody that I have had the

1 opportunity to speak with, and I won't stand
2 here and try to tell that I spoke to
3 everybody in the city because that's not the
4 case, but everybody who has watched these
5 meetings or who might know me one way or the
6 other they are just yelling bankruptcy, I'm
7 going to be real honest with you. They just
8 don't see how they can pay anymore.

9 They are really, really, really
10 upset with the fire and police situation
11 even the amount of money that it's going to
12 cost the city. They are fairly disgusted
13 with, I don't know, everything. I mean, you
14 know, being in Court and Judge Barrasse
15 saying that, you know, he is going to start
16 holding people in contempt and they are
17 curious as to wondering does the judge have
18 any idea what it means not to have any
19 money, and he may be required to do the
20 things he is doing by law, but we have an
21 awful lot of people across this nation that
22 have no job and had no job and have lost
23 every single thing they own and I think they
24 think it's time for some reality here.

25 I think they really do for once

1 understand in some small what's taking place
2 here, but when you are talking to people on
3 a bus trip, a lot of kids on the bus,
4 everybody but the adults, the ones that used
5 to live in this city are so thankful they
6 are not here, all they could say is, "Good
7 luck" and laughed.

8 And to be honest with you, borrowing
9 all this money I don't know, where is it
10 going to take us? How are we going to pay
11 it back with all of our revenues dropping
12 and all of these one-time fixes. I just
13 think that in my own opinion it's time to
14 start with the clean slate, I think it's --
15 to be honest with you, I'm not taking sides
16 against or for or against anyone, it's time
17 to stop pointing fingers. It's time to go
18 in a new direction.

19 I mean, everything you see in the
20 newspaper, even when you read today's
21 article about trying to borrow money out of
22 the pension plan they talk about how
23 severely underfunded it is, and then you
24 listen to all of the other things and all of
25 the other answers. You know what, maybe

1 there are no answers. Maybe the answer is
2 like somebody who is personally in trouble,
3 they go file a bankruptcy, they get some
4 kind of relief, it may not be total relief,
5 the Court will have to determine that, but I
6 mean, we could have speaker after speaker
7 come up and talk about the wages paid in the
8 city, about the jobs in the city, about
9 poverty and no children receiving the lunch
10 program, about all of the seniors knowing
11 how they are going to pay their taxes. It
12 just keeps spinning and spinning and, you
13 know, the state threatening to come in if we
14 don't do what they want and take over the
15 city, well, you know something, when you
16 take over a pile of ashes it doesn't change
17 and I just think we have reached a point
18 where residents have no machine money to
19 give, you can see it by the amount of homes
20 for sale here, and you can also, without
21 pointing fingers, see that those houses
22 aren't selling.

23 You see continually nonprofits come
24 in here, Goodwill came up tonight. Well,
25 look it, they have gotten a lot of money at

1 the public trough. That project has moved
2 almost nowhere and everybody wants something
3 for free. Farley's is closing, that was in
4 the paper today and, you know, the gentleman
5 that's opening up the business Mann's up on
6 Main Street, you know, congratulations, glad
7 to have you here, glad to see that you
8 willing to try to do business here and
9 really appreciate it, but I really think
10 that hopefully you will vote and put that on
11 the ballot. Thank you.

12 MS. EVANS: Thank you.

13 MR. SLEDENZSKI: Hello, Jack.

14 MR. LOSCOMBE: Chrissy.

15 MS. SLEDENZSKI: Hello, Janet.

16 MR. EVANS: Hi, Chris.

17 MR. SLEDENZSKI: Janet, it's moved
18 this year to August 1 this year, that's the
19 first night instead of Friday. They
20 switched it, our away game. Hey, Jack,
21 don't forget, Saturday night Joe Snedeker is
22 coming home. He is coming home Saturday
23 night, Joe Snedeker. Come home with the
24 money this time, will ya? Don't spend it on
25 yourself.

1 MR. LOSCOMBE: You should ride your
2 bike with them.

3 MS. SCHUMACHER: Good evening,
4 Council, Marie Schumacher.

5 MS. EVANS: Good evening.

6 MR. JOYCE: Good evening.

7 MS. SCHUMACHER: Taxpayer and
8 citizen. First question is how does 3-H
9 effect the -- or does 3-H effect the City of
10 Scranton in any way?

11 MS. EVANS: We don't have that
12 document but I'm sure the office does if you
13 would like to see it.

14 MS. SCHUMACHER: Well, I would think
15 that somebody on council would have reviewed
16 it and have the answer, but --

17 MS. EVANS: Or you could actually --
18 you could actually ask the Lackawanna County
19 Planning Commission.

20 MR. LOSCOMBE: We just received it
21 on our agenda as we came in this evening.

22 MS. SCHUMACHER: Okay. Another one,
23 maybe I'll strike out on all of them, but is
24 3-C for a single tax collected by the Single
25 Tax Office, if not, what is the breakdown?

1 Will you be sharing that, Mr. Joyce?

2 MR. JOYCE: Could you repeat the
3 question again, I'm sorry?

4 MS. SCHUMACHER: On 3-C. 3-C says a
5 check was received from the Single Tax
6 Office, was that for a single tax that's
7 collected or is that a combination of all
8 the taxes they collect for the city?

9 MR. JOYCE: I actually mentioned
10 this last week, I don't have the figure off
11 the top of my head, but this was for
12 delinquent real estate taxes and real estate
13 taxes only, and I believe that the
14 delinquent amount was somewhere in the ten
15 to twenty thousand dollar range.

16 MS. SCHUMACHER: Okay, I can check
17 the minutes. If it was what you talked
18 about last week I could check the minutes.

19 MR. JOYCE: Actually, I have it
20 right here now.

21 MS. SCHUMACHER: Okay.

22 MR. JOYCE: Delinquent real estate
23 tax was \$15,477.36 and current real estate
24 tax was \$237,999.80.

25 MS. SCHUMACHER: Okay. Thank you.

1 MR. JOYCE: You're welcome.

2 MS. SCHUMACHER: And then finally on
3 the third item, what legal weight does a
4 resolution carry?

5 MS. EVANS: Perhaps our solicitor
6 might want to comment on that, but I can say
7 if it's passed by council and it does not
8 die it will go to the mayor then for his
9 signature. Should he veto it, it will come
10 back to us for a council override and it
11 will be sent to the Scranton Parking
12 Authority and the Scranton Parking
13 Authority, as you know, has borrowed \$50
14 million that is guaranteed by the City of
15 Scranton, and so because the city is on the
16 hook for all of that money and because the
17 Parking Authority, I believe, and I'm going
18 to talk about this more under motions,
19 should soon see new independent management,
20 perhaps this resolution will actually be
21 respected and addressed.

22 MS. SCHUMACHER: Okay, well, I'm
23 going to jump then to something I had down
24 later then, since you say that's our debt,
25 will that count against the calculation for

1 the Unit Debt Act ceiling as part of the
2 city's then?

3 MS. EVANS: That I don't know, but I
4 would -- I would expect that it should.
5 It's included in the independent audit of
6 the City of Scranton and, as I said, the
7 taxpayers of the city are responsible for
8 it. Former council members approved it and
9 part of that agreement, part of that bond
10 agreement, was to pledge the full faith and
11 credit by the City of Scranton, which is the
12 taxing power.

13 MS. SCHUMACHER: Well, I understand
14 that, but, yeah -- but, you know, you people
15 were against it before you were for it, so I
16 didn't know how that worked.

17 Will we get an update on the last
18 year's audit, the 2011 tonight?

19 MR. JOYCE: Yes.

20 MS. SCHUMACHER: Okay. Awhile back
21 there was a contract, I believe it was with
22 the clerical workers, that was not ratified
23 by this body because it was not in the
24 approved Recovery Plan, but since we don't
25 have an approved Recovery Plan may I assume

1 that the fact 7-B and C are on the agenda
2 that that is agreed to by both parties in
3 the development of this revised Recovery
4 Plan?

5 MS. EVANS: Now, are you -- okay,
6 you are talking about the contracts with the
7 police and fire?

8 MS. SCHUMACHER: Yeah.

9 MS. EVANS: Okay, I assume you meant
10 the clerical union because that's a contract
11 that has never been approved by this
12 council, yet, the mayor has included that as
13 if the clerical union has a contract in his
14 proposed revised Recovery Plan.

15 Now, as for the new contracts with
16 the police and fire, yes, they will be
17 included in a revised Recovery Plan.

18 MS. SCHUMACHER: And that's agreed
19 to by both -- both of those then are agreed
20 to by both parties at this point in the
21 negotiations?

22 MS. EVANS: Yes.

23 MR. JOYCE: Yes.

24 MS. SCHUMACHER: Thank you. Do we
25 have an aging of the unpaid bills and what

1 is the total at this point?

2 MR. JOYCE: Our business
3 administrator is out of town this week, so I
4 didn't get an e-mail on the aging or amount
5 of the bills, but if the last -- from the
6 last e-mail that he did send me it was
7 somewhere in the \$4,100,000 range.

8 MS. SCHUMACHER: And what was the
9 oldest, do you recall?

10 MR. JOYCE: Pardon?

11 MS. SCHUMACHER: What was the oldest
12 unpaid bill, do you recall?

13 MR. JOYCE: I would have contact him
14 again to find out the oldest.

15 MS. SCHUMACHER: Okay. Regarding
16 the revised Recovery Plan, again, I want to
17 emphasize I think one of the essentials is
18 this city has to go away from the cash
19 accounting system and go to an accrual
20 system so that we know where we are every
21 year. That's absolutely essentially as far
22 this taxpayer and resident is concerned.

23 I would also like to know if a
24 realistic revenue stream has been approved
25 by both sides in the negotiation of the

1 revised Recovery Plan since there is only
2 what, four more days left to come up with a
3 plan?

4 MS. EVANS: Real estate revenue
5 stream?

6 MS. SCHUMACHER: No, realistic
7 revenue stream, all the total, the total
8 projection of what we may expect for the
9 next three years?

