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SCRANTON CITY COUNCIL MEETING

HELD:

Thursday, November 15, 2012

LOCATION:

Council Chambers

Scranton City Hall

340 North Washington Avenue

Scranton, Pennsylvania

CATHENE S. NARDOZZI, RPR - OFFICIAL COURT REPORTER

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CITY OF SCRANTON COUNCIL:

JANET EVANS, PRESIDENT

FRANK JOYCE, VICE-PRESIDENT

ROBERT MCGOFF

PAT ROGAN

JOHN LOSCOMBE

NANCY KRAKE, CITY CLERK

KATHY CARRERA, 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. CARRERA: Mr. McGoff.

5 MR. MCGOFF: Here.

6 MS. CARRERA: Mr. Rogan. Mr.

7 Loscombe.

8 MR. LOSCOMBE: Here.

9 MS. CARRERA: Mr. Joyce.

10 MR. JOYCE: Here.

11 MS. CARRERA: Mrs. Evans.

12 MS. EVANS: Here. Dispense with the
13 reading of the minutes.

14 MS. KRAKE: THIRD ORDER. 3-A.

15 AUDIT STATUS FROM ROBERT ROSSI & CO.

16 RECEIVED NOVEMBER 8, 2012.

17 MS. EVANS: Are there any comments?

18 If not, received and filed.

19 MS. KRAKE: 3-B. SINGLE TAX OFFICE
20 CITY FUNDS DISTRIBUTED COMPARISON 2012-2011.

21 MS. EVANS: Are there any comments?

22 If not, received and filed.

23 MS. KRAKE: 3-C. MINUTES OF THE

24 REGULAR MEETING OF THE MEMBERS OF THE

25 SCRANTON HOUSING AUTHORITY HELD ON

1 OCTOBER 1, 2012.

2 MS. EVANS: Are there any comments?

3 If not, received and filed.

4 MS. KRAKE: 3-D. MINUTES OF THE

5 COMPOSITE PENSION BOARD MEETING HELD ON

6 OCTOBER 24, 2012.

7 MS. EVANS: Are there any comments?

8 If not, received and filed. Do we have any

9 clerk's notes this evening?

10 MS. KRAKE: No, Mrs. Evans.

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

12 Do any council members have announcements at

13 this time?

14 MR. MCGOFF: May I? I'd just like

15 to announce that once again this year there

16 will be a tree decorating and lighting party

17 at Connors Park. That will be Sunday,

18 November 25, at 3:00. People are invited to

19 come, bring ornaments, lights, whatever they

20 would like to use to help decorate the trees

21 in the park and there will be some

22 refreshments for the children and the adults

23 so that's Sunday, November 25, at 3 p.m. at

24 Connors Park on Orchard Street.

25 MS. EVANS: Is there anyone else?

1 Councilman Rogan will not be in attendance
2 this evening.

3 Scranton City Council mourns the
4 passing of our friend and former city clerk
5 Jay Saunders. He was a devoted family man
6 and gentleman whose infectious smile and
7 sense of humor won him many friends
8 throughout his life. Tonight, council
9 members, our city clerk, assistant city
10 clerk wear purple ribbons symbolizing the
11 ongoing fight against pancreatic cancer.

12 In addition, the Office of Scranton
13 City Council will make a contribution to the
14 Pancreatic Cancer Action Network in Jay's
15 name. Our thoughts and prayers are with his
16 family during this most difficult time.

17 Because of the Thanksgiving holiday,
18 Scranton City Council will not meet on
19 Thursday, November 22. Regularly scheduled
20 meetings will resume on Thursday, November
21 29, 2012.

22 The Scranton/Lackawanna County
23 Taxpayers' Association will meet on Tuesday,
24 November 20, at 6 p.m. in Scranton city
25 council chambers. Newly elected state

1 representative Kevin Haggerty of the 112
2 legislative district will be the guest
3 speaker. The public is invited to attend.

4 Finally, on behalf of Scranton City
5 Council, I'd like to wish everyone in our
6 community a very safe and happy
7 Thanksgiving. Mrs. Krake?

8 MS. KRAKE: FOURTH ORDER. CITIZENS'
9 PARTICIPATION.

10 MS. EVANS: Our first speaker this
11 evening is Giovanni Piccolino.

12 MR. PICCOLINO: Good evening, city
13 council and fellow Scrantonians, Giovanni
14 Piccolino.

15 MS. EVANS: Good evening.

16 MR. PICCOLINO: I just have a quick
17 announcement. Thanksgiving both locations
18 of Buona Pizza in downtown Scranton and our
19 newest one in Shamokin will be open from
20 11:00 to 2:00 and we are going to have a
21 free dinner for the community so whoever
22 wants to come out come one come all. Also,
23 if you know anybody that is elderly or that
24 does not have a vehicle that cannot make it
25 to either location we would be more than

1 happy to deliver to their home. And that's
2 it. Thank you very much.

3 MS. EVANS: Thank you.

4 MR. LOSCOMBE: Thank you.

5 MS. EVANS: Thank you very much for
6 that generosity.

7 MR. PICCOLINO: You have a wonderful
8 Thanksgiving as well.

9 MS. EVANS: Andy Sbaraglia.

10 MR. SBARAGLIA: Andy Sbaraglia,
11 citizen of Scranton. Fellow Scrantonians,
12 you were going to give you us a lot of
13 information on this bond you wanted,
14 actually issue a series of bonds or whatever
15 you want to call it. I know you don't have
16 much data, but exactly how much -- how much
17 money do we owe on A, B, C, D and was it, A,
18 B, C and D of that was it 203? How much
19 money is outstanding on that?

20 MS. EVANS: Mr. Sbaraglia, actually
21 under motions I will be calling on our city
22 solicitor who is going to provide all of the
23 information about both pieces of the
24 legislation.

25 MR. HUGHES: Council solicitor.

1 MS. EVANS: I'm sorry.

2 MR. SBARAGLIA: I was hoping he was
3 coming down.

4 MR. HUGHES: I didn't know I got a
5 promotion.

6 MR. SBARAGLIA: Well, that's really
7 the most important other than are you
8 talking about the other piece of legislation
9 is the amusement tax?

10 MS. EVANS: Yes, I'll be addressing
11 that.

12 MR. SBARAGLIA: Well, then foolish
13 for me to ask questions if it's going to be
14 addressed later. Okay. I'll open my ears
15 and listen.

16 MS. EVANS: Thank you. Doug Miller.
17 Lee Morgan.

18 MR. MORGAN: Good evening, Council.

19 MS. EVANS: Good evening.

20 MR. JOYCE: Good evening.

21 MR. MORGAN: What I have tonight is
22 I did a few different Right-to-Knows at the
23 business administrator and they came down to
24 council, before -- I went up after over a
25 month and I went to the business

1 administrator and said I did a few
2 Right-to-Knows, all of them had to do with
3 council, so I asked them where they were and
4 they had sent them down to council, but
5 before they sent them down to council for
6 some reason they ran them through the law
7 department and I guess they figured out that
8 they were okay and they sent them down and I
9 still haven't received a response.

10 Now, I did talk to the clerk who
11 tried to explain something to me, but today
12 I went to the law library and got the
13 Pennsylvania Bar Institutes book on
14 Right-to-Knows, and what I'm asking the
15 council to do is I'm asking you to tell me
16 why this information can't be furnished
17 because from what I have read in this
18 Right-to-Know law in 2005 they were correct
19 and from what I understand I think I'm
20 entitled an explanation so that I can
21 clarify them from council or however can't
22 seem to understand them because I really
23 think they are straight forward.

24 And, you know, the law even allows
25 the council or any branch of the government

1 to even do Right-to-Knows just by a verbal
2 request and really, you know, I'm really
3 troubled that it's such a -- it's such a
4 hard thing to get information especially
5 when all of this information came through
6 council. I mean, you know, I've gone to
7 other people that have been using some of
8 these laws in one of them and they told me
9 that that law came through council so I had
10 to do a Right-to-Know and went to the
11 business administration and evidently, you
12 know, they sent them down for council to
13 comply with the law, but somehow they seem
14 to be hung up, so I'm just asking council
15 tonight to furnish me with an explanation of
16 why these Rights-to-Know may be deficient so
17 that any deficiencies can be overcome and
18 this information can be delivered to me.

19 And on a different note tonight, you
20 know, I really think that people have to
21 realize that I know this council is going to
22 just keep borrowing and borrowing and
23 borrowing, but did it ever occur to council
24 or anybody else that maybe the city is so
25 much debt that borrowing isn't the answer?

1 And, you know, I have talked to a
2 lot of people about the Scranton Lace
3 project, as I spoke about that here
4 previously, and the North Scranton or High
5 School project and every person I have
6 talked to is of the opinion that this money
7 is being wasted. That we are giving people
8 with money more money and the projects just
9 aren't getting done. North Scranton is
10 still waiting for money, the Lace works
11 well, we can't talk about what's going to
12 happen there, but, you know, we need to move
13 money into neighborhoods for people who live
14 here and when we talk about understanding
15 the plight of ordinary people in this city I
16 don't know how anybody in government can say
17 they understand that considering the very
18 steep population decreases we have endured,
19 and I can't even seem to get information on
20 the cost of the pools and the lifeguards
21 because I have talked to the county and the
22 school district about helping the city to
23 open these pools and I can't even get that
24 information.

25 I mean, I find it remarkable that we

1 can say the city government functions in any
2 way whatsoever, and I can't understand how
3 council and the mayor couldn't have come
4 together for the public good to make sure
5 these pools are open this year, but maybe
6 you can explain that. But I appreciate your
7 time. Thank you.

8 MS. EVANS: Thank you. Gerard
9 Hetman.

10 MR. HETMAN: Good evening, Council.

11 MS. EVANS: Good evening.

12 MR. HETMAN: Gerard Hetman from the
13 Lackawanna County Department of Community
14 Relations. To begin this evening, I do have
15 one more information item regarding the
16 Lackawanna County budget for 2013. May I
17 please approach?

18 MS. EVANS: Yes, please.

19 MR. HETMAN: As members of council
20 may be aware from the time that the
21 Lackawanna County tentative budget for 2013
22 was finalized in October to now the county
23 has faced an unexpected revenue shortfall of
24 1.7 -- approximately \$1.75 million which
25 stems from the loss of state inmates which

1 are normally housed at the Lackawanna County
2 Prison. Now, to address this budget
3 shortfall, the Lackawanna County
4 commissioners have come up with a series of
5 cost savings measures through reductions,
6 constellations, salivations and also one new
7 revenue item which would seek some prisoners
8 from Bradford County and house them at the
9 Lackawanna County Prison.

10 The item in front of you shows you
11 those items of budgetary savings and what
12 percentage may factor in to that \$1.75
13 million in savings. As you can see, there
14 is a list which gives you the color coded
15 breakdown on the savings and also the dollar
16 amount that goes with each item, so you can
17 clearly see where that revenue is replaced
18 in the budget and how it's made up and how
19 that shortfall has been addressed by the
20 commissioners in the final budget, which
21 went through its first reading yesterday
22 afternoon at the Lackawanna County
23 commissioners' meeting.

24 Moving forward, we do have a number
25 of Christmas-themed events that will take

1 place throughout Lackawanna County over the
2 next few weeks. The first one though is the
3 annual festival of trees which takes place
4 at the Electric City's Trolley Station and
5 Museum. The opening cocktail reception for
6 the event will be held on Friday evening
7 December 14 from 5:30 to 8:00 p.m. and the
8 exhibit will run from December 14 through
9 December 31 during normal operating hours at
10 the Electric City Trolley Museum. For more
11 information, please call the trolley museum
12 at 570-963-6590.

13 Second, and there is a particular
14 one coming right before the regular
15 scheduled meeting, the Lackawanna County
16 commissioners invite everyone to attend the
17 annual Lackawanna County holiday tree
18 lighting which will take place on Thursday
19 evening, December 6, with the tree being lit
20 at 6:00 p.m. so there is time for everyone
21 to attend and still make it to your meeting
22 on time. There will be free hot chocolate
23 and hot refreshments provided as well as
24 entertainment by the Robert Dale Choral.

25 Last, but not least, any child that

1 brings a new unwrapped toy valued at \$5 or
2 more will receive a free trolley ride from
3 the Lackawanna County Trolley Museum. Those
4 toys will be donated to the Toys for Tots
5 program on the days of November 23 through
6 November 25. The trolley will depart the
7 museum at 10:30 a.m., 12:00 noon, 1:30 p.m.
8 and 3:00 p.m. on all three of those dates.

9 And last, but not least, the Santa
10 on the trolley program will run every
11 weekend in December running through December
12 22 with those same departure times that I
13 just mentioned 9:30 a.m., 11:00 a.m., 12:30
14 p.m., actually 2:00 p.m. in addition and
15 also 3:30 p.m. Reservations are suggested
16 for that and they can be obtained by calling
17 the Trolley Museum at 570-963-6590. And we
18 do actually have a large poster that we
19 could share with your office to put up at
20 your discretion to promote the festival of
21 trees. And as always, we thank you for
22 cooperation with that.