10 MS. EVANS: It remains a work in
11 progress. Councilman Joyce and I are going
12 to be meeting with the mayor again tomorrow
13 morning.

14 MS. SCHUMACHER: And then, if I may,
15 just what will be the process then since we
16 only four days left, will there be a public
17 hearing after you all agree or what is
18 the --

19 MS. EVANS: I will be sure there is
20 a public hearing.

21 MS. SCHUMACHER: Okay. The rest
22 I'll hold for next week. Thank you.

23 MR. JOYCE: Thank you.

24 MS. EVANS: Is there anyone else?

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

1 MOTIONS.

2 MS. EVANS: Councilman McGoff, any
3 comments or motions tonight?

4 MR. MCGOFF: Thank you. First, just
5 I can't believe that they are extending an
6 invitation for no experience necessary to go
7 and ride and sled at a 100 miles an hour.
8 That's sounds like a real invitation to
9 disaster, so luge trials, I'm not sure.

10 Secondly, I did say that what I
11 could find out about the fireworks at Nay
12 Aug Park, I was told that the fireworks
13 themselves were paid for by Geisinger and
14 the band that performed at those fireworks
15 was paid for through the Recreation
16 Authority. What the amounts were, I'm not
17 sure, but there were no, I'll say budget
18 funds, used for either the fireworks or the
19 entertainment.

20 Recovery Plan. We are not being
21 asked to approve a Recovery Plan, and I
22 guess that's where maybe the public hearing
23 and all of this, I'm not sure the process,
24 but as far as I know what we are being asked
25 to do is to provide revisions, amendments to

1 then be presented to PEL and with those
2 revisions PEL would then present a revised
3 Recovery Plan which then would be voted
4 upon. Is that the process that we are
5 looking at?

6 MS. EVANS: Well, actually, I'm not
7 quite certain because at times I hear it's
8 called a revised Recovery Plan and the
9 documents that have been presented to us all
10 contain that title. Then other times I know
11 that it was either the DCED representatives
12 or the PEL representative or perhaps both
13 who refer to the document as merely an
14 amendment and there is -- you know, the way
15 in which you approach the situation then and
16 the work and the process and the adoption is
17 really different in each case and I have
18 never received, you know, a definitive
19 clarification of whether this is the plan or
20 an amendment.

21 MR. MCGOFF: I guess from the
22 meetings that I attended with PEL
23 representatives they are saying that what we
24 are -- what we are in the process of doing
25 is providing amendments to the plan and then

1 once they are done then they would then in
2 turn have a final proposal. I was hoping
3 that was the process that we are working
4 through.

5 I'm glad to hear that there is a
6 meeting with the mayor being scheduled for
7 tomorrow. I think that this meeting if it's
8 going to be fruitful has to be one that has
9 resolution at the end of it. Meeting just
10 to offer discussion or to offer suggestions
11 and then to go back to the drawing board,
12 again, I don't think is, you know, just
13 pushing this too far.

14 I would be in favor of, I don't know
15 if it's in the form of -- do it in the form
16 of a motion or just a suggestion that
17 council meet with the mayor, you know,
18 through the weekend until there is a
19 resolution to the Recovery Plan revisions.
20 I am hoping that we can do that, I'm hoping
21 that members of council are willing to do
22 that. I just think it's a necessity. If we
23 are going to meet a deadline for -- I don't
24 think we can pass up two and a half or two
25 and a quarter million dollars from the state

1 at this point in time.

2 I think we need to move forward, I
3 think we need resolution now before this --
4 before we lose another opportunity to
5 provide some revenue to the city. So
6 hopefully the discussions with the mayor do
7 provide resolution and aren't just another,
8 you know, one-time meeting with more
9 suggestions and really no commitment.

10 MS. EVANS: If I could?

11 MR. MCGOFF: Please.

12 MS. EVANS: I wouldn't categorize
13 any of the meetings that Mr. Joyce and I
14 myself have had with the mayor and Ryan
15 McGowan as one-time meetings. There were
16 quite --

17 MR. JOYCE: Several.

18 MS. EVANS: -- a series meetings, I
19 don't recall how many there were so many. I
20 talked to the mayor daily by phone and if
21 there isn't a resolution tomorrow and you
22 would like the conversation to continue
23 throughout the weekend would you be
24 available?

25 MR. MCGOFF: Yes.

1 MS. EVANS: Mr. Rogan?

2 MR. ROGAN: Yes.

3 MS. EVANS: And, Mr. Loscombe?

4 MR. LOSCOMBE: I'd have to check my
5 calendar, but, yes, if I'm open.

6 MS. EVANS: Okay, because what I'm
7 thinking is perhaps then we can have some
8 fresh eyes take a look at the situation and
9 since only two of us should really be
10 dealing with these matters at one time since
11 we are making decisions and three would
12 constitute a quorum and necessitate the
13 public's attendance, the Sunshine Law would
14 kick into effect then, you know, perhaps the
15 rest of the council would like to continue
16 throughout the weekend, and I can contact
17 you and let you know if that's a necessity.

18 MR. MCGOFF: Thank you. Next thing,
19 we did receive notice of a request or I
20 don't know if it's a request, a demand to
21 attend the civil contempt hearing on Tuesday
22 in Judge Barrasse's chambers. In light of
23 the meeting with the mayor going on, prior
24 to that I would have thought that the order
25 by the judge was a good idea. It would

1 force us to sit and do something. I now
2 see, also, that there is a motion being made
3 to reconsider being presented by Attorney
4 Hughes on behalf of council so that council
5 would not be required to attend. As I said,
6 I think this is a good idea and hopefully
7 the meeting with the mayor precludes us
8 having to do that, but in light of those
9 past events I would like to leave that on
10 the table as, you know, again, an
11 opportunity to meet and to resolve the
12 issue, and personally I would ask that my
13 name be removed from the motion, Attorney
14 Hughes, if you would, please, because --

15 MR. HUGHES: I'll inform the judge
16 of that Monday at 9:00.

17 MR. MCGOFF: Excuse me?

18 MR. HUGHES: I'll inform the judge
19 of that Monday at 9:00.

20 MR. MCGOFF: Thank you.

21 MR. HUGHES: I'll comment later.

22 MR. MCGOFF: The other thing that's
23 been mentioned about the loan through the
24 Pension Fund -- Composite Pension Board or
25 fund or whatever, this is not a new idea.

1 This was presented to I know members of the
2 Firemen's Association I'm going to say back
3 maybe late 2011 or at least early 2012.

4 MS. EVANS: I don't remember that.

5 MR. MCGOFF: I know it was mentioned
6 by a member of PEL to members of the
7 association as a possibility. It was never
8 a formal presentation, but it was mentioned.
9 I believe I even mentioned it offhandedly at
10 a council meeting, so it's not something
11 new, but it is something that I guess was
12 being seriously considered for the first
13 time and while, again, I'll second what
14 Mrs. Evans said prior, this is their
15 decision. This is not something that can be
16 forced upon anyone by us or by the city, but
17 certainly it's I think something that, you
18 know, deserves some serious consideration as
19 a possibility for meeting some of our needs.

20 So hopefully, you know, something
21 can be worked out, and again, you know the
22 objections to doing that are numerous, but
23 hopefully there are some positives that
24 exist, you know, one being that guaranteed
25 rate of interest that they probably could

1 not receive through any private investments
2 given the market at the present time.

3 It would also, you know, hopefully
4 guarantee paychecks for a period of time so
5 that their salaries would be guaranteed. So
6 there are some positives to this. And
7 again, hopefully it will be considered and
8 something can be worked out.

9 I attended a meeting along with
10 Mr. Loscombe, and, please, if I leave
11 anything out and Mrs. Krake, concerning the
12 proposed sales tax for -- the 1 percent
13 sales tax for Lackawanna County. There is a
14 bill that was presented by Senator Blake
15 that talks about a 1 percent sales tax for
16 Lackawanna County. At the meeting, which
17 was held at the commissioner's -- in the
18 commissioner's office, there was regional
19 support for it, and not just from Lackawanna
20 County, there were representatives from
21 Luzerne County and also from Monroe County,
22 and the intent was to reach out to members
23 of adjoining counties to make this a
24 regional proposal as opposed to, you know,
25 single county proposal. There are others

1 that are very interested in this proposal,
2 this bill.

3 The discussion had to do more with
4 -- at least the last meeting was more with
5 the possibilities of the probability of this
6 actually getting through the current House,
7 current Senate prior to, you know, 2013 and
8 there was some skepticism as to whether it
9 could be done, but again, another
10 possibility for what I think at least is a
11 more egalitarian-type of tax. It doesn't --
12 its purpose is to spread out, you know, who
13 is being taxed to some extent and it is
14 written as a tax abatement program.

15 Somebody asked about distribution
16 last week and I didn't have the information,
17 what's proposed in the Bill, and again, Mr.
18 Loscombe and Mrs. Krake, if I'm misspeak
19 please correct, the distribution was that 50
20 percent would go to the county, 40 percent
21 would go to the participating communities,
22 those communities that opted into the Bill.
23 Of that 40 percent 60 percent would be used
24 for property tax abatement and then the
25 remaining, a maximum of 40 percent, could be

1 used for general fund purposes, okay? And
2 then the last 10 percent of the total
3 distribution was for county collaborative
4 efforts. There was some discussion on the
5 county collaborative part as to whether that
6 was necessary or should be included, there
7 is still a lot of talk, you know, about
8 amending the proposal, but all in all it's
9 something that seems to be moving forward at
10 least, you know, at the county level and
11 they are looking for support from the local
12 communities and from, as I said, from the
13 adjoining counties and trying to get some
14 support for the Bill through in the State
15 House and in the State Senate.

16 Similar proposals are -- or similar
17 taxes are already in place in Philadelphia
18 and Allegheny county so there is some
19 precedent for it, and I think that would be
20 all.