23 And last, but not least, I do thank
24 each member of council and also Mrs. Krake,
25 you've all received invitations to our

1 legislative breakfast last Friday and I
2 appreciate -- Mr. McGoff was the only one
3 that could make it, I thank you for your
4 attendance, sir, and for everyone else thank
5 you for communicating to me, I know the rest
6 of you were unable to attend, we thank you
7 for letting us know in advance of your
8 attendance, and when future events along
9 that nature are planned we will certainly
10 let you know and we welcome your attendance
11 and anything in the future that you could
12 make. So thank you and have a good evening.

13 MR. JOYCE: Thank you.

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 I didn't even get a chance to take my coat
21 off it's so fast tonight. Taxes, I'd like
22 to know across the valley because the
23 newspapers have been expounding that many of
24 us pay less than \$500 in city support taxes,
25 went through and Dickson City and maybe

1 Moosic or where have you, what they pay on
2 an average old house because most of our
3 housing is old.

4 And in Guinness Court, I have a
5 message for somebody because they are
6 spreading graffiti around and it's like Kid
7 PYO or "P" something or other from what I
8 could gather, you just vandalized two police
9 officers' houses in the 500 block of
10 Guinness Court, and nobody is going to be
11 very sympathetic, so if there ius parents
12 out there try to reign in the spray paint
13 cans, it's probably just a bunch of silly
14 juvenile stuff, but one of these days you
15 are going to get caught and nobody cares for
16 a petty criminal at the of very least steal
17 from a bank, you know, from the inside in a
18 three-piece suit and everybody will just
19 love it. They might even elect you to
20 office some day.

21 I'd like to see some more
22 petitioning to the county on nonprofits. We
23 need some help here. That figure, middle
24 figure on the tax increase is kind of scary,
25 and also I think PEL should take -- seeing

1 as it's their bright idea with the PILOT
2 payments they should start going around to
3 some of these nonprofits and giving us some
4 help instead of having our council slandered
5 in a he said/she said situation.

6 Also, and this is mainly the
7 administration, please, let's get these
8 audits on time, this is getting ridiculous.
9 Every week I hear -- I hear about the audit
10 still or still not complete, it's what, five
11 or six months late by now. And, I mean, how
12 do you people do a job and it just gets to
13 the point where paychecks won't be signed if
14 you don't let it go, but it's atrocious. We
15 need that audit at least in the beginning of
16 the summer.

17 Okay, and the golden parrot, we
18 have "We, the People" they are signing
19 petitions they would like to succeed from
20 the union and many of the states, now, Texas
21 is a big state and they actually pay more to
22 the federal government than what they
23 receive, but I think it's Alabama it's \$2.09
24 for every tax dollar they pay to the federal
25 government, and we, the people want to

1 succeed from the union. Oh, by the way,
2 please make sure that my social security
3 check is in the mail even though I signed a
4 petition.

5 And we are up to 6,000 suitcases of
6 fresh \$20 bills spent on the 2012 election
7 and 6,000 suitcases of \$20 bills and that's
8 atrocious and there is a Congressman from
9 Georgia, he denounced evolution and theories
10 on the universe, Einstein, he may serve on
11 the House Science Committee. I mean, come
12 on, you know he described it as a pit of sin
13 form the gates of hell that Einstein's
14 theories. I think Einstein is a little
15 smarter than him.

16 And one other thing, and I'll talk
17 to our county representative, I was a little
18 alarmed on an article I read on the county
19 budget where GEDs were being taken out of
20 the county jail, the opportunity to earn
21 your high school education and, I mean,
22 let's keep in mind that some day these
23 people get out and we have to live amongst
24 them and ride on a bus next to them or park
25 a car or pull out in front of them and we

1 don't need a bunch of people that are
2 enraged by the way their life is going, so a
3 GED is at least the start. I was very
4 appalled with the Chivarella and Conahan
5 case because a lot of those kids got out of
6 school -- or got out of that reform school
7 without a high school diploma so they were
8 technically put for silly reasons for a
9 profit and they got out without a high
10 school diploma. Where is that going? Thank
11 you and have a good night.

12 MS. EVANS: Thank you. Is there
13 anyone else?

14 MR. SLEDENZSKI: Jack, you handsome
15 devil you.

16 MR. LOSCOMBE: Chrissy. Where's
17 your hat?

18 MR. SLEDENZSKI: Hello, Janet.

19 MS. EVANS: Hi, Chrissy.

20 MR. SLEDENZSKI: Janet, a little
21 lower or higher for me? A little lower?

22 MS. EVANS: Little lower.

23 MR. SLEDENZSKI: Well, the game is
24 tomorrow night, Janet. The game is tomorrow
25 night. Dunmore and Old Forge, Abington on

1 Saturday. One more announcement, Janet,
2 Scranton is going to win Friday night. I
3 hope they win. I wish them all good luck.
4 Thank you.

5 MS. EVANS: Thank you, Chrissy.

6 MS. SCHUMACHER: Good evening,
7 Council. Marie Schumacher, city resident
8 and taxpayer.

9 MR. JOYCE: Good evening.

10 MS. SCHUMACHER: I'd like to start
11 off tonight by asking whether agenda Item
12 2-B, does that comparison compare 2011 with
13 2012 adjusted to remove the tax increase as
14 well as the raw figure for collections? If
15 you don't know the answer offhand during
16 motions will be fine.

17 And also, Mr. Joyce, I asked awhile
18 back about why the controller's report for
19 the end of the August shows significantly
20 higher collections than what you were saying
21 was the cumulative trough mid-September, did
22 you ever find out why?

23 MR. JOYCE: I'm still working on
24 that actually. One thing I did find out is
25 that the reporting between the Single Tax

1 Office and the Controller's Office sometimes
2 differs. For instance, the Single Tax
3 Office will submit a check in say August 31,
4 for instance, and the city will receive the
5 check in the beginning of September causing
6 a difference in reporting because the city
7 will report it as September revenue and the
8 tax office will report it as August.

9 MS. SCHUMACHER: But that would make
10 it lower. I mean, that should make it the
11 other way, but -- well, maybe I'll talk to
12 you on that off-line, I don't want to use my
13 whole five minutes on that one item, because
14 I'd like to move onto the budgeted amount
15 for the 2004 sale leaseback of the DPW for
16 2012 is \$535,000, but only about \$75,000 has
17 been expended through September. Why
18 haven't these payments been made and will
19 part of the massive debt we have incurred
20 this year be used to make this debt current
21 or will we be merely a half a million
22 dollars in arrears at the beginning of 2012
23 and to whom do we owe this back rent and is
24 their a late payment penalty and, if so, how
25 much?

1 MR. JOYCE: I will research that
2 question for you. I apologize, I do not
3 know the exact answer offhand.

4 MS. SCHUMACHER: Well, I think the
5 foregoing shows a need. There are a lot of
6 items in the controller's report where it's
7 pretty obvious either -- well, either the
8 revenues were overstated or expenses were
9 overstated and/or they were not making
10 payments on them because if you just divide
11 by 12 we are nowhere near where we should be
12 in payments.

13 So with that in mind I would believe
14 that we need a 2013 cash flow forecast. I
15 think I would like for you to provide the
16 same when the budget is introduced in two
17 weeks. I don't think it's sufficient any
18 longer to just have numbers on an annual
19 basis, I think we need to know how they are
20 disbursed across the years so we can track
21 and know where we are in any given month, so
22 I would ask you for that for 2013 along with
23 a budget.

24 In regard again to the market based
25 revenue opportunities agreement, the

1 recovery plan stated the city would pursue
2 an RFP process to select a commissioned
3 broker to help identify potential city
4 assets available for an MBRO proper, assist
5 with the establishment of a policy framework
6 and market available and approved
7 opportunities to begin in January 2013. Is
8 this going to happen or will the expected
9 revenue have to be reduced because the
10 program didn't get started on schedule? I
11 pretty well check the legal notices every
12 day and I have not seen that announcement,
13 that solicitation for --

14 MR. JOYCE: I will bring that up
15 with our business administrator and find out
16 if that is going to be instituted. It's my
17 understanding that it will.

18 MS. SCHUMACHER: But it won't be
19 started in January 2013, will it, if they
20 haven't solicited a bid yet?

21 MR. JOYCE: I'll ask him, but I'm
22 assuming that they are behind if they
23 haven't solicited the bid.

24 MS. SCHUMACHER: And also maybe an
25 update on when the parking enhancement

1 demonstration or whatever is being called,
2 that trial, is going to begin.

3 MR. JOYCE: I'll find out the exact
4 dates on that as well.

5 MS. SCHUMACHER: And and then back
6 on the MBROs, will council be setting the
7 standards for what is acceptable to be
8 advertised, what products, what
9 solicitations, what buildings? Do we know?
10 I mean, we don't know the buildings because
11 you haven't selected a broker yet, but who
12 is going to set parameters for what's
13 acceptable? Alcoholic beverages, you know,
14 what -- I think that's -- I know that's
15 created an issue in some other cities that
16 have MBRO's and I would highly recommend
17 that you as a council set the policy for
18 what is acceptable along with the brokerage.

19 And then we have heard nothing about
20 the sale leaseback program that's -- since
21 the revised recovery plan was passed. Are
22 you able to identify the property being sold
23 and the buyer and the status of this
24 transaction? Frank, do?

25 MR. JOYCE: Yes, I'm sorry, I'm

1 writing down the questions. I will address
2 that with our business administrator as
3 well.

4 MS. SCHUMACHER: Okay.

5 MR. JOYCE: As far as what
6 properties will be --

7 MS. SCHUMACHER: I would also like
8 to request that you also obtain a list of
9 the bills paid with the proceeds of the
10 first unfunded debt borrowing as well as the
11 outstanding bills by vendor and how those
12 will be covered, and then I guess we don't
13 have the loan status in Mr. Rogan's absence;
14 is that true?

15 MS. EVANS: That's true.

16 MS. SCHUMACHER: Thank you.

17 MS. EVANS: Is there anyone else?

18 MS. KRAKE: 5-A. MOTIONS.

19 MS. EVANS: Councilman McGoff, do
20 you have any comments or motions tonight?

21 MR. MCGOFF: Since you asked last
22 week if we would be brief, I will defer
23 until after Attorney Hughes presents the
24 information on that. Thank you.

25 MS. EVANS: Thank you. And,

1 Councilman Loscombe, do you have any
2 comments or motions this evening?

3 MR. LOSCOMBE: Just briefly. Last
4 week I reported that the Keyser Valley
5 Citizens' Association was conducting a
6 safety meeting regarding the closure of the
7 fire station on Luzerne Street. There was a
8 follow-up to the meeting from the prior
9 month and Engine 7 was opened yesterday and
10 the prior day for the first time. They did
11 receive the air quality results that
12 enabled, you know, the firefighters to
13 return to those buildings.

14 There was a lot of questions asked
15 and the chief was unable to attend the
16 meeting, apparently he was out of town, and
17 the mayor had a function that he was
18 attending last evening a few blocks away,
19 but the questions were asked still not
20 answered. There is newspaper -- our
21 newspaper reporter was at the meeting last
22 night, but one of the biggest points that
23 was not brought out in the newspaper was
24 brought out in the meeting again why we
25 don't have the coverage that we have with

1 the firefighters is the fact that \$3 1/2
2 million was turned back to the federal
3 government. That would have supplied us and
4 kept our fire stations open for the next two
5 years. Not one word of that was in the
6 newspaper, yet many people mentioned that
7 last evening and I myself brought it up.
8 That is a fact. If that money was here
9 today those stations would still be opened.

10 Now, there was a fire on Harrison
11 Avenue yesterday and last week I believe I
12 said we are going to have a logistical
13 problem with the bridge closures in the
14 city. Now, since Engine 15 in Petersburg
15 has been permanently closed, that was the
16 protection company for the Hill section and
17 Dunmore, the next engine would be Engine 10
18 on East Mountain, which is always open now
19 since they had the fire up there. They
20 manned that with overtime if they have to.

21 But in order for that fire truck to
22 respond to the fire on Harrison Avenue it
23 has to respond -- it has to come down from
24 the top of East Mountain, go down to Cedar
25 Avenue, make a roundabout loop and come back

1 up Mulberry Street because it cannot go over
2 Harrison Avenue and it cannot go over the
3 Expressway now, complex, so time is a big
4 factor, and I stated at last weeks
5 announcement of the Keyser Valley meeting
6 that it's just not Keyser Valley or West
7 Side that's being affected by these
8 closures, it's the whole city. Engine 10
9 responding to that fire leaves that whole
10 mountain open and they are respond to a lot
11 more calls now because of the other
12 closures.