21 MS. EVANS: And if I may, I was lead
22 to understand, if this is correct, that of
23 those present at the meeting there was
24 bipartisan support for the sales tax?

25 MR. MCGOFF: Bipartisan meaning?

1 MS. EVANS: Meaning Democrat and
2 Republican.

3 MR. MCGOFF: Okay, I wasn't sure
4 which --

5 MR. ROGAN: There is Republicans in
6 this area?

7 MR. MCGOFF: I was going to say,
8 nobody identified themselves by party, so I
9 can't necessarily say "yes" to that,
10 although -- again, I'm not sure.

11 MS. EVANS: I'm thinking not so much
12 Lackawanna County as Monroe.

13 MR. MCGOFF: I'm not sure what the
14 party affiliation was.

15 MR. LOSCOMBE: I think there was
16 some conversation at the meeting, had
17 conversations with other representatives
18 that were favorable, again, like you said,
19 on both sides and they urged everybody --
20 everyone is urged to contact their
21 representatives, and if I'm not correct, Mr.
22 McGoff, I think we had that list of
23 representatives on the back?

24 MR. MCGOFF: Yes.

25 MR. LOSCOMBE: In those areas and I

1 know there was some conversation from some
2 of the people from surrounding counties that
3 had contacts with some of those other
4 parties that were across the table on
5 different sides. Yeah, it appears there is
6 some bipartisanship.

7 MR. MCGOFF: As I said, I thought
8 the most promising aspect of it was that
9 adjoining counties were eager to implement
10 this as well, especially Luzerne County and
11 Mayor Layton in Wilkes-Barre was very
12 expressive of his support of it.

13 MS. EVANS: Thank you. Councilman
14 Rogan, do you have any comments or motions?

15 MR. ROGAN: Yes, thank you. Before
16 I get into what I was planning on saying
17 just to stick with the topic of the sales
18 tax, Mr. McGoff, you mentioned about the
19 breakdown of the funds and you said 40
20 percent to participating communities.

21 MR. MCGOFF: Yes.

22 MR. ROGAN: Does that mean, for
23 instance, say Lackawanna County had the 1
24 percent sales, does that mean Dunmore could
25 chose to opt out?

1 MR. MCGOFF: Yes.

2 MR. ROGAN: So if this passes
3 Scranton could have a sale's tax and all the
4 surrounding communities won't? It's a
5 possibility if you can either opt in or opt
6 out?

7 MR. MCGOFF: I'm going to say
8 tentatively, yes. Again, Mr. Loscombe or
9 Mrs. Krake may have --

10 MR. LOSCOMBE: I don't think we went
11 into that detail, but it was my
12 understanding it was a county decision and
13 all municipalities within that county would
14 be participants.

15 MS. EVANS: Yeah, I see Mrs. Krake
16 nodding.

17 MR. MCGOFF: Okay.

18 MR. ROGAN: Because if the scenario
19 was the whole county, you know --

20 MR. MCGOFF: While you are speaking
21 I'll look through it and see if --

22 MR. ROGAN: Okay, if individual
23 municipalities can opt out it would be, and
24 I hate to use the example of the smoking ban
25 again, but it would be the same situation

1 where people would go instead of shopping in
2 Scranton they would drive to Dunmore Corners
3 and do their shopping there and, you know,
4 we would see all of the development outside
5 of Scranton.

6 You know, my initial reaction is
7 always to oppose any new taxes, but
8 especially with the sales tax it's very
9 regressive in that the poor in the community
10 they are not investing their money, they are
11 spending it, they are consuming it, and it
12 seems that they would be hit the hardest by
13 a sales tax increase than wealthier people
14 who they are not spending their entire
15 paycheck every week.

16 Again, it's something that we could
17 talk about more and get some more
18 information on. I am concerned, and the
19 same thing I brought up last week,
20 especially with large purchases, a vehicle,
21 I don't know if you received an answer on
22 that either at the meeting?

23 MR. MCGOFF: I'm sorry.

24 MR. ROGAN: But I brought up if
25 someone purchased a vehicle instead of

1 driving to Burne Pontiac, where I did buy my
2 car, I would drive to Wayne County, you
3 know. It would maybe cost me \$50 in gas,
4 but on a \$20,000 car the 1 percent is
5 substantial savings. Again, that would hurt
6 businesses in our community in Lackawanna
7 County so that is my concern with that, but
8 definitely willing to discuss it with
9 everyone as we move down the line.

10 Next, I would like to make a motion
11 to table Item 7-A until Thursday, August 9.

12 MR. MCGOFF: Second.

13 MR. ROGAN: This is -- it was
14 brought up last week regarding the transfer.

15 MS. EVANS: We have a motion on the
16 floor and a second. On the question,
17 Mr. Rogan.

18 MR. ROGAN: Thank you. My
19 apologies.

20 MS. EVANS: Mr. Rogan, please.

21 MR. ROGAN: It was brought up that
22 this legislation was being put up for a vote
23 before the end of the 30-day public comment
24 period. I spoke to Ms. Aebli through e-mail
25 and again today in person about this issue

1 and she mentioned, you know, tabling this
2 until August 9 isn't a problem with their
3 office for administering the funds transfer
4 if it's approved, you know, I did provide
5 everyone with a copy of the e-mail and so it
6 wouldn't do any harm by tabling it until the
7 end of the 30-day period.

8 MS. EVANS: Is there anyone else on
9 the question? All those in favor signify by
10 saying aye.

11 MR. MCGOFF: Aye.

12 MR. ROGAN: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye.

15 MS. EVANS: Aye. Opposed? The ayes
16 have it and so moved.

17 MR. ROGAN: Thank you. Next, the
18 pension fund was brought up by some
19 speakers, it was also in the media, I do
20 have a question, I'm not sure and honestly I
21 know that the initial decision would be made
22 by the board, the Composite Pension Board,
23 after that would the city council have a
24 say?

25 MS. EVANS: I don't believe so.

1 MR. ROGAN: Okay. You know, I
2 glanced through the remember letter in the
3 newspaper before I got that Scranton Times'
4 popup that stops you from viewing the
5 articles without paying, but by reading
6 through it I was wondering if council did
7 have a vote at the end of the day because it
8 would be money transferring into -- from the
9 pension to the city budget.

10 MS. EVANS: Well, as I noted
11 earlier, there was legislation included in
12 the package I received from the mayor on
13 Saturday. Now, I don't know if, you know,
14 we would have to pass new legislation or if
15 the previous legislation that was passed by
16 council which would be \$26 million, would
17 apply.

18 MR. ROGAN: But --

19 MS. EVANS: But that's the only way
20 in which I could see that council would
21 entertain that agreement.

22 MR. ROGAN: That's just one
23 obviously one of the first decisions, you
24 know, if the Pension Board says "no" then
25 it's dead.

1 MS. EVANS: It's moot.

2 MR. ROGAN: If it gets to us, you
3 know, I am concerned about borrowing from
4 the pension fund and I agree with the
5 comments made by Mrs. Novembrino that, you
6 know, our retirees have paid in their whole
7 lives to get their pension and I think it is
8 gambling with their money by taking it out
9 and moving it to the city, granted an 8
10 percent rate in this market is a nice
11 return, that's assuming the city can make
12 the payments and as everyone knows right now
13 the city is not making their payments on
14 numerous debts from health care to fuel to
15 even payroll.

16 So I would hate to sell the
17 retirees, who rely on their pension to pay
18 their mortgages, their food and their
19 medicine, I hate to sell them down the river
20 just for a short-term solution to fill the
21 hole in the city's budget for the year.

22 If there was a vote, I would very
23 likely oppose raiding the pension fund.
24 It's not our money, it's not the city's
25 money, it's the retirees money, they paid in

1 all of the time they worked and that money
2 should be invested in them properly and
3 hopefully they will see a great return and I
4 do believe before I read it the people city
5 will be next year doubling our contribution
6 to the pension fund?

7 MR. JOYCE: Yeah, even
8 unfortunately --

9 MS. EVANS: It's spiraling.

10 MR. JOYCE: -- it's more than
11 doubling our contribution to the pension
12 fund.

13 MR. ROGAN: So obviously the pension
14 fund is extremely underfunded and now is
15 absolutely not the time to borrow from it
16 when we need to kick in more money.

17 MS. EVANS: Well, I think, too, we
18 have to recognize that this is a case in
19 practically every city throughout the
20 Commonwealth --

21 MR. ROGAN: And the country.

22 MS. EVANS: -- and the country now.
23 None of our pensions are secure.

24 MR. ROGAN: Absolutely. Next, the
25 Recovery Plan being placed on the November

1 ballot was brought up by a few residents and
2 the Taxpayers' Association. This is
3 something I fully support. I don't know
4 what the legal process would be. I know --

5 MS. EVANS: It might be in the Home
6 Rule Charter.

7 MR. ROGAN: I know the last time a
8 Recovery Plan was placed on the ballot it
9 was actually passed by city council first,
10 which obviously isn't going to happen, this
11 city council is not going to pass the
12 mayor's Recovery Plan, and then it was -- I
13 believe it was a petition done by residents
14 to put it on the ballot.

15 Now, without the Recovery Plan being
16 adopted by council and the mayor I don't
17 know how -- if or how it would be placed on
18 the ballot since a referendum generally
19 approves or denies a piece of legislation
20 that is already passed. But, again, I'm not
21 an attorney, maybe Attorney Hughes would
22 know more than I would on this.

23 MS. EVANS: We can look into it.

24 MR. ROGAN: And I would agree, the
25 taxpayers should have the last word. I

1 think we would all agree to that, that
2 putting it up for a vote in November would
3 be great to have the taxpayers, you know,
4 voice their concerns at the ballot box.

5 Next, on Item 5-E I believe it is,
6 the resolution demanding the Parking
7 Authority repay excess funds from the
8 reserve, I support this 100 percent. I
9 think it's not a secret to anyone in the
10 room that I have staunchly opposed giving
11 the money to the Parking Authority in the
12 first place. I hope that it can be returned
13 to the city, \$1 million is almost a payroll.

14 Ms. Schumacher mentioned that
15 council is against before we were for it,
16 but I did vote against it all six times and
17 Mrs. Evans mentioned that we are going to
18 see new management soon, and I hope you are
19 right, I really do. I think Mr. Scopelliti
20 and the board and the other crony hires that
21 we have had or the mayor has placed on that
22 Authority have really run it into the
23 ground. They ran up the debt and the
24 principal \$50 million is a huge sum and then
25 when you look at the interest it takes you

1 to nearly a 100. So for every dollar they
2 borrowed they are paying back two, and as I
3 mentioned and others have mentioned if we
4 could sell some of those assets now even if
5 they realize say \$20 million by paying down
6 on that principal early you save a lot on
7 the back on that interest payments, so by
8 paying \$20 million on the principal it might
9 be saving you 35 or 40 in the long return.

10 Same thing if you pay ahead on a
11 mortgage or your car payment or whatever it
12 may be. So hopefully new management will be
13 in place. I'm not optimist judging by the
14 history of the Parking Authority and the
15 mayor, I know that Mr. Scopelliti and the
16 mayor because he does control the board will
17 be clinging to power as long as he can.
18 That's been one of the areas where he has
19 putting crony hires. Same with the Sewer
20 Authority, we have seen the Authority debt
21 grow and grow and grow.

22 And on that topic I saw an article
23 in the Scranton Times, and I forget to print
24 it out, that mentioned the Library Authority
25 once again, and this was -- I think it was

1 actually one of the first actions we took
2 after being sworn in was disbanding the
3 Library Authority. Now, how they wish to
4 proceed and where their debts stand is
5 anyone's guess, but all of these authorities
6 there is no transparency.

7 Now, I support libraries, I support
8 the county library system, but I don't
9 support an authority being in place if the
10 city is backing the debt. I don't know
11 exactly if we are, if there is debt. I
12 believe it was a 4-1 vote that we disbanded
13 the Authority and it seems they are
14 continuing to operate.

15 Finally, I have one citizens'
16 request tonight, I will comment a little
17 more on the agenda items as they come up.
18 There is a vacant lot on 1431 North
19 Washington Avenue, it was formerly 1431,
20 actually there was a home there that the
21 city tore down and recently rocks -- and it
22 was leveled out and the residents in the
23 neighborhood want to know what the plan is
24 for that property, whether it's city-owned,
25 if there is going to be a parking lot placed

1 there. They have heard that the gas station
2 on the corner purchased the lot and they are
3 going to be put in an expanded parking lot.

4 So, Mrs. Krake, could we please send
5 that request to the DPW asking if the city
6 has any further plans for the lot and also
7 if we can find out who actually owns the lot
8 now because I believe the city paid for the
9 demolition of the building, and whether this
10 is another one of them where the city
11 demolished the building for a private
12 company, you know, we can look into that,
13 but the main concern is that the residents
14 are made aware of what's happening on that
15 situation. And that is all I have for now.
16 Thank you.

17 MS. EVANS: Actually, Mr. Rogan,
18 some time, and this is going back awhile, I
19 know that discussion was had with the mayor
20 regarding that location and a few others and
21 the mayor said, yes, the city did demolish
22 those structures for a business and he felt
23 that that was a very good city policy toward
24 businesses and makes us that much more
25 business friendly.

1 MR. ROGAN: And there was a couple
2 in West Side I think that Mr. Loscombe
3 brought up a couple of times, same situation
4 and do I agree with the policy? No. But at
5 least notify the residents, the neighbors of
6 what's going on in the neighborhoods at the
7 very least, so hopefully we can get some
8 answers on that.

9 MS. EVANS: Thank you. Councilman
10 Loscombe, do you have any comments or
11 motions?

12 MR. LOSCOMBE: Yes. Thank you.
13 Just briefly, Mr. McGoff touched on the
14 meeting with the commissioners, he gave a
15 good summary and that was my first meeting
16 so I'm still trying to get up to speed on
17 that. As he said, there were
18 representatives from: Luzerne and Monroe
19 County there and it's looking to expand.
20 And he also mentioned a schedule about
21 trying to get it because in the Senate there
22 is only ten session days left this year --
23 I'm sorry, in the House and in the Senate
24 there is nine left, so it's pretty tough
25 because there is a lot of questions that

1 were asked and answers to be accomplished
2 before this is in it's final stage, so it is
3 a crunch. We are trying to work to beat the
4 clock on it, but we can't get any guarantees
5 on that aspects.

6 Next, I would like to thank our
7 Solicitor Hughes for the motion to
8 reconsider. You know, I think for obvious
9 reasons we shouldn't be compelled to have to
10 be there, this is a case of contempt against
11 the mayor. It has nothing to do with us.
12 That's the fact. You know, voluntarily if
13 we are eligible to go that's fine, but I
14 still don't think we have to be compelled
15 since, well, Mr. Hughes put a good response
16 together here and it explains itself. This
17 is a totally different issue. That's all I
18 have to say on that.

19 And I hope everyone survived the
20 storms tonight. I happen to be coming from
21 West Side and the usual flooded areas were
22 hit again, North Cameron and Lafayette, the
23 end of Dewey Avenue. I think now that we
24 know that we do own the -- the Sewer
25 Authority owns the storm sewers that I'll be

1 requesting Mrs. Krake that we could get a
2 meeting together with the Sewer Authority to
3 see what remedies we have in that location.
4 I know they are pretty familiar with it,
5 but, you know, something has to be done of.
6 A property was just sold there and it took a
7 long time to sell because of the situation.
8 Now, I hope the new owner, when I went by it
9 was flooded around that house, you know,
10 doesn't jump out of the deal or whatever,
11 but it's unfortunate that they have had to
12 put up with that for all of these years and
13 it's just the same thing over and over.

14 And I also called and requested
15 Mrs. Krake notify DPW and police there was a
16 tree down across North South Road, also,
17 totally blocking the traffic, but we have to
18 get this storm situation resolved. I know
19 there are some other areas in the city, too,
20 but now I remember when we are working on
21 issues before it was the city is responsible
22 for the storm sewers and, you know, the
23 sanitary sewers where the Sewer Authority,
24 and the Sewer Authority I have to say did
25 help us with the storm sewers at that, but

1 obviously nobody knew what they owned. Now
2 it's clear, it's clarified, so I want to get
3 the Sewer Authority on board to get this
4 situation resolved for those neighbors. And
5 that's all I have tonight. Thank you.

6 MR. JOYCE: Thank you, Mr. Loscombe.
7 Over the past week I have been working very
8 diligently on the revised Recovery Plan as I
9 had stated last week. Late Tuesday
10 afternoon of last week Business
11 Administrator Ryan McGowan had sent me a
12 Recovery Plan worksheet with various
13 mandates. Since that time there have been
14 some challenges that have come up.

15 Late last Thursday I received an
16 e-mail from Business Administrator Ryan
17 McGowan that the city's MMO will be
18 increasing by over \$5 million per year,
19 which was the determined through a study
20 conducted by Thomas Anderson. This amount
21 was not included in the original Recovery
22 Plan spreadsheet that was sent by our
23 business administrator, although it should
24 have been, since the letter from Thomas
25 Anderson regarding the increased of the MMO

1 was sent on June 28.

2 To provide some background on what
3 is meant by an MMO, an MMO is a acronym for
4 minimum municipal obligation. Every year
5 the city is required to contribute a minimum
6 amount to fund pensions. There are three
7 pensions that the city is required to fund.
8 There is a firefighter pension, a police
9 pension, and the non-uniform employee
10 pension.

11 In 2012, the total owed for all
12 these three pensions as reported by Business
13 Administrator Ryan McGowan was roughly \$4.2
14 million. In 2013, the MMO for the police
15 pension plan is projected to be \$3,658,77.
16 For the firemen pension plan the MMO in 2013
17 is projected to be \$4,644,813. For the
18 nonunion pension plan in 2013 the MOM is
19 projected to be \$1,013,260. Altogether,
20 this summation of the MOM is projected to be
21 \$9.305,150. The city will be on the hook
22 for this money because we are required to
23 fund our pension.

24 Another large challenge in the
25 Recovery Plan is the Supreme Court award

1 which is \$17 million approximately. If
2 Mayor Doherty had negotiated in good faith
3 from the get-go with the police and fire
4 unions and did not listen to the advice of
5 DCED and appeal numerous Court cases we
6 wouldn't have arrived at this point, but we
7 did.

8 The Supreme Court award could have
9 been even worse for the City of Scranton if
10 it were not for negotiations to mitigate the
11 award. If it were not for negotiations, the
12 city could have been on the hook for \$32
13 million instead of \$17 million. Though I
14 took part in some of those negotiation
15 meetings, I would like to thank my
16 colleagues, Janet Evans and Jack Loscombe,
17 for their active participation in
18 negotiations. If were not for their
19 efforts, the Supreme Court award would have
20 been much more a hit to the city than it is.
21 Their efforts have saved the taxpayers \$15
22 million.

23 When Mayor Doherty initially sent
24 down the revised Recovery Plan and called
25 for a 78 percent tax increase over three

1 years, which would be a Titanic blow to the
2 taxpayers of Scranton, a tax increase of
3 such high magnitude is something that the
4 taxpayers of Scranton simply cannot afford.
5 Since that time, I have asked for
6 suggestions from my colleagues regarding
7 when we can do to minimize the tax increase.
8 Last week I asked for realistic suggestions
9 that would bring in extra revenue and ask
10 everyone to reply by Tuesday.

11 Unfortunately, I didn't receive input from
12 all council members. As I said last week,
13 as other council members have alluded, this
14 will not be the Recovery Plan of one person,
15 but ideally I would like to have every
16 council member contribute.