13 Two of the stations that are open
14 all the time right now are South Side across
15 from the 20th ward and the East Mountain.
16 Rescue 1 on Wyoming Avenue that, of course,
17 is open, but Engine 4 right here in fire
18 headquarters closed. They could have been
19 the first company to respond up to Harrison
20 Avenue. Closed.

21 You know, when the firefighters
22 arrived there they said they though the fire
23 started in the attic because it was coming
24 out of the attic, but it was a basement
25 fire. Perhaps if we had the adequate

1 equipment in place it could have been
2 confined to a basement. And, unfortunately,
3 and somebody brought something up at the
4 meeting last night and it hit a nerve with
5 me and it could happen that, you know, God
6 forbid something happens to someone's home
7 or family because -- and this is their exact
8 quote, because of malfeasance of this
9 administration turning back that money there
10 could be a major lawsuit here. That's what
11 I'm worried about, but I don't want to see a
12 disaster happen to force these stations to
13 open.

14 I'm just still irritated and
15 disappointed that this council was not even
16 consulted before that money was turned back.
17 The mayor did it unilaterally. I don't even
18 believe the fire chief had any knowledge of
19 it until after the fact and it's ashame.
20 You know, our taxes are going up, but your
21 services are going down and we are trying
22 our hardest here to do the best we can and
23 provide you with the services we have. But,
24 you know, when things are done unilaterally
25 and we don't have control over it this is

1 what happens. They could tout all of the
2 parks and the apartments downtown and stuff
3 like that, you know, downtown is becoming a,
4 you know, a neighborhood with the apartments
5 and everything. Unfortunately, they have
6 taken the first responder from the downtown
7 and closed that, and I hate to come back
8 some day and say, "I told you so."

9 I don't know what the answer is.
10 You know, West Side, Keyser Valley residents
11 try to be proactive rather than reactive
12 like East Mountain after the fire. They are
13 trying to get things done before there is a
14 disaster or catastrophe, but there is a lot
15 of apathy out there and the only way we are
16 going to get things done in this city or get
17 the attention of the administration if you
18 are worried about your public safety is to
19 get to the mayor, write him, call him,
20 whatever, but they started a petition back
21 in Keyser Valley last night and, you know,
22 this isn't over yet, but I don't want to see
23 anything happen to anyone in this city.
24 They deserve the best public safety for
25 their tax dollars.

1 And I could go on and on, but I
2 apologize, I'll cut it at that point. Thank
3 you.

4 MS. EVANS: Thank you. And,
5 Councilman Joyce, do you have any comments
6 or motions?

7 MR. JOYCE: Yes, I do. To begin, I
8 would ask that everyone keep the family of
9 the former city clerk Jay Saunders in their
10 prayers. Jay Saunders, who is a distant
11 cousin of mine, fought a courageous battle
12 with pancreatic cancer. He was a very
13 honorable man and he will be sorely missed
14 by his family and friends.

15 Tonight my intention is to briefly
16 discuss the 2013 operating budget that was
17 sent to council by the administration today.
18 The legislation for the budget will not go
19 onto the agenda for two weeks due to the
20 Thanksgiving holiday next week. The budget
21 will have its first reading on November 29,
22 and subsequent second and third readings on
23 December 6 and 13. In the following weeks,
24 I will elaborate more on the budget and its
25 content.

1 To some council members the budget
2 may seem foreign since this is the first
3 time they are seeing it. However, it is not
4 foreign to me. Last Friday I met with
5 business administrator Ryan McGowan to
6 discuss the budget. On Monday I met with
7 Councilwoman Evans, Mayor Doherty and
8 Business Administrator Ryan McGowan to
9 discuss the budget again. Yesterday I met
10 again with Mayor Doherty and Business
11 Administrator Ryan McGowan to discuss the
12 budget. My goal is to take a proactive
13 approach to the budget rather than a
14 reactive approach to the budget and work
15 with the administration so that they produce
16 a budget that is acceptable and adequate on
17 a united front that keeps the city fiscally
18 solvent.

19 As dictated by the revised recovery
20 plan and as promised, the real estate tax
21 increase in the budget has been limited to
22 12 percent. As one may know, Scranton City
23 Council decreased taxes in 2011 by nearly 11
24 percent and increased taxes in 2012 by
25 nearly 5 percent. If this budget is passed

1 as is, the overall tax increase will be 6
2 percent since this council took office.

3 In regard to other major taxes and
4 fees besides the real estate tax, the wage
5 tax is not being increased and will remain
6 at 2.4 percent for the city and, of course,
7 1 percent for the school district. The
8 refuse fee is not being increased and will
9 remain at \$178 per year. The local services
10 tax is not being increased and will remain
11 at \$52 per year. The parking tax is also
12 not being increased. There will be an
13 increase in the real estate transfer tax
14 from 2.8 percent to 2.9 percent along with a
15 business privilege and mercantile increase
16 from .875 mills to 1 mill. These will
17 return these taxes to their 2010 levels.

18 The budget also contains an
19 amusement tax and a commuter tax of 1
20 percent which is pending for approval. Last
21 year the budget was slightly over \$85
22 million. This year the budget is over \$109
23 million. One may be wondering why. The
24 largest contributor to the increase in the
25 budget is the Supreme Court ruling in favor

1 of the fire and police unions. The
2 estimated cost of this award is over \$17
3 million and it is something that must be
4 paid to the police and fire unions. Since
5 the city does not have the money on hand to
6 pay this award the money must be borrowed.
7 It is estimated by our business
8 administrator that the cost of borrowing
9 will be an additional \$1.7 million in -- or
10 \$1.7 million expense next year.

11 Along with the Supreme Court award
12 and the lump sum repayment to the fire and
13 police unions, there will also be an
14 increase to the MMO, which stands for
15 minimum municipal obligation. The minimum
16 municipal obligation is the minimum amount
17 that the city must contribute to fund
18 pensions for the year. The MO was
19 determined by Tom Sanderson and must be
20 adhered to in order to keep our very
21 underfunded pension accounts stable.

22 For the non-uniform city workers,
23 the MMO for 2013 will be roughly \$1 million.
24 This is up roughly -- or this is up from
25 roughly \$800,000 last year. The MMO for the

1 IAM union pension will be roughly \$300,000.
2 This encompasses most of the DPW and is
3 similar to this year. The MMO for the fire
4 department pension will be \$4.6 million in
5 2013. This is up from \$1.8 million this
6 year. The MMO for the police pension will
7 be \$3.6 million in 2013. This is up from
8 \$1.5 million this year.

9 Overall, the total MMO that the city
10 is required to contribute to fund pensions
11 in 2012 is \$4.4 million. In 2013, this will
12 jump to \$9.5 million which is an overall
13 increase of \$5.1 million.

14 In addition to the lump summary
15 payment to the police and fire unions and
16 the Supreme Court award, the Supreme Court
17 award also sets certain staffing levels to
18 occur within the fire and police
19 departments. The Supreme Court award
20 dictated that there must be a certain amount
21 of personnel per fire apparatus and a
22 certain amount of officers on duty per
23 shift. The requirement that there must be a
24 certain amount of officers per shift has
25 resulted in an increase of police overtime.

1 This year the budgeted amount for police
2 overtime was \$120,000. In 2013, the
3 budgeted amount for the police overtime will
4 be \$550,000. This will ensure that the city
5 is covered with an adequate number of
6 officers per the order of the Supreme Court
7 award and, of course, this is an increase of
8 slightly over \$400,000.

9 The sum of the increases that I just
10 mentioned totals \$24.2 million which
11 constitutes the spending gap between thi
12 year's budget and last year's budget. As I
13 stated, tonight my intention was simply to
14 provide a brief overview of the operating
15 budget. I will discuss the budget in
16 greater detail in the following weeks. And
17 that's all I have for tonight.

18 MS. EVANS: Thank you.

19 MR. MCGOFF: Mrs. Evans, before you
20 start, I did forget one thing.

21 MS. EVANS: Certainly.

22 MR. MCGOFF: Before you begin, just
23 something that Mr. Joyce brought up that the
24 delinquent refuse fees, the bills that were
25 sent out, there are some problems with

1 those. Many people are experiencing some
2 problems. If you feel that you have
3 received a notice that -- of something you
4 have paid please see if you can find proof
5 of payment, be it a cancelled check or if
6 you go to the bank most banks have a record
7 of your checks and you don't have the
8 cancelled checks, if you can find proof of
9 payment, you know, bring it to the
10 Treasurer's Office so that the records can
11 be brought up-to-date and your problem
12 rectified, and I say that because I received
13 a delinquent notice and have had to go
14 through the process of trying to find proof
15 of payment.

16 The other thing that I would like to
17 mention on this, for many people this notice
18 is the first one that they have ever seen,
19 that delinquent notices have not been sent
20 and some people -- and granted, many people
21 have just not paid that refuse fee, but for
22 some people who have inadvertently not paid
23 it by mistake or whatever circumstances,
24 this is the first time they are seeing or
25 knowing that there is a delinquency and now

1 they are being, you know, hit with penalties
2 and interest and fees and whatever else, I
3 would like to in the future see if somehow
4 delinquent notice can be placed on the
5 subsequent years bill like you might receive
6 on a credit card or anything else that if
7 you are late or you haven't paid that on
8 your subsequent bill it indicates such so
9 that you can make payment even if it is late
10 it's not going to be a year or two.

11 But, please, if you do have a
12 problem with your -- with that notice please
13 find proof of payment and take it to the
14 Treasurer's Office and get it taken care of.
15 And that's all. Thank you.

16 MS. EVANS: Thank you. Good
17 evening. Before I begin my comments I just
18 wanted to very briefly respond to some
19 statements made tonight by Mr. Morgan.
20 First of all, with regard to the
21 Right-to-Know requests, council members do
22 not handle those requests. It is my
23 understanding from your statements that you
24 would have spoken with Mrs. Krake and she
25 would have, I'm sure, answered your

1 questions and provided explanations to you.
2 You know, that may not have been
3 satisfactory in your estimation, but it has
4 been addressed.

5 In addition, contrary to the
6 statements made by Mr. Morgan, city council
7 is not the source of the borrowing nor is it
8 in charge of the borrowing, rather, the
9 administration called for borrowing to
10 prevent a financial collapse in 2013, and as
11 everyone here would recall, it was due to
12 the extreme levels of unbridled borrowing
13 and spending from 2002 through 2008 that the
14 financial house of cards collapsed into 2012
15 and this borrowing became necessary in order
16 to keep the City of Scranton alive
17 financially and functioning so that public
18 services and public safety can continue to
19 be provided to all of our citizens.

20 Now, although today, November 15,
21 marks the deadline for the presentation of
22 the mayor's proposed 2013 operating budget,
23 it cannot be included on city council's
24 agenda in Fifth Order for introduction until
25 the November 29, 2012, council meeting. The

1 budget would have had to have been submitted
2 to council's office prior to today in order
3 to have been introduced tonight. Since
4 council will not be in session on November
5 22 due to the Thanksgiving holiday, a formal
6 presentation of the budget by City Council
7 Finance Chair Frank Joyce and a Fifth Order
8 vote will occur on November 29.

9 However, included on this evening's
10 lengthy agenda are four pieces of
11 legislation that particularly merit
12 discussion. In Fifth Order for
13 introduction, is an ordinance to implement
14 an amusement tax effective January 2013.
15 This tax is contained in the city's revised
16 recovery plan and must be adopted in 2012
17 prior to the December 10 commuter tax Court
18 hearing. If revisions or clarifications are
19 necessary, the ordinance may be amended in
20 Seventh Order. Council members should
21 contact city solicitor Paul Kelly or council
22 solicitor Boyd Hughes with any suggestions
23 or amendments.

24 In addition, the city administration
25 submitted emergency legislation to council's

1 office today for \$150,000 for the December
2 1, 2012, bond payment for the Scranton
3 Parking Authority. At this time, I ask
4 Attorney Hughes to comment on this
5 legislation regarding the SPA bond pavement.

6 MR. HUGHES: Yes, madam chairman.
7 The total amount of the bond payment that's
8 due on the first is \$813,481.25. I have
9 requested that Mr. Washo and Central Parking
10 through Central Parking give us an update on
11 their proposed budget that is Central
12 adopted effective as of October 1. It's
13 been a little while in order to put that
14 together. I did receive an e-mail from
15 Mr. Washo that the total amount after
16 expenses that Central Parking had for the
17 month of the October was \$112,013. Now,
18 that's only revenue from the garages itself.
19 Mr. Washo has an additional \$38,000, which
20 is the net amount on the lease -- the
21 leasing of the stores within the garages and
22 I believe some other machine east. We put
23 that together, it was \$150,000 that would be
24 available to make the bond payment.

25 The money from November revenues

1 would not be available for the bond payment
2 because they would not come in until some
3 time around December 10 or 12 so, therefore,
4 there was a deficit of \$663,481.25 that the
5 city pursuant to its guarantee of the bonds
6 would have to transfer to the trustee on or
7 before December 1.