17 Progress has been made on the
18 Recovery Plan, however, despite some council
19 members failing to participate. Since last
20 week former Business Administrator Stu Renda
21 has filled in for current Business
22 Administrator Ryan McGowan who has been out
23 of town and returning next week. Tomorrow,
24 Councilwoman Evans, Mayor Doherty, Stu Renda
25 and I will be meeting to discuss suggestions

1 that were received by council members. We
2 have received -- or we have great challenges
3 to face in this Recovery Plan.

4 As I previously stated, we have a
5 Supreme Court award to pay, in addition we
6 have a large increase to the MMOs of the
7 fire, police and non-uniformed pension
8 plans.

9 With this in mind, it is inevitable
10 that will there be a tax increase included
11 in the plan. It is unavoidable in the
12 situation that the city faces. It's my hope
13 to minimize that tax increase as much as
14 possible by using alternative revenue
15 sources. As your councilman I can guarantee
16 you that a 78 percent tax increase will not
17 be on the table but, unfortunately, with the
18 situation that we are facing it's inevitable
19 that there be some sort of tax increase.

20 On other issues, Mrs. Krake, last
21 week Scranton City Council sent out a
22 request to LIPS, the Department of
23 Licensing, Inspections and permits to
24 determine who received parking tax bills or
25 who they were sent to according to

1 Mrs. Schumacher's request. Did we ever
2 receive a response to that inquiry?

3 MS. KRAKE: No. We actually sent it
4 to -- also to the Treasurer because I
5 believe that was the originally part of
6 Mr. Rogan's request. The Treasurer did
7 respond in saying, no, that did not come
8 from his office, but we haven't heard from
9 anybody else.

10 MR. JOYCE: Okay. Mrs. Krake, with
11 this in mind, please resend this request to
12 LIPS and inform them that he would like to
13 see a list of the recipients of the parking
14 tax bills as soon as possible as
15 Mrs. Schumacher requested.

16 Another source of the revenue that
17 the city realized, as mentioned in 3-D
18 tonight, was a \$175,000 from the University
19 of the Scranton, which is a PILOT, payment
20 in lieu of taxes. While I would like to
21 thank the University of Scranton for their
22 contribution, again, the \$175,000 in
23 contribution funds is just a small part of
24 their budget and I would encourage the mayor
25 to ask for more from the University.

1 As I reported last week, the
2 University of Scranton's total revenue for
3 the 2010 tax year was \$227,883,304 while
4 they have \$185,038,781 in expenses.
5 \$175,000 is merely a small part of their
6 expenses when looking at how much money the
7 University brings in on an annual basis.

8 While we are on the topic of
9 revenue, to report since last week's meeting
10 we did receive three deposits for current
11 wage tax over the last week from Berkheimer.
12 The deposits from Berkheimer were
13 \$129,923.18 on July 19; \$27,391.37 on July
14 23; and \$68,296.53 on July 24. The
15 summation of this deposits made over the
16 last week was \$225,611.08.

17 Scranton City Council has yet to
18 receive an audit status report from Business
19 Administrator Ryan McGowan as requested six
20 weeks ago. As of this week, according to
21 correspondence from Rossi & Rossi there are
22 12 open items that still need resolution
23 before the 2011 audit can be completed and
24 the subsequent exit conference can be held.

25 According to the previous audit

1 status report that was submitted by Business
2 Administrator Ryan McGowan, there were a
3 number of other open items that had to be
4 completed by now and that were to be
5 completed by now. An exit conference was to
6 be held by mid-July, which is obviously not
7 going to occur since mid-July has already
8 passed us. So, Mrs. Krake, can you please
9 resend that request to Mr. McGowan and ask
10 him for a status report for the 2011 audit?

11 And finally, I do have a few
12 citizens' requests. Several East Mountain
13 residents have reported to me that there is
14 a large chunk of road that is cracked off at
15 the corner of East Elm and Blucher Avenue.
16 Residents fear this will cause an accident
17 as residents report cars swerving to miss
18 the displaced portion of the road.

19 Mrs. Krake, please contact Director
20 Dougher and ask him to handle this situation
21 in the best way that he sees fit.

22 Various residents have informed me
23 of a blighted property in their neighborhood
24 in South Scranton that has been abandoned by
25 the owner. They have asked me not to say

1 the address at the meeting because they do
2 not want to make the general public aware
3 that the house is abandoned as they fear it
4 will lead to more problems.

5 Residents report that this home is
6 becoming an eyesore, however, in the
7 community as the front porch is falling off
8 the home and grass in both front and the
9 back yards is extremely high and has not
10 been cut in months.

11 Mrs. Krake, I will provide you with
12 the address of this property. Once provided
13 please contact Director Seitzinger and ask
14 him to address the problem accordingly as
15 there may be various code violation
16 associated with this property.

17 A resident of Scranton has notified
18 City Council's Office of a continuous
19 problem at 122 West Parker Street. The
20 resident reports that this house
21 condemned -- that this house is condemned
22 and is becoming a haven for stray cats. In
23 addition, the home is in very rough shape as
24 the grass has not been cut and is extremely
25 high. Along with this, the resident reports

1 that people are entering the condemned
2 property.

3 Mrs. Krake, please contact Director
4 Seitzinger and inform him of this situation
5 as well as asking him to handle it in the
6 best way he sees fit.

7 Several North Scranton residents
8 have reported to me that there is a large
9 pothole on the 100 block of Oak Street. In
10 fact, this pothole is deep enough that the
11 brick under the current pavement are exposed
12 and it's making travel conditions very
13 difficult for travelers.

14 So, Mrs. Krake, accordingly please
15 contact Director Dougher and ask him to
16 handle this situation as he sees fit.

17 And that's all I have for tonight.

18 MS. EVANS: Thank you, Councilman
19 Joyce.

20 MR. MCGOFF: Mrs. Evans, just to
21 answer two questions that Mr. Rogan had
22 about the sales tax, apparently I did
23 misspeak and it would appear a county --
24 counties cannot abandon and all
25 municipalities within the county would be

1 participants.

2 The second thing, there is within
3 the Bill, it's a sales and use tax, and I'll
4 read what it says under use, "Any county
5 within which the tax authorized in
6 Subsection A is imposed, there shall be
7 leveled, assessed and collected upon the use
8 within the county of tangible personal
9 property purchased at retail and on services
10 purchased at retail as defined in Article II
11 of the Tax Reform Code, a tax on the
12 purchased price."

13 So apparently something that you are
14 using within the county that is purchased
15 outside of the county can be taxed at the
16 sales price.

17 MS. EVANS: Thank you. Good
18 evening. I wish to begin with an update
19 regarding the Scranton Parking Authority.
20 During discussions with our solicitor I
21 learned that progress is occurring toward
22 placing the parking garages under new
23 independent management. At this time, I
24 defer to Attorney Hughes for his comments.

25 MR. HUGHES: Thank you, Madam

1 President. I think the problem is that
2 there is too many people that aren't
3 involved in litigation and, of course, being
4 a lawyer for well over 40 years there is an
5 old saying that the wheels of justice turn
6 slow. What has happened in the process, and
7 this is not an ordinary process due to the
8 convoluted method of financing and
9 agreements between the Scranton Parking
10 Authority and the City of Scranton, it's a
11 very unusual situation. It's taken
12 considerable time for the insurance
13 companies to get their arms around the
14 issues as to how to proceed.

15 It's not a situation where the
16 Parking Authority just floated the bond and
17 the city guaranteed them. There is
18 agreements involved where the Parking
19 Authority financed the parking garages and
20 as a result of that to get the financing the
21 City of Scranton pledged it's full faith and
22 credit and taxing power to the bonds.

23 Then what happened is there is a
24 lease agreement that existed to this day
25 between the Parking Authority and the City

1 of Scranton that confuses the issue and then
2 an operating agreement back from the City of
3 Scranton to the Scranton Parking Authority.
4 The thing is very convoluted and its taken
5 time for the attorneys for the insurance
6 companies to review these documents and get
7 a game plan.

8 One thing that has happened about
9 two or three weeks ago is that the insurance
10 companies had Bank of New York Mellon
11 replaced as the trustee with Wells Fargo.
12 That was their decision. They wanted a
13 trustee in that they could work with and
14 that would really enforce the provisions of
15 the agreements, and they made that decision.
16 That is step one.

17 Step two is that they are going be
18 to be exercising their remedies very
19 shortly. They have informed the mayor and
20 the Parking Authority of that and it's their
21 opinion and what they are going to seek to
22 do is that the garages must be run by an
23 independent professional and when they come
24 in and they act the existing management of
25 the Parking Authority will be gone and they

1 are going to administer the parking garages.
2 They will hire an operator and all of the
3 foolishness and shenanigans that have been
4 going on for years will be stopped.

5 And I can tell you that it's
6 imminent and it's going to happen, and I
7 know I repeatedly stated at these meetings
8 that when the default letter went out that
9 they had 30 -- the Parking Authority, it was
10 determined the Parking Authority had 30 days
11 to respond, I believe that was July 7, which
12 was a Saturday, which would then give them
13 to the 9th. The insurance companies just
14 couldn't act from the 9th until today and do
15 it properly. They don't want any glitches,
16 they don't want any -- to have any -- let's
17 say, leave any stone unturned. They want
18 all of the I's dotted and all the T's
19 crossed, but I can assure council, I can
20 assure the public, and I can assure the
21 Parking Authority that something is going to
22 happen very shortly and there is going to be
23 a new sheriff in town over at the Parking
24 Authority. So that this is what's happening
25 now, this is what's going to happen.

1 As to the I guess, I could comment
2 later on the legislation that is before
3 council tonight, it doesn't seem that the
4 Parking Authority really has a handle --
5 they don't even know their own finances.
6 There is a disagreement now that between PNC
7 and the Bank of New York Mellon as to what
8 the actual figure is. PNC states that it's
9 over 4.2 million. The trustee states that
10 it's 3.2 million. How this occurs Attorney
11 O'Brien, who is the new solicitor, he
12 doesn't know. He has ideas that, in fact,
13 that right now he has informed me that PNC
14 does not even want to talk to him, which is
15 a very pathetic situation.

16 I have empathy for him because I
17 know exactly what he is going through
18 because two years ago or a year half ago
19 when I tried to get information out of Bank
20 of New York Mellon on the Parking Authority
21 they ran me all around and then they refused
22 to give it on a recommendation of the
23 Parking Authority, and one of the things
24 that I asked for in my October 17 letter to
25 Mr. Scopelliti, I think it was Item No. 3, I

1 have it here, I could look at it, was the
2 balances in all of these accounts. He never
3 responded to the letter and there is many
4 accounts, that service reserve account is
5 one of them. I don't know what all of the
6 agreements say, but I know that there has to
7 be a minimum amount usually to cover the
8 bond payments. The bond payments right now
9 are about \$3.3 million per year in increase.

10 Based on my knowledge of finance and
11 agreements and contract law that if the
12 requirement is that it's \$3.3 million but
13 there is an excess in there of \$1 million to
14 bring it up to \$4.3 million that the
15 accounts are over funded and the question is
16 when did had occur?

17 I mean, if the Parking Authority had
18 the money and they had it in that account in
19 June of 2012, they could have taken it out
20 because it's not restricted, it's not
21 restricted funds that are required by the
22 agreements to fund a debt service reserve
23 fund. It's over funded. And certainly what
24 would have happened is that they could have
25 made the payment instead of the city making

1 the payment. If that were there, there
2 wouldn't be a contempt action in Courtright
3 now because the Parking Authority would have
4 made the payment, the city would have had an
5 extra million dollars and they could made
6 the payroll.

7 This is why in my opinion that the
8 demand has to be made by resolution, it's
9 going to be legally enforceable. If the
10 mayor vetoes it, hopefully council will
11 override his veto. If the funds aren't
12 received then a resolution states that the
13 solicitor will sue, shall sue the Parking
14 Authority to get the money back that
15 rightfully belongs to the city, because we
16 have to be reimbursed for that money.

17 That's pretty much where we are. I
18 would state, and I did have something else
19 here and I don't know when I should comment,
20 but it's that, you know, the mayor talks
21 about council's budget, council's budget,
22 but I think that the public should be aware,
23 and these are all audited figures from the
24 city's audits, that in 2001 the principal
25 and indebtedness of the city was

1 \$35,925,000. Of that, the Scranton Parking
2 Authority indebtedness was \$8,265,00. That
3 was a guarantee. If they never defaulted,
4 the city would never would have had to pay,
5 so you can look at it and say the city's
6 debt in 2001 was \$27,665,000.

7 The 2010 audit, and this council has
8 only been in there I believe at that time
9 for one year, when that audit came in the
10 total indebtedness of the city was
11 \$177,792,000. It was an increase of almost
12 500 percent. Of that, the Scranton Parking
13 Authority was \$51,931,000. It went from 8
14 million to 51 million that the city
15 guaranteed.

16 If you back out the Parking
17 Authority debt, the actual debt that the
18 city increased in nine years went from
19 \$27,600,000 to \$125,861,000. That's just
20 principal. You add interest in. In 2010
21 the interest that would have been payable on
22 that debt to maturity would have be
23 \$39,700,000 of which the Parking Authority
24 was \$6,800,000. That means that the total
25 interest that would have been payable in

1 2010 to maturity was \$32,879,000.

2 As of 2010, the total interest on
3 the city's debt, including the Parking
4 Authority, was \$113,452. You back out what
5 the Parking Authority interest is,
6 \$49,975,000, it means that the city's debt
7 on its -- the city's interest on its debt
8 was \$65,477,000.

9 You put the total together of
10 principal and interest in 2001 the total
11 principal and interest including the Parking
12 Authority was \$75,667,000. You back out the
13 SPA of \$16 million it means that the city in
14 2001 was indebted, just the city debt was
15 \$59 million with principal and interest.

16 As of December 2010, the total
17 \$291,000. You back out the -- I mean,
18 \$291,000,000. That's a Freudian slip of the
19 tongue. You back out the \$99 million of the
20 Parking Authority, it means that the city's
21 total debt in interest was \$191,250,000. So
22 in a period of nine years the debt of the
23 city, the debt and interest, went up by over
24 300 percent.

25 You put all of these figures

1 together of principal and interest that all
2 has to come out of a budget item to be paid.
3 That's where the a good portion of the money
4 is going to pay this debt. At least it
5 didn't have to be paid on the Parking
6 Authority. The Parking Authority is to the
7 City of Scranton what the incinerator is to
8 the City of Harrisburg. It put the City of
9 Harrisburg into bankruptcy.

10 The Parking Authority right now that
11 the city came up with \$1 million, between
12 now and the end of the year the payments
13 that are going to be due are going to be
14 close to \$3 million. I mean, another --
15 there is going to be another almost \$2
16 million. There is only \$600,000 left in the
17 contingency account but that's not money
18 that's available. The bond payment
19 September 15 is close to \$900,000.

20 I have no idea what the Parking
21 Authority, how much money they have, but
22 assuming hypothetically that the Parking
23 Authority could come up with \$250,000 for
24 the September 15 bond payment and they look
25 to the city to come up with the \$650,000,

1 there is only \$600,000 budgeted, so there
2 not enough money in the budget even if the
3 money were there. Then there is no budgeted
4 money for the payment in December.

5 That's how bad this thing is. If
6 you think the country of Greece is in bad
7 shape kicking the can down the road the City
8 of Scranton ain't far behind, and that's the
9 reality of the situation with the Scranton
10 Parking authority. That's why the insurance
11 companies they are going to move and they
12 are moving very shortly and very quickly. I
13 have nothing further.

14 MS. EVANS: Thank you, Attorney
15 Hughes. Today I spoke with Mr. Hasham, who
16 is no longer interested in renting retail
17 space in the Medallion garage despite the
18 article published in today's Scranton Times
19 stating that the Parking Authority moved a
20 step closer to filling retail spaces in its
21 garages, Mr. Hasham is withdrawing his
22 letter of intent.

23 Also, in response to a Right-to-Know
24 request of June 11, 2012, filed by the city
25 clerk, the Scranton Parking Authority

1 submitted expenditures and receipts of
2 expense accounts to the Office of City
3 Council on July 20, 2012. The documents
4 begin with March 2003, since the Parking
5 Authority stated that it doesn't have any
6 records of expense accounts for the years
7 2001 and 2002.

8 Mr. Caterino, the open records
9 officer of the SPA, also stated that the
10 expense account from January 2003 to January
11 2008, was that of Mr. Wintermantle while the
12 account of February 2008 to the present is
13 that of Mr. Scopelliti. He further stated
14 that the only expense paid to Mr. Scopelliti
15 during this period was a \$150 monthly car
16 expense. Because the language is unclear
17 regarding the payment to Mr. Scopelliti, I
18 would ask for a letter to Mr. Caterino from
19 the Scranton City Council.

20 Mrs. Krake, council requests the
21 following clarification on or before August
22 1, 2012: Is Mr. Scopelliti paid a monthly
23 car expense in addition to his use of an SPA
24 credit card for monthly gas expenses?

25 After reviewing the records, I

1 learned that a credit card was issued by
2 Penn Security Bank and Trust Company at a
3 14.80 percent annual percentage rate with a
4 credit limit of \$5,000 initially and upgrade
5 to \$7,500.

6 In addition, there are months
7 missing from the records for 2003, 2005,
8 2006 and 2007.

9 From 2003 to February of 2008, the
10 card was used largely for hotels and car
11 rentals, lunches with SPA board members, the
12 mayor, the assistant city solicitor,
13 construction representatives and SPA staff,
14 two florists and purchases of telephones and
15 cameras at Office Max, Sam's Club, and this
16 is very interesting, Life Style Fascination
17 for two dummy cameras, among others.

18 The records and receipts document
19 hotel stays at the Westin Hotel Long Beach,
20 California, and the Hyatt Hotel in New
21 Orleans, Louisiana.

22 Local meals at the Banshee, Smilers
23 Bar and Grill, Cafe Classico, Smith's,
24 Brick's, Hilton food and beverages,
25 Trolley's, Taste of Italy, Carnone's Italian

1 Deli, La Trattoria, Sibio's, Scanlon's,
2 Molly Brannigan's, Abe's Deli, Cosgrove's
3 Clubhouse and the Loading Dock Bar and Grill
4 as well as a pizza delivery from Bella Pizza
5 for \$82.62. Meals at the Rock Bottom 1072,
6 Parer's Lighthouse and Sports Legions in
7 Long Beach, California, and the Gumbo Shop
8 and Court of Two Sisters in New Orleans.

9 From 2008 forward purchases include
10 flags from Cal ideas and one other. A
11 camera from Sam's club in February of 2008
12 for \$147.81 and again in April 2010 a Nikon
13 Cool Pics digital camera for \$129.00, edible
14 arrangement for \$68.90, soda and cups, and a
15 Dunlop ATV tire from Bike Bandit for \$256.15
16 and, of course, frequent gasoline purchases.

17 Now, it is difficult to obtain a
18 valid tote of expenditures from 2003 to the
19 present because, as I noted previously, many
20 months of records and receipts are missing.
21 In addition, I did not include the gasoline
22 purchases from February 2008 through the
23 present. In the event that gasoline bills
24 are the car expenditures of Mr. Scopelliti
25 that Mr. Caterino refereed to its cover

1 letter to city council.

2 If, indeed, Mr. Scopelliti is paid
3 \$150 monthly for car expenses, the gasoline
4 that he has charged to the credit card is
5 another perk he was given in addition to his
6 \$83,000.

7 An approximate total of the expense
8 account of the Scranton Parking Authority is
9 \$12,320. Again, I must caution that this
10 figure does not include Mr. Scopelliti's
11 regular gas purchases for four years, 2008
12 through 2012, and the records and receipts
13 of the missing months.