8 Back in October when I wrote Mr.
9 Scopelliti, you know, my two and a half page
10 letter that was never responded to, one of
11 the questions that I wanted, there were
12 seven areas that I inquired into, one of
13 them that I wanted to respond to was what
14 were the balances in the various debt
15 service reserve funds and other reserve
16 funds required pursuant to the indenture.
17 Mr. Scopelliti never responded to that.
18 However, once Reedy Insurance and Attorney
19 David Debrow of New York City once they
20 moved to have a receiver appointed and Mr.
21 Washo was appointed, of course, they had a
22 new trustee appointed, they removed PNC Bank
23 and had Wells Fargo appointed as the new
24 trustee, Mr. Dubrow informed me that there
25 was -- that the 2007 debt service reserve

1 fund had excess funds probably close to
2 \$800,000.

3 As a result, I had correspondence
4 and conversations with Attorney Dubrow. I
5 sent him an e-mail on November 10, I believe
6 that was Monday, and requested, I set forth
7 that the amount of the shortfall of
8 \$663,481.25 that the city would be
9 responsible for that. In the 2007 debt
10 service reserve fund there was approximately
11 \$1,840,000. I believe there had to be
12 somewhere around \$1 million maintained in
13 that debt service reserve fund, and I
14 requested that Radiant make provision to pay
15 the entire amount from the surplus funds
16 that were in the 2007 debt service reserve
17 fund.

18 Mr. Dubrow contacted me on I believe
19 it was Tuesday, I keep forgetting the days
20 here, on Tuesday regarding it, said that it
21 was the position of Radiant that the city
22 should make some monetary contribution, he
23 was looking for approximately 50 percent. I
24 had a conversation with Ryan McGowan, the
25 city's BA, I said, "How much funds are

1 available for us to contribute?"

2 He assured me that the city would be
3 able to come up with \$150,000. I e-mailed
4 that to Mr. Dubrow. He got back to me
5 yesterday, informed me that -- or actually
6 today, informed me that they would accept
7 \$150,000 from the city, \$150,000 from the
8 receiver, and that the balance of almost
9 \$515,000 would be -- they would authorize
10 release to make that bond payment so the
11 city will not have to come up with that.

12 In addition, the Parking Authority
13 debt service reserve fund on the 2005 bonds
14 is about \$180,000 under the reserve, again,
15 that's the city's responsibility. In my
16 discussion with Attorney Dubrow, Radiant had
17 previously stated that this was the city's
18 responsibility to come with \$180,000, they
19 wanted the city to come up with \$90,000 in
20 the 2013 and \$90,000 in 2014. After
21 negotiations with Attorney Dubrow, Radiant
22 agreed that an additional \$180,000 of the
23 surplus funds or debt service in the 2007
24 debt service reserve fund would be available
25 to be placed into that debt service reserve

1 fund.

2 So as a result, and I concluded my
3 first e-mail to Attorney Dubrow, you know,
4 in the spirit of the cooperation the way
5 that we have cooperated with Radiant and the
6 insurance companies, you know, in these
7 matters with the Parking Authority that I
8 hoped that they would pay or authorize the
9 release of all of the excess funds in the
10 debt service reserve fund.

11 As a result, the city's
12 responsibility -- or put it this way, not
13 responsibility, the city is responsible for
14 the full amount, but the liability of the
15 city on this payment will just be \$150,000.

16 As a result of that, and council the
17 next Thursday being Thanksgiving, I
18 contacted the mayor and Paul Kelly to have
19 an ordinance done authorizing the release of
20 \$150,000 for wire transfer to Wells-Fargo to
21 bank the bond payment that's emergency
22 legislation tonight because it was not done
23 until after Thanksgiving that would have
24 been the 29th and it would have been tight.
25 So as a result of that and my negotiations

1 with Attorney Dubrow on behalf of Radiant
2 and also the other bonding company -- or the
3 insurance company, not bonding company, on
4 this that, you know, we had a savings here
5 of \$115,000 and also another \$180,000 which
6 is almost a \$700,000 liability that the city
7 has avoided through cooperation with Radiant
8 insurance and Attorney Dubrow. They have
9 cooperated with us and I wants to thank them
10 for everything that they have done to make
11 this possible and saved the city at least
12 right now over half a million dollars of
13 monies that we don't have or if we have them
14 we can use elsewhere, you know, for other
15 payments such as, you know, Blue Cross/Blue
16 Shield and other items like that and saving
17 us \$90,000 next year and the year after.

18 MS. EVANS: Thank you, Attorney
19 Hughes. City council is very grateful to
20 our solicitor who single-handedly solved
21 these pressing financial issues. This had
22 not been requested by the administration,
23 they would have been prepared to try to make
24 full payment, this was done through the
25 efforts of one individual, our solicitor.

1 Consequently, he saved the taxpayers of
2 Scranton \$700,000. Well over half a million
3 dollars in bond payments.

4 Also, included in Sixth Order of
5 tonight's agenda are two ordinances, Item
6 6-A and 6-B that are elated to the city's
7 second unfunded debt borrowing in 2012.
8 Again, I call on Solicitor Hughes for his
9 comments on this legislation.

10 MR. HUGHES: This is a little bit
11 more complicated, but anyway, I'll try to
12 cut to the chase on this and explain it to
13 council and to the public. If you would
14 look at the ordinance, Ordinance No. 71 of
15 2012, I think that's the best way I can
16 explain it, if you have it in front of you,
17 if you go to page two, and the ordinance is
18 probably about 15 pages long, but if you go
19 to page two, in the first whereas clause it
20 says, "Not to borrow -- or to borrow not to
21 exceed \$20,910,000."

22 That's the absolute maximum, that is
23 not what the city is borrowing. It could go
24 up to that amount, it depends on the
25 conditions of the market and what the

1 interest rate is going to be, so we are not
2 borrowing -- I say "we" the city is not
3 borrowing that amount. That's the cap.
4 That's the ceiling. In the event that the
5 price of the bonds comes in over \$20,910,000
6 it does not have to be accepted by the city,
7 they can refuse it.

8 If you go to the third whereas
9 clause, and I believe this is a question
10 that was asked previously, the city in its
11 financing, and when we refer to these the
12 2003 bonds Series A, B, C and D, back in
13 2003 the total amount of that borrowing, I
14 do have the prospectus here, I should have
15 had it out, I believe it was \$73 million and
16 it was broken down into Series A, B, C and
17 D.

18 Actually, it was \$72,300,000 of
19 which it was broken down in the various
20 series. Series A of 2003 was \$5,025,000.
21 The Series B was \$35,650,000. The Series C
22 was \$18,145,000, and the Series D was
23 \$13,480,000.

24 And with that background, we look at
25 the second to the last whereas clause on

1 page two, the Series A bonds originally
2 floated they were \$5,025,000 of which as of
3 today remains outstanding \$1,025,000, and
4 that's a payment that's due on September 1,
5 2013 and September 1, 2014, but I'll say
6 this also applies to the other Series B, C,
7 D and E. The only thing that the city can
8 refinance on these are the payments that are
9 due next year.

10 As a result, the way that this is
11 going to be broken down by Oppenheimer in
12 their offering, the unfunded debt service of
13 \$9,750,000 would probably be financed --
14 will be financed this year in December. The
15 interest payment on the Series bonds 2003,
16 A, B, C and D will probably be financed in
17 January.

18 As a result of that, by the time
19 that the financing is made the bond payments
20 due on January 1, 2013, on the Series A, B,
21 C and D will have to be paid to the trustee
22 for the sinking fund. So what is happening
23 here is that the city will not be making the
24 payments due and on the Series A bond, that
25 would be \$505,000 on September 1st of 2013,

1 and the payments for September, October,
2 November and December of the \$520,000 is
3 going to be due on September 1, 2014.

4 What this financing will do on each
5 of these issues will take -- will provide
6 the monies to pay the seven payments of
7 principal and interest on the 2006 A bonds
8 that are due September 1, 2013, that will be
9 put into a sinking fund or be held in escrow
10 to make that payment and then make the first
11 four payments that are due on the bond
12 that's due September one, 2014.

13 That's what's being refinanced.
14 That total amount of principal and interest
15 on those two issues is \$494.98 and then what
16 will happen is the city will then pay back
17 that over a period of ten years on those
18 bonds. So instead of coming up on this
19 issue with \$498,000 over the course of a
20 year, there is only going to one payment
21 that's going to be paid, and that has to be
22 made, that's going to be in January. The
23 other 11 payments will be paid from the bond
24 fund, from the floating of the bonds, and
25 will be paid and held in escrow and those

1 payments will be made and in 2000 the mature
2 of the bond on the first series that are due
3 on September 1, 2013, retire that, and have
4 the other four payments available to be
5 made. So then in the next nine years the
6 amount of this funding will be put into the
7 budget so the city won't have to come up
8 with that money.

9 You go to the next page and you look
10 at the second whereas clause and on the
11 Series B bond that was floated for
12 \$35,605,000 in 2003, there currently is
13 outstanding, and that's on the third line,
14 \$29,045,000. That's the amount that's
15 outstanding, so what's happening is that
16 what will be financed in this is that the
17 payment that's due September 1, 2013 is
18 \$845,000 of principal and interest, and it's
19 due on September 1st of 2013, it would be
20 \$880,000.

21 So what is being done here is that
22 the seven payments on the payment that is
23 due on September 1, 2013, is being financed
24 with principal and interest so that bond
25 will be paid off in full. The bond that is

1 due on September 1, 2014, of \$880,000 the
2 first four months of payments on that will
3 be financed that total comes to \$1,949,926.

4 You go down to the fifth whereas,
5 and this is Series C bonds, they were
6 floated for \$18,145,000. The principal
7 remaining on that is \$15,035,000, so this is
8 where it gets a little tricky because it
9 says -- not tricky, but has to be explained
10 is that there is a payment due September 1
11 of 2013 of \$410,000.

12 Then you go down and on the 2000 "C"
13 bonds maturing on December 1, 2018. The way
14 that this bond issue was structured is that
15 the bonds mature on September 1, 2013. The
16 next maturity date is September 1, 2018.
17 Bonds don't mature in that time period, but
18 the city has to make payments in escrow, but
19 the amount that has to be paid on September
20 1, 2018. So the structure of the "C" bonds
21 is different on the maturity dates. Most
22 bonds mature serially every year so many,
23 however, the "C" bonds and the "D" bonds
24 don't mature every year. The "C" bonds and
25 the "D" bonds will skip in there of four

1 years so that's why it has September 1st of
2 2018 in here.

3 So what we are doing here is that
4 the payments that would have to be made on
5 this we would have the payments from
6 February 1, 2013, to September 1, 2013,
7 those bonds would then be paid off, they
8 would be matured, and then what we are doing
9 is making the payments from September 1,
10 2-13, four payments, December 1, 2014, which
11 are going to go into a sinking fund to pay
12 the bonds that mature on September 1, 2018.
13 So there will be 11 payments on that bond
14 issue of \$1,125,888.

15 If you go down to the next whereas
16 clause is on the "D" bonds, the "D" bonds
17 that were floated in 2006 or 2003 "D" bonds
18 the total was \$13,480,000 of which there is
19 \$8,790,000 outstanding and what we will be
20 doing is making the interest payments and
21 the principal payments that are due in 2013,
22 there are seven of those, and then we will
23 be making the four payments that are due
24 from September 1, 2014, to December -- I'm
25 sorry, 2013, that totals \$988,725.

1 That's what is being refinanced
2 here. Right now it's anticipated it will be
3 refinanced in two series of financing, one
4 under the \$9,750,000 for the unfunded debt
5 and the rest for the financing so the city
6 won't have to make all of those payments
7 next year, it will be paid through this bond
8 issue and then spread out and amortized over
9 the period ten years for repayment.

10 MS. EVANS: Thank you.

11 MR. HUGHES: If you have any
12 questions feel free to --

13 MS. EVANS: Mr. McGoff, any
14 questions?

15 MR. MCGOFF: No.

16 MS. EVANS: Thank you, Solicitor
17 Hughes. City council will suspend its rules
18 to move both pieces of legislation from
19 Sixth Order into Seventh Order tonight in
20 order to meet the timeline necessary to
21 accomplish this borrowing and refinancing.

22 Next, the Office of Economic and
23 Community Development has filed a request
24 for a voluntary grant reduction request of
25 \$49,500 in 2013 CDBG funds in lieu of

1 repayment of two activities that were found
2 to be ineligible during monitoring reviews
3 conducted in April 2011. The request is
4 based on the city's inability to provide
5 nonfederal funds or reimbursement of the
6 ineligible activities since it remains
7 financially distressed.