14 Obviously, it is quite rewarding to
15 be a management employee of the Parking
16 Authority. Yet, in 2011 while the SPA
17 informed city council that it was unable to
18 meet it's financial obligations for 2012,
19 the executive director continued to receive
20 car expenses of \$150 monthly and free
21 gasoline.

22 The City of Scranton backed the SPA
23 borrowing with its taxing abilities several
24 years ago as per the bond agreement and the
25 SPA must submit an annual budget to city

1 council for it's approve. The report of
2 these expense accounts clearly demonstrates
3 the need for an annual line item budget to
4 be submitted to city council by the Scranton
5 Parking Authority rather than the three-page
6 covert document it produces. Expense
7 accounts and car allowances require
8 pre-approval in a budget, but the SPA spent
9 freely for all of these years without the
10 knowledge and approval of city council and
11 Scranton taxpayers.

12 Furthermore, for several purchases
13 made since February 2008 the Scranton
14 Parking Authority used City of Scranton
15 requisition forms. In a best case scenario,
16 it used these forms internally, although,
17 they are proprietary to the city. But why?
18 For example, the Office of the Scranton City
19 Council wouldn't use the letterhead from
20 Penn Security Bank. A worst case scenario
21 is that these forms were used to obtain
22 purchase orders and funding from the city.

23 Next, although Mayor Doherty
24 promised that the RFP for a parking meter
25 program would be advertised this past

1 weekend, no such ad appeared in the Scranton
2 Times. This is revenue he continues to
3 ignore.

4 In addition, I spoke with him this
5 week regarding the collection of wage taxes
6 by Berkheimer and delinquent collection by
7 the Scranton Tax Office. In compliance with
8 state law, Berkheimer should collect 2.4
9 percent rather than the prior standard of 1
10 percent and should submit wage tax reports
11 to the tax office to better enable it to
12 aggressively collect delinquencies.

13 Further, when we meet tomorrow I
14 will ask Mayor Doherty to allow the city
15 employee who previously handled rental
16 registration successfully to work with LIPS
17 to get the program running again and offer
18 the assistance of city clerk Nancy Krake and
19 Cathy Carrera, both of whom possess years of
20 similar work experience and volunteered to
21 use their knowledge to help implement the
22 parking tax. I thank both of these
23 professional, conscientious women for
24 stepping up to the plate during this crisis.

25 The mayor has not tapped in-house

1 resources to generate revenue for our city.
2 The implementation of a parking meter
3 program, appropriate collection of earned
4 income taxes on delinquencies and
5 enforcement of the rental registration
6 program and the parking tax would provide
7 much needed revenue and should be addressed
8 immediately. When employees work together
9 much is accomplished as was demonstrated by
10 the June Treasurer's tax sale, the first
11 such sale since Mayor Doherty assumed
12 office.

13 Next, as I reviewed the contracts
14 for Scranton police and fire I noted the
15 attorneys fees that must be paid by the city
16 in 2012. Since these fees were a direct
17 result of labor unrest, failure to negotiate
18 in good faith from 2008 through 2012, and
19 numerous Court battles which lead to the
20 Supreme Court chambers all of which, all of
21 which occurred at the urging of the State
22 Department of Community and Economic
23 Development and it's appointee, the
24 Pennsylvania Economy League, I do not
25 believe that our taxpayers should be handed

1 that bill.

2 Therefore, Mrs. Krake, I ask you to
3 send a letter to DCED secretary C. Alan
4 Walker, requesting that DCED remit payment
5 of attorney's fees for the Supreme Court
6 hearing and the years 2008 through 2012 in
7 which it opposed contract settlements
8 between the city and its public safety
9 unions to the City of Scranton.

10 It was DCED Attorney Clifford Levine
11 who presented the city's case before the
12 Court and such action demonstrates the full
13 involvement of DCED in this matter. Do I
14 have the agreement of my colleagues?

15 MR. LOSCOMBE: Yes, certainly.

16 MR. MCGOFF: Yes.

17 MR. JOYCE: Yes.

18 MS. EVANS: Thank you. IF DCED has
19 the authority and financial ability to buy a
20 revised Recovery Plan for \$2.25 million, it
21 then should have the authority and ability
22 to pay the attorney's fees at once.

23 Finally, I have citizens' requests
24 for the week. A letter to the DPW letter
25 head, an abandoned and condemned property at

1 1913 Clearview Street is highly overgrown
2 and neighbors are asking the DPW to address
3 this eyesore ASAP particularly since the DPW
4 was previously notified.

5 City residents report that the
6 corner of Wyoming Avenue and Linden Street
7 is totally overgrown. This eyesore is
8 visible to visitors during first Friday
9 events and will be viewed by thousands
10 during the fast approaching Latino and
11 Italian festivals.

12 Neighbors report a vacant lot at the
13 corner of Olive Street and Mineral Avenue is
14 highly overgrown. Please clear ASAP.

15 I will submit the remainder of the
16 citizens requests directly to our office
17 since they are quite lengthy. That's it.

18 MR. ROGAN: Mrs. Evans, I was just
19 thinking when you read off all those
20 expenditures on the taxpayers' dime by the
21 Parking Authority, and with council's
22 agreement if we can send a letter to the
23 Auditor General and the Attorney General to
24 look into these to see if there was any
25 fraudulent use, and also many restaurants

1 were listed and I would like to know if they
2 were drinking alcohol on the taxpayers' dime
3 as well because, you know, a lot of
4 businesses will reimburse food, but the
5 question remains were they drinking on our
6 dime as well? So if everyone is in
7 agreement I think it would be a good idea to
8 send those letters as well.

9 MS. EVANS: Yes.

10 MR. JOYCE: Yes.

11 MR. LOSCOMBE: Yes.

12 MR. MCGOFF: Yes.

13 MR. ROGAN: Thank you.

14 MS. EVANS: Now, I know that in some
15 cases the receipts will be itemized and they
16 will show, you know, they aren't the case
17 where each of the bills, but in some cases
18 it will itemize what was ordered during the
19 meal.

20 MR. ROGAN: I know --

21 MS. EVANS: At those times I see
22 that it would have been sodas and ice tea.
23 Other bills, though, are not itemized and
24 for some expenditures there are no bills
25 whatsoever.

1 MR. ROGAN: And I do know, for
2 instance, say Olive Garden or wherever you
3 go for dinner and you pay with a credit card
4 you get two receipts. You get an itemized
5 receipt and then you get a second one that
6 just lists the total and you write in the
7 tip on that receipt for the waiter or
8 waitress.

9 MS. EVANS: They are many like that
10 where the tip is written in and that's not
11 itemized.

12 MR. ROGAN: And we have no idea what
13 they are spending on, you could have went
14 to, you know, Molly Brannigan's, where they
15 were open for food, but the entire tab could
16 have been alcohol, so hopefully the state
17 will look into that.

18 MS. EVANS: Thank you. Mrs. Krake.

19 MS. KRAKE: 5-B. ACCEPTING A
20 DONATION OF ONE HUNDRED (\$100.00). DOLLARS
21 FROM BEN WEITSMAN & SON OF SCRANTON, LLC
22 PRESENTED TO THE CITY OF SCRANTON FIRE
23 DEPARTMENT.

24 MS. EVANS: At this time I'll
25 entertain a motion that Item 5-B be

1 introduced into its proper committee.

2 MR. ROGAN: So moved.

3 MR. JOYCE: Second.

4 MS. EVANS: On the question? I
5 would like to thank Ben Weitsman and Sons of
6 Scranton for their generous donation to the
7 City of Scranton Fire Department.

8 All those in favor of introduction
9 signify by saying aye.

10 MR. MCGOFF: Aye.

11 MR. ROGAN: Aye.

12 MR. LOSCOMBE: Aye.

13 MR. JOYCE: Aye.

14 MS. EVANS: Aye. Opposed? The ayes
15 have it and so moved.

16 MS. KRAKE: 5-C. AUTHORIZING THE
17 MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE
18 CITY OF SCRANTON TO ENTER INTO A COOPERATION
19 AGREEMENT IN CONNECTION WITH THE
20 REHABILITATION OF THE FORMER NORTH SCRANTON
21 JUNIOR HIGH SCHOOL LOCATED AT 1539 NORTH
22 MAIN AVENUE, SCRANTON, PA BY GOODWILL
23 INDUSTRIES OF NORTHEAST PENNSYLVANIA, INC.

24 MS. EVANS: At this time I'll
25 entertain a motion that Item 5-C be

1 introduced into its proper committee.

2 MR. ROGAN: So moved.

3 MR. JOYCE: Second.

4 MS. EVANS: On the question?

5 MR. ROGAN: Yes. I would just like
6 to reiterate my support for this project.
7 The North Scranton Junior High School is one
8 of the most beautiful buildings in the city
9 driving up Greenridge Street. You know, I
10 really am looking forward to driving up the
11 street and seeing a beautiful building lit
12 up and I know that the neighbors in North
13 Scranton are very upset that they have been
14 living next to that eyesore for decades now,
15 so hopefully this project will finally
16 actually come to be.

17 MS. EVANS: And I believe that this
18 legislation is involving the RACP grant in
19 the amount of \$4 million in connection with
20 the rehab of North Scranton Junior High, so
21 the city would be entering into a
22 cooperation agreement I think to oversee
23 that particular grant, but the city is not
24 awarding that money.

25 MR. ROGAN: No, no.

1 MS. EVANS: Anyone else on the
2 question? All those in favor of
3 introduction signify by saying aye.

4 MR. MCGOFF: Aye.

5 MR. ROGAN: Aye.

6 MR. LOSCOMBE: Aye.

7 MR. JOYCE: Aye.

8 MS. EVANS: Aye. Opposed? The ayes
9 have it and so moved.

10 MS. KRAKE: 5-D. AUTHORIZING THE
11 MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE
12 CITY OF SCRANTON TO ENTER INTO A MORTGAGE
13 ASSUMPTION AGREEMENT AND TO EXECUTE ANY AND
14 ALL DOCUMENTS NECESSARY TO EFFECTUATE THE
15 ASSUMPTION OF MORTGAGE BETWEEN NORTH
16 SCRANTON PARTNERSHIP, L.P. AND GOODWILL
17 INDUSTRIES OF NORTHEASTERN PENNSYLVANIA AND
18 THE FURTHER ASSUMPTION OR ASSIGNMENT OF THE
19 MORTGAGE BETWEEN GOODWILL AND 1539 NORTH
20 MAIN LP.