8 In addition, city council received a
9 response from OECD Director Linda Aebli
10 regarding the park located behind the 500
11 block of Lackawanna Avenue. She states that
12 the park is part of the Phase II of the Park
13 Plaza Pedestrian Court. Funding was made
14 available from a grant to complete the park
15 from the Commonwealth of Pennsylvania
16 Department of Conservation and Natural
17 Resources or DCNR. An addendum to the
18 construction service agreement between OECD
19 and Sardoni Construction Services,
20 Incorporated, was executed on September 9,
21 2009, in the amount of \$499,000. A second
22 addendum was recently executed on October
23 24, 2012, by the DCNR to extend the term of
24 the grant agreement and thereby the
25 completion date for this park which is

1 located above the wall in Bogart Court to
2 April 30, 2013.

3 Finally, city council also received
4 a response from Theresa Osborne, Chancellor
5 of the Scranton Diocese, on November 9,
6 2012, which provides a listing of all
7 churches, schools, parking lots and social
8 halls owned by the Diocese, including dates
9 of vacancies.

10 Mrs. Krake, please contact the
11 County Tax Assessor's Office for the
12 assessment of those properties that are
13 closed and therefore taxable.

14 And that's it.

15 MS. KRAKE: 5-B. AUTHORIZING THE
16 VACATION OF AN UNOPENED RIGHT-OF-WAY KNOWN
17 AS THE 200 BLOCK OF MCDONOUGH STREET
18 CONSISTING OF AN AREA 150 FEET LONG BETWEEN
19 39.31 AND 39.62 FEET WIDE LOCATED BETWEEN
20 GREG COURT (UNDEVELOPED) AND COLLIERY AVENUE
21 IN THE CITY OF SCRANTON, AS MORE
22 PARTICULARLY DESCRIBED IN THE LEGAL
23 DESCRIPTION AND MAP ATTACHED HERETO, UNDER
24 AND SUBJECT TO A PERMANENT EASEMENT AND
25 RIGHT OF WAY GRANTED TO THE SEWER AUTHORITY

1 OF THE CITY OF SCRANTON, PENNSYLVANIA OVER
2 THE ENTIRE VACATED AREA.

3 MS. EVANS: At this time I'll
4 entertain a motion that Item 5-B be
5 introduced into its proper committee.

6 MR. JOYCE: So moved.

7 MR. MCGOFF: Second.

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

11 MR. MCGOFF: Aye.

12 MR. LOSCOMBE: Aye.

13 MR. JOYCE: Aye.

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

16 MR. MCGOFF: Second.

17 MS. KRAKE: 5-C. AN ORDINANCE TO
18 PROVIDE REVENUE FOR THE CITY OF SCRANTON BY
19 IMPOSING A TAX UPON THE PRIVILEGE OF
20 ATTENDING OR ENGAGING IN AMUSEMENTS,
21 INCLUDING EVERY FORM OF ENTERTAINMENT,
22 DIVERSION, SPORT, RECREATION AND PASTIME,
23 REQUIRING ALL PERSONS, PARTNERSHIPS,
24 ASSOCIATIONS AND CORPORATIONS CONDUCTING
25 PLACES OF AMUSEMENTS; IMPOSING DUTIES

1 AND CONFERRING POWERS UPON THE TREASURER OF
2 THE CITY OF SCRANTON; PRESCRIBING THE METHOD
3 AND MANNER OF COLLECTING THE TAX IMPOSED BY
4 THIS ORDINANCE; AND IMPOSING PENALTIES FOR
5 THE VIOLATION THEREOF.

6 MS. EVANS: At this time I'll
7 entertain a motion that Item 5-C be
8 introduced into its proper committee.

9 MR. JOYCE: So moved.

10 MR. MCGOFF: Second.

11 MS. EVANS: On the question?

12 MR. MCGOFF: Yes, I just have one
13 question on it, are there any exemptions to
14 this, and I speak particularly of schools,
15 churches, nonprofits?

16 MS. EVANS: Those were the questions
17 that I had posed at last week's meeting and
18 I believe we received a response from
19 Attorney Kelly. He has received additional
20 information from other municipalities and
21 townships who do levy an amusement tax and
22 provide exemptions for the types of
23 activities that you and I have enumerated so
24 he is going to be reviewing that and I do
25 believe that the tax will be -- or the

1 legislation, I should say, for the tax will
2 be amended in Seventh Order.

3 MR. MCGOFF: Thank you.

4 MS. EVANS: Is there anyone else on
5 the question? All those in favor of
6 introduction signify by saying aye.

7 MR. MCGOFF: Aye.

8 MR. LOSCOMBE: Aye.

9 MR. JOYCE: Aye.

10 MS. EVANS: Aye. Opposed? The ayes
11 have it and so moved.

12 MS. KRAKE: 5-D. APPOINTMENT OF
13 NANCY D. BISIGNANI, 1200 PINE STREET,
14 SCRANTON, PENNSYLVANIA, 18510, AS A MEMBER
15 OF THE HISTORICAL ARCHITECTURE REVIEW BOARD
16 FOR AN ADDITIONAL FIVE (5) YEAR TERM. MRS.
17 BISIGNANI'S CURRENT TERM EXPIRED ON OCTOBER
18 11, 2012 AND HER NEW TERM WILL EXPIRE ON
19 OCTOBER 11, 2017.

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

23 MR. JOYCE: So moved.

24 MR. MCGOFF: Second.

25 MS. EVANS: On the question?

1 MR. JOYCE: Yes, Mrs. Krake, if you
2 can contact Ms. Bisignani and all of the
3 other appointments and ask them for a letter
4 of the interest to ensure that they would
5 like to be a part of HARB.

6 MS. EVANS: I think maybe we are
7 looking for, because they have served
8 already, they are having their terms
9 renewed, I think what we are requesting is a
10 resume from both individuals in order that
11 council could consider reappointing them. I
12 know that although I may be familiar with
13 these two individuals, I believe we have at
14 least three council members who are not
15 which necessitates the resume.

16 Anyone else on the question?

17 MR. MCGOFF: Aye.

18 MR. LOSCOMBE: Aye.

19 MR. JOYCE: Aye.

20 MS. EVANS: Aye. Opposed? The ayes
21 have it and so moved.

22 MS. KRAKE: 5-E. APPOINTMENT OF
23 JOHN MOORE, 315 13TH AVENUE, SCRANTON,
24 PENNSYLVANIA, 18504, AS A MEMBER OF THE
25 HISTORICAL ARCHITECTURE REVIEW BOARD FOR AN

1 ADDITIONAL FIVE (5) YEAR TERM. MR. MOORE'S
2 CURRENT TERM EXPIRED ON OCTOBER 11, 2012 AND
3 HIS NEW TERM WILL EXPIRE ON OCTOBER 11,
4 2017.

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

8 MR. JOYCE: So moved.

9 MR. MCGOFF: Second.

10 MS. EVANS: On the question? All
11 those in favor of introduction signify by
12 saying aye.

13 MR. MCGOFF: Aye.

14 MR. LOSCOMBE: Aye.

15 MR. JOYCE: Aye.

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

18 MS. KRAKE: 5-F. ACCEPTING THE
19 RECOMMENDATION OF THE HISTORICAL
20 ARCHITECTURE REVIEW BOARD ("HARB") AND
21 APPROVING THE CERTIFICATE OF APPROPRIATENESS
22 FOR MAGICAL MARKERS VINYL GRAPHICS, 529
23 NORTHERN BOULEVARD, CHINCHILLA, PENNSYLVANIA
24 FOR THE INSTALLATION OF A 16 OZ. VINYL, FLEX
25 FACE PRINTED BANNER, MEASURING 30 ¾" H X 272

1 ¾" W, FILLED WITHIN THE SIGN PANEL RECESS AT
2 516 LACKAWANNA AVENUE, SCRANTON,
3 PENNSYLVANIA.

4 MS. EVANS: At this time I'll
5 entertain a motion that Item 5-F be
6 introduced into its proper committee.

7 MR. JOYCE: So moved.

8 MR. MCGOFF: Second.

9 MS. EVANS: On the question? All
10 those in favor of introduction signify by
11 saying aye.

12 MR. MCGOFF: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye.

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

17 MS. KRAKE: 5-G. EMERGENCY
18 CERTIFICATE - AMENDING FILE OF COUNCIL NO.
19 56, 2011, AN ORDINANCE ENTITLED "GENERAL
20 CITY OPERATING BUDGET 2012" BY TRANSFERRING
21 \$150,000.00 FROM VARIOUS ACCOUNT NUMBERS
22 LISTED BELOW TO ACCOUNT NO.
23 01.401.15319.4299 (NON-DEPARTMENTAL EXPENSES
24 - OPR TSF DEBT SERVICE - SCRANTON PARKING
25 AUTHORITY) TO PROVIDE FUNDING FOR THE

1 SCRANTON PARKING AUTHORITY DEBT PAYMENT DUE
2 DECEMBER 1, 2012.

3 MS. EVANS: At this time I'll
4 entertain a motion that Item 5-G be
5 introduced into its proper committee.

6 MR. JOYCE: So moved.

7 MR. MCGOFF: Second.

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

11 MR. MCGOFF: Aye.

12 MR. LOSCOMBE: Aye.

13 MR. JOYCE: Aye.

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

16 MR. JOYCE: I make a motion to
17 suspend the rules to move Item 5-G to Sixth
18 and Seventh Order to be considered for final
19 passaged based on the attached emergency
20 certificate.

21 MR. LOSCOMBE: Second.

22 MS. EVANS: On the question? All
23 those in favor signify by saying aye.

24 MR. MCGOFF: Aye.

25 MR. LOSCOMBE: Aye.

1 MR. JOYCE: Aye.

2 MS. EVANS: Aye. Opposed? The ayes
3 have it and so moved.

4 MR. HUGHES: SIXTH ORDER. READING
5 BY TITLE - FILE OF COUNCIL NO. 71, 2012 -
6 AN ORDINANCE - AN ORDINANCE OF THE CITY OF
7 SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA,
8 SETTING FORTH ITS INTENT TO ISSUE ONE OR
9 MORE SERIES OF FEDERALLY TAXABLE AND/OR TAX
10 EXEMPT GENERAL OBLIGATION BONDS OR NOTES OF
11 THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT
12 NOT TO EXCEED TWENTY MILLION NINE HUNDRED
13 TEN THOUSAND DOLLARS (\$20,910,000)
14 (COLLECTIVELY, THE "BONDS") PURSUANT TO THE
15 ACT OF THE GENERAL ASSEMBLY OF THE
16 COMMONWEALTH OF PENNSYLVANIA, PA.C.S. 53,
17 CHAPTERS 80-82, AS AMENDED, KNOWN AS THE
18 LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT");
19 FINDING THAT A PRIVATE SALE BY NEGOTIATION
20 IS IN THE BEST FINANCIAL INTERESTS OF THE
21 CITY; DETERMINING THAT SUCH BONDS SHALL
22 EVIDENCE NONELECTORAL DEBT OF THE CITY;
23 SPECIFYING THAT SUCH INDEBTEDNESS TO BE
24 INCURRED TO PROVIDE FUNDS FOR A CERTAIN
25 PROJECT OF THE CITY CONSISTING OF ALL OR ANY

1 OF THE FOLLOWING: (1) FUNDING UNFUNDED DEBT
2 OF THE CITY; (2) REFUNDING A PORTION OF THE
3 CITY'S OUTSTANDING GENERAL OBLIGATION BONDS,
4 SERIES A OF 2003; (3) REFUNDING A PORTION OF
5 THE CITY'S OUTSTANDING GENERAL OBLIGATION
6 BONDS, SERIES B OF 2003; (4) REFUNDING A
7 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
8 TAXABLE GENERAL OBLIGATION PENSION FUNDING
9 BONDS, SERIES C OF 2003; (5) REFUNDING A
10 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
11 TAXABLE GENERAL OBLIGATION BONDS, SERIES D
12 OF 2003; AND (6) FUNDING NECESSARY RESERVES
13 AND PAYING THE COSTS AND EXPENSES OF
14 ISSUANCE OF THE BONDS; SETTING FORTH THE
15 REASONABLE ESTIMATED USEFUL LIVES OF THE
16 CAPITAL PROJECTS THAT ARE TO BE FINANCED AND
17 REFINANCED BY THE BONDS; ACCEPTING A
18 PROPOSAL FOR THE PURCHASE OR ARRANGEMENT OF
19 THE PRIVATE PLACEMENT OF SUCH BONDS AT
20 PRIVATE SALE BY NEGOTIATION TO FINANCIAL
21 INSTITUTIONS, QUALIFIED INSTITUTIONAL BUYERS
22 AND/OR ACCREDITED INVESTORS; PROVIDING THAT
23 SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A
24 GENERAL OBLIGATION OF THE CITY; FIXING THE
25 DENOMINATIONS, SERIES DESIGNATIONS, DATED