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

24 MR. ROGAN: So moved.

25 MR. JOYCE: Second.

1 MS. EVANS: On the question? All
2 those in favor of introduction signify by
3 saying aye.

4 MR. MCGOFF: Aye.

5 MR. ROGAN: Aye.

6 MR. LOSCOMBE: Aye.

7 MR. JOYCE: Aye.

8 MS. EVANS: Aye. Opposed? The ayes
9 have it and so moved.

10 MS. KRAKE: 5-E. A RESOLUTION
11 DEMANDING SCRANTON PARKING AUTHORITY
12 IMMEDIATELY REMIT ALL EXCESS FUNDS FROM THE
13 RESERVE BOND ACCOUNT UP TO \$1,023,000.00.

14 MS. EVANS: At this time I'll
15 entertain a motion that Item 5-E be
16 introduced into its proper committee.

17 MR. ROGAN: So moved.

18 MR. JOYCE: Second.

19 MS. EVANS: On the question?

20 MR. ROGAN: Yes. Just a brief
21 comment on what Attorney Hughes mentioned
22 earlier, and, you know, just thinking what
23 he mentioned and thinking back to the caucus
24 we had, when Attorney Hughes was asking
25 questions and all of us were asking

1 questions and every time Attorney Kelly
2 would say, "Don't answer that, this is a
3 legal question. Don't answer that, this is
4 a legal question," well, I think we found
5 out why he didn't want them to answer any
6 questions because they lied to the city.
7 They lied to the city taxpayers.

8 MS. EVANS: Anyone else on the
9 question? All those in favor of
10 introduction signify by saying aye.

11 MR. MCGOFF: Aye.

12 MR. ROGAN: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye.

15 MS. EVANS: Aye. Opposed? The ayes
16 have it and so moved.

17 MR. ROGAN: I'll finish my comments
18 on that next week.

19 MS. EVANS: Oh, I thought you were
20 finished.

21 MR. ROGAN: It's okay. No, it's
22 okay. Not a problem.

23 MS. KRAKE: SIXTH ORDER. NO
24 BUSINESS AT THIS TIME.

25 SEVENTH ORDER. 7-A has been tabled.

1 7-B. FOR CONSIDERATION BY THE COMMITTEE ON
2 RULES - RESOLUTION NO. 29, 2012 (AS AMENDED)
3 - RATIFYING AND APPROVING THE SETTLEMENT
4 AGREEMENT BY AND BETWEEN THE CITY OF
5 SCRANTON AND FIRE FIGHTERS LOCAL UNION NO.
6 60 OF THE INTERNATIONAL ASSOCIATION OF FIRE
7 FIGHTERS (IAFF).

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

11 MR. ROGAN: That was 7-A, tabled.

12 MS. EVANS: I'm sorry, yes. As
13 Chair for the Committee on Rules, I
14 recommend final passage of Item 7-B.

15 MR. ROGAN: Second.

16 MS. EVANS: On the question? Roll
17 call, please?

18 MS. MARCIANO: Mr. McGoff.

19 MR. MCGOFF: Yes.

20 MS. MARCIANO: Mr. Rogan.

21 MR. ROGAN: Yes.

22 MS. MARCIANO: Mr. Loscombe.

23 MR. LOSCOMBE: Yes.

24 MS. MARCIANO: Mr. Joyce.

25 MR. JOYCE: Yes.

1 MS. MARCIANO: Mrs. Evans.

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

4 MS. KRAKE: 7-C. FOR CONSIDERATION
5 BY THE COMMITTEE ON RULES - RESOLUTION NO.
6 30, 2012 (AS AMENDED) - RATIFYING AND
7 APPROVING THE SETTLEMENT AGREEMENT BY AND
8 BETWEEN THE CITY OF SCRANTON AND E.B. JERMYN
9 LODGE NO. 2 OF THE FRATERNAL ORDER OF
10 POLICE.

11 MS. EVANS: As Chair for the
12 Committee on Rules, I recommend final
13 passage of Item 7-C.

14 MR. ROGAN: Second.

15 MS. EVANS: On the question? Roll
16 call, please?

17 MS. MARCIANO: Mr. McGoff.

18 MR. MCGOFF: Yes.

19 MS. MARCIANO: Mr. Rogan.

20 MR. ROGAN: Yes.

21 MS. MARCIANO: Mr. Loscombe.

22 MR. LOSCOMBE: Yes.

23 MS. MARCIANO: Mr. Joyce.

24 MR. JOYCE: Yes.

25 MS. MARCIANO: Mrs. Evans.

1 MS. EVANS: Yes. I hereby declare
2 Item 7-C legally and lawfully adopted. If
3 there is no further --

4 MR. HUGHES: If I could make one
5 statement.

6 MS. EVANS: Absolutely.

7 MR. HUGHES: I thought it was going
8 to come up, as everyone knows there is a
9 hearing Tuesday at 10:30 before Judge
10 Barrasse regarding the contempt action of
11 the unions against the mayor. Last Tuesday
12 there was -- actually a hearing was supposed
13 to take place last Tuesday and it was
14 continued to this Tuesday so that the city
15 could come up within 48 hours to provide
16 Thursday with all of the documentation that
17 the unions requested.

18 Mrs. Evans called me about -- it was
19 a question regarding what Judge Barrasse's
20 order was and about council being there. I
21 called Judge Barrasse's chambers, they said
22 the order was being drafted. I received it
23 on Tuesday afternoon. I looked at the case
24 that Judge Barrasse cites, Mulligan vs.
25 Piczon and his authorities to bring council

1 before the Court at that hearing. I
2 researched that, I looked at the local rules
3 of civil procedure that he cited 212-F and
4 also the Pennsylvania Rules of Criminal
5 Procedure 215 and it's my opinion that this
6 has to be challenged for several reasons,
7 one is that we do to the have an
8 opportunity, nobody was present and nobody
9 had an opportunity to be heard because
10 council is not a party to the litigation we
11 are not a defendant, we are not brought in
12 as additional defendant, we did not file a
13 petition into intervene, we have no
14 knowledge, and I put this forth in the
15 motion, that council has no knowledge, never
16 acquiesced as to what the mayor did by fiat,
17 he did it unilaterally on his own without
18 consultation with the unions and in my
19 opinion in violation of the Administrative
20 Code and the Home Rule Charter, and the
21 biggest issue is that with the Piczon case
22 is that was a medical malpractice case that
23 involved the CAT fund that hospitals and
24 physicians pay into.

25 In accordance with the local rules

1 and also the Pennsylvania Rules of Civil
2 Procedure that they were the ones who were
3 controlling and had a very integral part in
4 this settlement, that's why they were
5 ordered to be involved in the pretrial
6 conference which they refused to attend,
7 they reused to attend the trial. As a
8 result, the judge found them in contempt and
9 fined them on a daily basis, which the
10 Commonwealth Court upheld and which the
11 Supreme Court also upheld on the basis that
12 they were an instrumental party to the
13 settlement. Council has absolutely nothing
14 to do with this settlement or has no
15 settlement power.

16 In addition to that, and I put forth
17 in a motion for reconsideration of this
18 order, I said if any council person wants to
19 appear voluntarily they certainly can, but
20 to order all five council persons to be
21 present they can take no action, it's a
22 violation of the sunshine law, so that there
23 is going to be -- a motion is going to be
24 heard before Judge Barrasse Monday morning
25 at 9:00, hopefully he will reconsider the

1 order in accordance with the rules I had to
2 give him a proposed order which states that
3 the council -- that he would revise his
4 order. I deleted certain words from it
5 where the council is mandatory must attend
6 to council persons can voluntarily attend,
7 but if they do they cannot be engaged in any
8 settlement negotiations. That would result
9 in a violation of the Sunshine Act.

10 So I just wanted to state publicly
11 before council tonight that in the event
12 that the judge denies my motion and you
13 would be ordered to be there on Tuesday
14 morning at 10:30, but since all five council
15 persons are present, and I don't see how it
16 what would could be settled to me it's -- I
17 have never seen the complaint, I have never
18 seen the petition for contempt, we have
19 never seen any of the pleadings, so that it
20 would be that any discussion, and I don't
21 what the discussion would be, but council
22 cannot -- more than two members of council
23 can't cannot enter into any discussion with
24 the Court or anything with settlement as a
25 violation of the Sunshine Act, and that's my

1 legal opinion on that and certainly we have
2 nothing to do with this. And hopefully the
3 judge will mold it, will revise his order to
4 state that council will be there
5 voluntarily.

6 I also said that with the pending
7 case that the mayor has against council that
8 there is -- the Court cannot, what we call
9 collateral estoppel, cannot order council to
10 appear and to enter into any type of
11 settlement negotiations. It's a separation
12 of the doctrine of separation of the
13 governmental powers and that's the basis of
14 our preliminary objections to the mayor's
15 action against council. I have appellate
16 cases on that that the Court cannot award --
17 cannot order council to take action that's
18 legislative in nature. I'll present that to
19 the Court on Monday, also.

20 I will inform council Monday after
21 the judge -- you know, after we are in
22 motion court as to what the judge's opinion
23 is, but thank you. I just wanted to explain
24 that to you before you adjourned.

25 MS. EVANS: Thank you very much,

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Attorney Hughes. I'll entertain a motion to adjourn.

MR. JOYCE: Motion to adjourn.

MS. EVANS: This meeting is adjourned.

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C E R T I F I C A T E

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes 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