1 DATE, INTEREST PAYMENT DATES, MATURITY
2 DATES, INTEREST RATES, REDEMPTION
3 PROVISIONS, OPTIONAL AND MANDATORY
4 REDEMPTION PROVISIONS (IF APPLICABLE) AND
5 PLACE OF PAYMENT OF THE PRINCIPAL OF AND
6 INTEREST ON SUCH BONDS; AUTHORIZING
7 SPECIFIED OFFICERS OF THE CITY TO CONTRACT
8 WITH THE PAYING AGENT FOR ITS SERVICES
9 IN CONNECTION WITH THE BONDS; SETTING FORTH
10 THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING
11 THE DEBT; AUTHORIZING EXECUTION AND
12 ATTESTATION OF SUCH BONDS; PROVIDING
13 COVENANTS RELATED TO DEBT SERVICE APPLICABLE
14 TO SUCH BONDS TO THE EXTENT REQUIRED BY THE
15 ACT AND PLEDGING THE FULL FAITH, CREDIT AND
16 TAXING POWER OF THE CITY IN SUPPORT THEREOF;
17 CREATING A SINKING FUND FOR EACH SERIES
18 OF BONDS IN CONNECTION WITH SUCH SERIES OF
19 BONDS, TO THE EXTENT REQUIRED BY THE ACT;
20 DESIGNATING THE PAYING AGENT TO BE THE
21 SINKING FUND DEPOSITARY; PROVIDING A
22 COVENANT TO INSURE PROMPT AND FULL PAYMENT
23 FOR SUCH BONDS WHEN DUE; SETTING FORTH
24 REGISTRATION AND TRANSFER PROVISIONS WITH
25 RESPECT TO SUCH BONDS; AUTHORIZING THE

1 EXECUTION OF ONE OR MORE INVESTMENT
2 AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY
3 (IF APPLICABLE) AND THE PURCHASE OF CERTAIN
4 U.S. TREASURY OBLIGATION OR ANY OTHER
5 SECURITIES OR INVESTMENTS IN CONNECTION
6 WITH THE PROJECT AND THE REFUNDING OF THE
7 PRIOR BONDS; AUTHORIZING AND DIRECTING
8 SPECIFIED OFFICERS OF THE CITY TO DO, TO
9 TAKE AND TO PERFORM CERTAIN SPECIFIED,
10 REQUIRED, NECESSARY OR APPROPRIATE ACTS TO
11 EFFECT THE ISSUANCE OF THE BONDS, INCLUDING,
12 WITHOUT LIMITATION, THE PREPARATION OF A
13 DEBT STATEMENT AND BORROWING BASE
14 CERTIFICATE, AND THE FILING OF SPECIFIED
15 DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY
16 AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY
17 THE ACT; DECLARING THAT THE DEBT TO BE
18 EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL
19 OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE
20 IN EXCESS OF ANY APPLICABLE LIMITATION
21 IMPOSED BY THE ACT; AUTHORIZING PROPER
22 OFFICERS OF THE CITY TO DELIVER THE BONDS
23 UPON THE APPROVAL OF THE DEPARTMENT OF
24 COMMUNITY AND ECONOMIC DEVELOPMENT; IF
25 APPLICABLE, SETTING FORTH CERTAIN COVENANTS

1 PRECLUDING THE CITY FROM TAKING ACTIONS
2 WHICH WOULD CAUSE THE BONDS TO BECOME
3 "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY
4 BONDS," AS THOSE TERMS ARE USED IN THE
5 INTERNAL REVENUE CODE OF 1986, AS AMENDED
6 (THE "CODE"), AND APPLICABLE REGULATIONS
7 PROMULGATED THEREUNDER; AUTHORIZING THE
8 EXECUTION OF A CONTINUING DISCLOSURE
9 CERTIFICATE AND COVENANTING TO COMPLY WITH
10 THE PROVISIONS THEREOF, IF APPLICABLE;
11 AUTHORIZING THE EXECUTION OF ONE OR MORE
12 ESCROW AGREEMENTS BY AND BETWEEN THE CITY
13 AND THE ESCROW AGENT NAMED THEREIN IN
14 CONNECTION WITH THE REFUNDING OF THE PRIOR
15 BONDS; APPROVING THE FORM OF AND RATIFYING
16 THE PREPARATION, USE AND DISTRIBUTION OF A
17 PRELIMINARY PLACEMENT MEMORANDUM AND A
18 PLACEMENT MEMORANDUM BY THE PURCHASER OR
19 PLACEMENT AGENT IN CONNECTION WITH THE
20 MARKETING OF THE BONDS; AUTHORIZING AND
21 DIRECTING THE PREPARATION, EXECUTION AND
22 DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND
23 THE TAKING OF ALL OTHER REQUIRED ACTION;
24 PROVIDING WHEN THIS ORDINANCE SHALL BECOME
25 EFFECTIVE; PROVIDING FOR SEVERABILITY OF

1 PROVISIONS; AND REPEALING ALL ORDINANCES OR
2 PARTS OF ORDINANCES INSOFAR AS THE SAME
3 SHALL BE INCONSISTENT HEREWITH.

4 MS. EVANS: You've heard reading by
5 title of Item 6-A, what is your pleasure?

6 MR. JOYCE: I make a motion to amend
7 Item 6-A as per the following:

8 Inserting the new Section 28, which
9 reads as follows:

10 1. "The City shall provide funds to
11 pay the 2013 debt service required on the
12 bonds issued to the fund by the unfunded
13 debt service which shall be transferred to
14 the paying agent for deposit into the
15 sinking fund on or before December 31,
16 2012."

17 2. Sections 28 to 31 shall be
18 renumbered 29 to 32."

19 MR. LOSCOMBE: Second.

20 MS. EVANS: Are there questions on
21 the amendment? All those in favor of the
22 motion to amend Item 6-A signify by saying
23 aye.

24 MR. MCGOFF: Aye.

25 MR. LOSCOMBE: Aye.

1 MR. JOYCE: Aye.

2 MS. EVANS: Aye. Opposed? The ayes
3 have it and so moved.

4 MR. MCGOFF: Mrs. Chairman, I move
5 that Item 6-A, as amended, pass reading by
6 title.

7 MR. JOYCE: Second.

8 MS. EVANS: Thank you. On the
9 question? All those in favor signify by
10 saying aye.

11 MR. MCGOFF: 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: 6-B. READING BY TITLE -
17 FILE OF COUNCIL NO. 72, 2012 - AN ORDINANCE
18 - AUTHORIZING THE MAYOR AND OTHER
19 APPROPRIATE CITY OFFICIALS TO LEVY A REAL
20 ESTATE TAX MILLAGE INCREASE FOR A PERIOD OF
21 (10) YEARS DEDICATED TO RETIRING THE
22 UNFUNDED DEBT INCURRED IN CALENDAR YEAR 2012
23 IN THE AMOUNT OF NINE MILLION SEVEN HUNDRED
24 FIFTY THOUSAND DOLLARS (\$9,750,000.00) AND
25 DIRECTING THE CITY TREASURER TO SEPARATE THE

1 PROPER PORTION OF THE REAL ESTATE TAXES
2 RECEIVED FROM THE SINGLE TAX OFFICE DURING
3 SUCH TEN (10) YEAR PERIOD AND FORWARD SAME
4 TO A SEPARATE ACCOUNT TO SERVICE AND RETIRE
5 THE UNFUNDED DEBT.

6 MS. EVANS: You've heard reading by
7 title of Item 6-B, what is your pleasure?

8 MR. JOYCE: I move that Item 6-B
9 pass reading by title.

10 MR. LOSCOMBE: Second.

11 MS. EVANS: On the question? All
12 those in favor signify by saying aye.

13 MR. MCGOFF: Aye.

14 MR. LOSCOMBE: Aye.

15 MR. JOYCE: Aye.

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

18 MS. KRAKE: 6-C - FORMERLY 5-G -
19 EMERGENCY CERTIFICATE - READING BY TITLE -
20 FILE OF COUNCIL NO. 73, 2012, AN ORDINANCE -
21 AMENDING FILE OF COUNCIL NO. 56, 2011 - AN
22 ORDINANCE ENTITLED "GENERAL CITY OPERATING
23 BUDGET 2012" BY TRANSFERRING \$150,000.00
24 FROM VARIOUS ACCOUNT NUMBERS LISTED BELOW TO
25 ACCOUNT NO. 01.401.15319.4299

1 (NON-DEPARTMENTAL EXPENSES - OPR TSF DEBT
2 SERVICE - SCRANTON PARKING AUTHORITY) TO
3 PROVIDE FUNDING FOR THE SCRANTON PARKING
4 AUTHORITY DEBT PAYMENT DUE DECEMBER 1, 2012.

5 MS. EVANS: You've heard reading by
6 title of Item 6-C, what is your pleasure?

7 MR. JOYCE: I move that Item 6-C
8 pass reading by title.

9 MR. LOSCOMBE: Second.

10 MS. EVANS: On the question? All
11 those in favor signify by saying aye.

12 MR. MCGOFF: Aye.

13 MR. LOSCOMBE: Aye.

14 MR. JOYCE: Aye.

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

17 MR. JOYCE: I make a motion to
18 suspend the rules to move Item 6-A, as
19 amended, and Item 6-B to Seventh Order for
20 final passage.

21 MR. MCGOFF: Second.

22 MS. EVANS: On the question? All
23 those in favor signify by saying aye.

24 MR. MCGOFF: Aye.

25 MR. LOSCOMBE: Aye.

1 MR. JOYCE: Aye.

2 MS. EVANS: Aye. Opposed? The ayes
3 have it and so moved.

4 Is there anyone who wishes to
5 address council on Items 6-A and 6-B or 6-C
6 that have been moved into Seventh Order?

7 MS. SCHUMACHER: Yes, this is
8 procedural, but there is no 5-G on the
9 agenda that we were provided and I thought
10 all agenda items had to be advertised a day
11 before they were to be voted on.

12 MS. EVANS: 5-G is the emergency
13 legislation?

14 MS. SCHUMACHER: Yeah.

15 MS. EVANS: Yes, well in cases of an
16 emergency, no. It isn't advertised a day in
17 advance because it was just presented to
18 council's office today and I believe that
19 Solicitor Hughes during his explanation of
20 the bond payment for the Scranton Parking
21 Authority explained the need for --

22 MS. SCHUMACHER: That's for those of
23 us who are here, but there might have been
24 other people who might have been interested,
25 I don't know. I think they need to move the

1 Radisson up here because this is getting to
2 be the railroad station, just move it on
3 through.

4 MS. EVANS: Well, thank you.
5 Mrs. Schumacher, if we don't do this then we
6 can pay the \$700,000 rather than the
7 \$150,000.

8 MR. SBARAGLIA: I want to get back
9 to the bond payments, have you noticed that
10 the money owed on them bonds is nowhere near
11 the \$21 million that you are going to be
12 taking? So them bonds are not going to be
13 paid off, what we are borrowing, God only
14 knows at what percentage, that's the
15 problem. I don't know what they percentage
16 they are. If we only had an audit where we
17 can look at the stuff before it comes, but
18 it's obvious to anybody that we are going to
19 be paying on the "A", "B" -- well, maybe not
20 "A" but "B", "C" and "D" long after I'm dead
21 and thank God my son ain't going to come
22 back here, and we are going to be borrowing
23 this other 20 million.

24 Now, I understand that we are in
25 trouble, but are we going to borrow at a

1 greater amount than what is owed on those
2 bonds? We are not paying off the bonds. In
3 fact, there is lot of other stuff in there
4 that we are supposed to be paying off, but
5 the basic thing is when these bonds were
6 sold I don't know what them bonds are 5
7 percent, 5 1/2 percent I think if I can
8 remember way back when they came out, I
9 think it was somewhere in that neighborhood
10 and we are going to be borrowing today at 10
11 percent or 9.8 percent or 8.9 percent. No
12 wonder why Mr. Rogan was shaking his head
13 like crazy when you are talking about the
14 refinancing.

15 Now, I understand we are in trouble,
16 and I understand we are in desperate
17 trouble, but why are we making the debt
18 higher and higher and higher? I mean, we
19 cannot pay off them bonds by raising taxes
20 that cover it so at least we are paying on
21 the DPW side and the police station and the
22 lights. Oh, we needed them lights that the
23 mayor so did. I mean, practical. I applaud
24 him for doing it, I wish he had added up all
25 of the debt that we are still owed on them

1 bonds compared to the 20 million, 21 million
2 we are borrowing, but the problem is when we
3 borrowed that 72, 73 million way back when
4 our rating was good, now we are below junk
5 bond. You are not going to get a good
6 rating, we know this. That 9.8 that we
7 borrowed or 8.9 was it, that's what we are
8 looking at, maybe even higher now as the
9 debt keeps accumulating.

10 I applaud you for what you did. I
11 did like -- I listened to it very good.
12 That's why I wanted to know what portion of
13 the debt we were paying because I knew that
14 debt. When we borrowed anything usually you
15 can double it and that's what the poor
16 people have to pay. I don't care how
17 politicians like to say it, we are borrowing
18 20 million, but we are paying back 40
19 million and that's how it works. That's why
20 we are where we are today. Nobody ever
21 looked at tomorrow. Everything was today.

22 As I told you before, parties run
23 like contracts and it's too bad the system
24 is that way. Scranton is suffering from
25 politics. That's what destroying the city

1 and I ain't going to bring this up. I keep
2 bringing it up every time, but so people
3 know that we are not paying off them debts
4 we are borrowing more money to pay off like
5 a Ponzi, we are going to keep borrowing to
6 pay off money back along and eventually
7 everything goes down. Thank you.

8 MS. EVANS: Thank you. I just
9 wanted to state though in addition to that,
10 and I think Mr. Sbaraglia might have touched
11 on this, in addition to the refinancing of
12 the bond payments, the city will also be
13 paying the remainder of it's 2012 accounts,
14 bills that have not been paid to this point
15 in the year.

16 I think though what's important to
17 also consider, ladies and gentlemen, is
18 this. You know, I agree with what
19 Mr. Sbaraglia says and that's why I didn't
20 approve borrowing all those years and
21 everyone most that. I felt that it should
22 only be utilized when it's absolutely
23 necessary and in cases of emergency, which
24 this is, and we are faced with a choice of
25 these unfunded debt borrows or allowing the

1 city to go under, which will then drive up
2 the tax increases astronomically and at the
3 same time your services are going to be cut
4 in half so for the people who are, for
5 example, very upset about the brownouts of
6 their fire stations, well, that situation
7 will look palatable compared to what would
8 happen because you would be cutting the fire
9 department, the police department, and the
10 DPW at least by 50 percent, probably more.

11 And if you read about cities where,
12 you know, these bankruptcies have occurred
13 crime has run out of control in those cities
14 for a period of several years afterwards
15 because public services were so -- were cut
16 so deeply.

17 So that's what you have to consider
18 here when we are talking about this type of
19 borrowing. Do we borrow to keep the city
20 going and extend that out over ten years or
21 do we throw our hands up and say, "I give
22 up, can't keep borrowing and paying off
23 borrowing," but you have to be prepared then
24 for very big, very, very big tax increases
25 and to lose what you now enjoy as the

1 Scranton Police Department, the Scranton
2 Fire Department and the Scranton Department
3 of Public Works.

4 Mr. Dobrzyn.

5 MR. DOBRZYN: Good evening once
6 again, I have one question, I understand
7 about the emergency and so forth, as
8 egregious as it is it hasn't been done by
9 the council up here and I still support
10 council that exists right now, but can any
11 of this borrowed money be redirected to any
12 other pet projects, and that's mainly a
13 question for Attorney Hughes? In other
14 words, can we say it's for "A" and we really
15 have "B" in the back of our minds somewhere?
16 Can any of that -- and I'm not considering
17 council, but --

18 MS. EVANS: I know.

19 MR. DOBRZYN: But the administration
20 has been known over the years to just do
21 what they want.

22 MS. EVANS: No, the money is
23 committed. In terms of the bond payments,
24 those funds were, you know, placed into a
25 sinking fund to make those payments each

1 year in 2013 and 2014 as they often do, and
2 as for the remainder of it, it will be used
3 to pay the outstanding bills of the city
4 right now, and there are very many. For
5 example, \$1.5 million has to be repaid to
6 the Workers' Comp Fund. Health care has to
7 be paid. There are -- there are just so
8 many. Mr. Joyce, if you want to jump in and
9 expand on it?

10 MR. JOYCE: There is the money to
11 the Parking Authority, there is the DCED
12 loan payment from the state, I believe Mrs.
13 Evans mentioned the Workers' Comp Fund, so
14 we are up to a couple of million dollars
15 there. I do have a list on my computer, I
16 don't know the rest off the top of my head.

17 MR. DOBRZYN: Right, they were
18 somewhere around \$5 million right there.

19 MR. JOYCE: Yes, we have three
20 payrolls left, that's roughly another \$3.7
21 million, so these are the things that will
22 be paid out of this money.

23 MR. DOBRZYN: Right. And I just
24 have a little comment on DPW, it's time that
25 after all of this overwhelming stuff is done

1 we start to straighten things out with an
2 increase in the trash, especially for
3 nonprofits that use the trash, and also
4 today on Moosic Street our fine utility
5 companies have about a dozen excavations.
6 Now, that's not our street, but it was one
7 year ago today that it was completed and
8 that's where I think a lot of other money
9 goes and they are externalizing their
10 liabilities. They just pass whatever they
11 want and despite the fact that we are
12 spending tons of money every year the
13 streets just get worse and worse and we
14 can't keep up with it because they do.

15 Mr. Jackowitz, an associate of his
16 from work, I bumped into him at work and --

17 MS. EVANS: Well, actually,
18 Mr. Dobrzyn, we have to stay on the topic of
19 the three pieces of legislation.

20 MR. DOBRZYN: Okay, well, he had a
21 gas leak and instead of fixing the whole
22 street, which you could still smell gas
23 afterwards, they fixed one at a time so they
24 tint have to repave the street. There is
25 where our money goes. Thank you. I'm sorry

1 about that.

2 MS. EVANS: Thank you.

3 MR. MILLER: Good evening, Council.
4 Doug Miller, Scranton.

5 MS. EVANS: Good evening.

6 MR. MILLER: I apologize, I know I
7 was probably on the sheet earlier, had
8 another commitment, running a little late
9 tonight, but obviously we know the situation
10 we are in, we know this is an emergency
11 situation, and anyone that's paid close
12 attention certainly knows the procedure on
13 emergency certificate legislation. We need
14 to act now and certainly no one ever wants
15 to borrow, it's always the last resort. As
16 Mrs. Evans stated moments ago, it's
17 something that came before council in the
18 past and you objected to it.

19 But today after a decade of fiscal
20 mismanagement by the administration,
21 reckless borrowing and spending policies
22 that's put us in the position we are in at
23 this point in time, and not doing this
24 tonight or at this point in time is going to
25 cause us to have a future that doesn't look

1 too bright. You know, we talked about
2 having a tomorrow. If we don't make this
3 decision there won't be a tomorrow. I'm
4 someone of the next generation in this city
5 I don't plan on going anywhere any time
6 soon. I believe in the city and I believe
7 we can turn this city around and I know it's
8 going to be take a lot of time. This mayor
9 really put us in some mess, I'll tell you,
10 and a lot of people doubt we could ever come
11 out of the hole, but if we just throw in the
12 white towel and we give up and we don't act
13 we won't come out of the hole.

14 This council has been put in a tough
15 position. You have been cleaning up for
16 him, nobody else, because now it's in your
17 lap. We dealt with rubber stamp councils
18 who rubber stamped all of these policies,
19 turned a blind eye to all of the spending
20 and we wonder why we are in debt. We wonder
21 why consistently year after year bills
22 continue to pile up and all continues to
23 escalate because past councils never did
24 anything to stop it and now you have to do
25 something to stop it and you have, you've

1 pulled the purse strings, you've cut fat,
2 but there is only so much you can cut.

3 We consistently hear each year
4 during this time of year that we need to
5 make cuts. Eventually, it's going to come
6 time where we are going to need to cut into
7 the essential services, public safety, and I
8 don't think we want to see that happen. You
9 know, I have been coming up here week after
10 week disgusted that Engine 7 in West Side
11 has been closed because of the failed
12 policies of this administration they let
13 that happen and they haven't taken our
14 public safety seriously.

15 Well, if we think that's a problem
16 now that's nothing compared to what's going
17 to happen where there will be less police
18 officers on the street, there will be less
19 firemen on the street and we'll have crime
20 rates like Wilkes-Barre, and I don't want to
21 be critical of Wilkes-Barre, but I don't
22 think we want to be in that position where
23 you are afraid to go outside at night or you
24 can't leave your car unlocked. Those aren't
25 positions we want to be in.

1 We need to act now and, you know, I
2 commend you for the responsibility you have
3 taken, it's not easy raising taxes and
4 borrowing, putting budgets together, but if
5 we don't do this you are looking at
6 bankruptcy, and we have been told we should
7 consider bankruptcy. That's not what we
8 want. We come up here and we whine and cry
9 that we don't want our taxes raised, but
10 when you come up here at the same time and
11 you talk about bankruptcy you are asking for
12 tax increases beyond your wildest
13 imagination, and I don't think we want that
14 because when that happens we have no say
15 over that.

16 We have a say right now and we have
17 a chance to turn the city around and if we
18 don't make these decisions now we'll never
19 have a say, so I ask you to stay the course
20 and continue what you are doing. You know,
21 Councilman Joyce we have a tremendous
22 Finance Chair when it comes to budgets, when
23 it comes to numbers I put him up against
24 anybody any day of the week and anyone who
25 thinks they can challenge him on numbers or

1 budgets has been misinformed.

2 Mrs. Evans, the leadership as
3 council president that you put forth
4 continue what you are doing. Mr. Loscombe,
5 your expertise on public safety leading us
6 down the right path. Keep up the good work
7 and ignore the criticism because you are
8 doing the right thing. If people thought it
9 was easy as they think it is then may they
10 should try to give it a shot and sit up
11 where you are because it's not. Thank you.

12 MS. EVANS: Thank you. Is there
13 anyone else?

14 MS. KRAKE: SEVENTH ORDER. 7-A.
15 FOR CONSIDERATION BY THE COMMITTEE ON
16 FINANCE - FOR ADOPTION-FILE OF COUNCIL NO.
17 65, 2012 - AMENDING FILE OF THE COUNCIL NO.
18 6, 1976 ENTITLED " AN ORDINANCE (AS AMENDED)
19 IMPOSING A TAX FOR GENERAL REVENUE PURPOSES
20 ON THE TRANSFER OF REAL PROPERTY SITUATE
21 WITHIN THE CITY OF SCRANTON; PRESCRIBING AND
22 REGULATING THE METHOD OF EVIDENCING THE
23 PAYMENT OF SUCH TAX; CONFERRING POWERS AND
24 IMPOSING DUTIES UPON CERTAIN PERSONS, AND
25 PROVIDING PENALTIES", BY IMPOSING THE RATE

1 OF THE REALTY TRANSFER TAX AT TWO AND NINE
2 TENTHS PERCENT (2.9%) FOR CALENDAR YEAR 2013.

3 MS. EVANS: What is the
4 recommendation of the Chair for the
5 Committee on Finance?

6 MR. JOYCE: As Chairperson for the
7 Committee on Finance, I recommend final
8 passage of Item 7-A.

9 MR. LOSCOMBE: Second.

10 MS. EVANS: On the question?

11 MR. JOYCE: Tonight we are
12 introducing -- or sorry, not introducing, we
13 are taking our final vote on a number of the
14 taxes. Usually these are implemented or are
15 voted on in the beginning of the year.
16 However, this year we have a different
17 scenario. Taxes are being introduced and
18 the final vote is being taken before
19 December 10 to justify to the Court of
20 Common Pleas that we are, in fact,
21 increasing other taxes in sharing the burden
22 on our own residents in an effort to
23 implement a commuter tax.

24 If we do not tax these measures now,
25 and I know it's very easy to just say, you

1 know, we want to wait until the beginning of
2 the year, however, if we wait until the
3 beginning of the year chances are we could
4 run into a situation that makes the case for
5 a commuter tax less to the Courts and,
6 therefore, ends up in a situation where
7 taxes would have to be increased higher.

8 MS. EVANS: In addition to that, I
9 think we all recall last January I believe
10 it was when council was voting on the tax
11 millages for each one of its taxes and, of
12 course, it was done at one of the earliest
13 times in probably the last decade, yet the
14 city still lost out on a tremendous chunk of
15 revenue on the reality transfer tax from the
16 sale of one of the hospitals.

17 So, you know, of course what
18 Mr. Joyce is primary, but I believe there is
19 justification beyond that as well and I
20 think, you know, to say that this should not
21 be done, you know, certainly is saying that
22 then, well, this entire process that the
23 city has been undergoing this year should be
24 just tossed out the window. These are all
25 of the steps that are necessary to get us

1 where we need to go to keep the city alive,
2 to keep the city functioning, to continue to
3 employ over 400 people and families, and to
4 be able to provide services and public
5 safety to everyone who lives in this city.

6 Roll call, please?

7 MS. CARRERA: Mr. McGoff.

8 MR. MCGOFF: Yes.

9 MS. CARRERA: Mr. Loscombe.

10 MR. LOSCOMBE: Yes.

11 MS. CARRERA: Mr. Joyce.

12 MR. JOYCE: Yes.

13 MS. CARRERA: Mrs. Evans.

14 MS. EVANS: Yes. I hereby declare
15 Item 7-A legally and lawfully adopted.

16 MS. KRAKE: 7-B. FOR CONSIDERATION
17 BY THE COMMITTEE ON FINANCE - FOR
18 ADOPTION-FILE OF COUNCIL NO. 66, 2012 -
19 AMENDING FILE OF THE COUNCIL NO. 7, 1976,
20 ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING
21 A MERCANTILE
22 LICENSE TAX OF TWO MILLS FOR THE YEAR 1976
23 AND ANNUALLY THEREAFTER UPON PERSONS
24 ENGAGING IN CERTAIN OCCUPATIONS AND
25 BUSINESSES THEREIN; PROVIDING FOR ITS LEVY

1 AND COLLECTION AND FOR THE ISSUANCE OF
2 MERCANTILE LICENSES; CONFERRING AND
3 IMPOSING POWERS AND DUTIES UPON THE TAX
4 COLLECTOR OF THE CITY OF SCRANTON; AND
5 IMPOSING PENALTIES", BY IMPOSING THE
6 MERCANTILE LICENSE TAX AT ONE (1) MILL
7 (.001) FOR CALENDAR YEAR 2013.

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

11 MR. JOYCE: As Chairperson for the
12 Committee on Finance, I recommend final
13 passage of Item 7-B.

14 MR. LOSCOMBE: Second.

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

17 MS. CARRERA: Mr. McGoff.

18 MR. MCGOFF: Yes.

19 MS. CARRERA: Mr. Loscombe.

20 MR. LOSCOMBE: Yes.

21 MS. CARRERA: Mr. Joyce.

22 MR. JOYCE: Yes.

23 MS. CARRERA: Mrs. Evans.

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

1 MS. KRAKE: 7-C. FOR CONSIDERATION
2 BY THE COMMITTEE ON FINANCE - FOR
3 ADOPTION-FILE OF COUNCIL NO. 67, 2012 -
4 AMENDING FILE OF THE COUNCIL NO. 8, 1976,
5 ENTITLED "AN ORDINANCE (AS AMENDED)
6 PROVIDING FOR THE GENERAL REVENUE BY
7 IMPOSING A TAX AT THE RATE OF TWO (2) MILLS
8 UPON THE PRIVILEGE OF OPERATING OR
9 CONDUCTING BUSINESS IN THE CITY OF SCRANTON
10 AS MEASURED BY THE GROSS RECEIPTS THEREFROM;
11 REQUIRING REGISTRATION AND PAYMENT OF THE
12 TAX AS CONDITION TO THE CONDUCTING OF SUCH
13 BUSINESS; PROVIDING FOR THE LEVY AND
14 COLLECTION OF SUCH TAX; PRESCRIBING SUCH
15 REQUIREMENTS FOR RETURNS AND RECORDS;
16 CONFERRING POWERS AND DUTIES UPON THE TAX
17 COLLECTOR; AND IMPOSING PENALTIES", BY
18 IMPOSING THE BUSINESS PRIVILEGE TAX AT THE
19 RATE OF ONE (1) MILL(.001) FOR CALENDAR YEAR
20 2013.

21 MS. EVANS: What is the
22 recommendation of the Chair for the
23 Committee on Finance?

24 MR. JOYCE: As Chairperson for the
25 Committee on Finance, I recommend final

1 passage of Item 7-C.

2 MR. LOSCOMBE: Second.

3 MS. EVANS: On the question? Roll
4 call, please?

5 MS. CARRERA: Mr. McGoff.

6 MR. MCGOFF: Yes.

7 MS. CARRERA: Mr. Loscombe.

8 MR. LOSCOMBE: Yes.

9 MS. CARRERA: Mr. Joyce.

10 MR. JOYCE: Yes.

11 MS. CARRERA: Mrs. Evans.

12 MS. EVANS: Yes. I hereby declare
13 Item 7-C legally and lawfully adopted.

14 MS. KRAKE: 7-D. FOR CONSIDERATION
15 BY THE COMMITTEE ON FINANCE - FOR
16 ADOPTION-FILE OF COUNCIL NO. 68, 2012 -
17 AMENDING FILE OF THE COUNCIL NO. 17, 1994
18 ENTITLED "AN ORDINANCE (AS AMENDED)
19 AUTHORIZING THE
20 GOVERNING BODY OF THE CITY OF SCRANTON TO
21 ENACT 'A WASTE DISPOSAL AND COLLECTION FEE'
22 FOR THE PURPOSE OF RAISING REVENUE TO COVER
23 THE WASTE DISPOSAL AND COLLECTION COSTS
24 INCURRED BY THE CITY OF SCRANTON FOR THE
25 DISPOSAL OF REFUSE", BY IMPOSING A WASTE

1 DISPOSAL AND COLLECTION FEE OF \$178.00 FOR
2 CALENDAR YEAR 2013.

3 MS. EVANS: What is the
4 recommendation of the Chair for the
5 Committee on Finance?

6 MR. JOYCE: As Chairperson for the
7 Committee on Finance, I recommend final
8 passage of Item 7-D.

9 MR. LOSCOMBE: Second.

10 MS. EVANS: On the question? Roll
11 call, please?

12 MS. CARRERA: Mr. McGoff.

13 MR. MCGOFF: Yes.

14 MS. CARRERA: Mr. Loscombe.

15 MR. LOSCOMBE: Yes.

16 MS. CARRERA: Mr. Joyce.

17 MR. JOYCE: Yes.

18 MS. CARRERA: Mrs. Evans.

19 MS. EVANS: Yes. I hereby declare
20 Item 7-D legally and lawfully adopted.

21 MS. KRAKE: 7-E. FOR CONSIDERATION
22 BY THE COMMITTEE ON FINANCE - FOR
23 ADOPTION-FILE OF COUNCIL NO. 69, 2012 -
24 AMENDING FILE OF THE COUNCIL NO. 145 OF 2007
25 ENTITLED "AN ORDINANCE RENAMING THE

1 EMERGENCY AND MUNICIPAL SERVICES TAX
2 ("EMST") TO LOCAL SERVICE TAX ("LST") AND BY
3 IMPOSING A WITHHOLDING OF \$52.00 FOR THE
4 CALENDAR YEAR 2013.

5 MS. EVANS: What is the
6 recommendation of the Chair for the
7 Committee on Finance?

8 MR. JOYCE: As Chairperson for the
9 Committee on Finance, I recommend final
10 passage of Item 7-E.

11 MR. MCGOFF: Second.

12 MS. EVANS: On the question? Roll
13 call, please?

14 MS. CARRERA: Mr. McGoff.

15 MR. MCGOFF: Yes.

16 MS. CARRERA: Mr. Loscombe.

17 MR. LOSCOMBE: Yes.

18 MS. CARRERA: Mr. Joyce.

19 MR. JOYCE: Yes.

20 MS. CARRERA: Mrs. Evans.

21 MS. EVANS: Yes. I hereby declare
22 Item 7-E legally and lawfully adopted.

23 MS. KRAKE: 7-F. FOR CONSIDERATION
24 BY THE COMMITTEE ON FINANCE - FOR
25 ADOPTION-RESOLUTION NO. 47, 2012 - ACCEPTING

1 A SEVEN HUNDRED FIFTY (\$750.00) DOLLAR
2 DONATION FROM SANOFI PASTEUR PRESENTED TO
3 THE CITY OF SCRANTON FIRE DEPARTMENT.

4 MS. EVANS: What is the
5 recommendation of the Chair for the
6 Committee on Finance?

7 MR. JOYCE: As Chairperson for the
8 Committee on Finance, I recommend final
9 passage of Item 7-F.

10 MR. MCGOFF: Second.

11 MS. EVANS: On the question?

12 MR. JOYCE: Yes, I'd just like to
13 thank Sanofi Pasteur for their donation to
14 the Scranton Fire Department.

15 MR. LOSCOMBE: I'll second that.

16 MS. EVANS: Roll call, please?

17 MS. CARRERA: Mr. McGoff.

18 MR. MCGOFF: Yes.

19 MS. CARRERA: Mr. Loscombe.

20 MR. LOSCOMBE: Yes.

21 MS. CARRERA: Mr. Joyce.

22 MR. JOYCE: Yes.

23 MS. CARRERA: Mrs. Evans.

24 MS. EVANS: Yes. I hereby declare
25 Item 7-F legally and lawfully adopted.

1 MS. KRAKE: 7-G. FOR CONSIDERATION
2 BY THE COMMITTEE ON RULES - FOR
3 ADOPTION-RESOLUTION NO. 48, 2012 -
4 APPOINTING MARY ANN WARDELL, 629 DEPOT
5 STREET, SCRANTON, PENNSYLVANIA, 18509, AS A
6 MEMBER OF THE ZONING APPEALS FOR THE CITY OF
7 SCRANTON. MRS WARDELL WILL FILL THE
8 UNEXPIRED TERM OF JIM WILLIAMS, WHO PASSED
9 AWAY ON SEPTEMBER 29, 2012. MRS. WARDELL'S
10 TERM WILL EXPIRE ON JULY 1, 2013.

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

14 MR. JOYCE: Second.

15 MS. EVANS: On the question?

16 MR. MCGOFF: Yes, just for the
17 record, Mrs. Wardell had a resume on file
18 from previous experience with council and
19 that was placed with her letter of intent
20 for interest in the position.

21 MS. EVANS: And we all wish
22 Mrs. Wardell a very successful productive,
23 term on the zoning board.

24 Roll call, please?

25 MS. CARRERA: Mr. McGoff.

1 MR. MCGOFF: Yes.

2 MS. CARRERA: Mr. Loscombe.

3 MR. LOSCOMBE: Yes.

4 MS. CARRERA: Mr. Joyce.

5 MR. JOYCE: Yes.

6 MS. CARRERA: Mrs. Evans.

7 MS. EVANS: Yes. I hereby declare
8 Item 7-G legally and lawfully adopted.

9 MR. HUGHES: 7-H, FORMERLY 6-A, AS
10 AMENDED. FOR CONSIDERATION BY THE COMMITTEE
11 ON FINANCE - FOR ADOPTION - FILE OF COUNCIL
12 NO. 71, 2012 - AN ORDINANCE OF THE CITY OF
13 SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA,
14 SETTING FORTH ITS INTENT TO ISSUE ONE OR
15 MORE SERIES OF FEDERALLY TAXABLE AND/OR TAX
16 EXEMPT GENERAL OBLIGATION BONDS OR NOTES OF
17 THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT
18 NOT TO EXCEED TWENTY MILLION NINE HUNDRED
19 TEN THOUSAND DOLLARS (\$20,910,000)
20 (COLLECTIVELY, THE "BONDS") PURSUANT TO THE
21 ACT OF THE GENERAL ASSEMBLY OF THE
22 COMMONWEALTH OF PENNSYLVANIA, PA.C.S. 53,
23 CHAPTERS 80-82, AS AMENDED, KNOWN AS THE
24 LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT");
25 FINDING THAT A PRIVATE SALE BY NEGOTIATION

1 IS IN THE BEST FINANCIAL INTERESTS OF THE
2 CITY; DETERMINING THAT SUCH BONDS SHALL
3 EVIDENCE NONELECTORAL DEBT OF THE CITY;
4 SPECIFYING THAT SUCH INDEBTEDNESS TO BE
5 INCURRED TO PROVIDE FUNDS FOR A CERTAIN
6 PROJECT OF THE CITY CONSISTING OF ALL OR ANY
7 OF THE FOLLOWING: (1) FUNDING UNFUNDED DEBT
8 OF THE CITY; (2) REFUNDING A PORTION OF THE
9 CITY'S OUTSTANDING GENERAL OBLIGATION BONDS,
10 SERIES A OF 2003; (3) REFUNDING A PORTION OF
11 THE CITY'S OUTSTANDING GENERAL OBLIGATION
12 BONDS, SERIES B OF 2003; (4) REFUNDING A
13 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
14 TAXABLE GENERAL OBLIGATION PENSION FUNDING
15 BONDS, SERIES C OF 2003; (5) REFUNDING A
16 PORTION OF THE CITY'S OUTSTANDING FEDERALLY
17 TAXABLE GENERAL OBLIGATION BONDS, SERIES D
18 OF 2003; AND (6) FUNDING NECESSARY RESERVES
19 AND PAYING THE COSTS AND EXPENSES OF
20 ISSUANCE OF THE BONDS; SETTING FORTH THE
21 REASONABLE ESTIMATED USEFUL LIVES OF THE
22 CAPITAL PROJECTS THAT ARE TO BE FINANCED AND
23 REFINANCED BY THE BONDS; ACCEPTING A
24 PROPOSAL FOR THE PURCHASE OR ARRANGEMENT OF
25 THE PRIVATE PLACEMENT OF SUCH BONDS AT

1 PRIVATE SALE BY NEGOTIATION TO FINANCIAL
2 INSTITUTIONS, QUALIFIED INSTITUTIONAL BUYERS
3 AND/OR ACCREDITED INVESTORS; PROVIDING THAT
4 SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A
5 GENERAL OBLIGATION OF THE CITY; FIXING THE
6 DENOMINATIONS, SERIES DESIGNATIONS, DATED
7 DATE, INTEREST PAYMENT DATES, MATURITY
8 DATES, INTEREST RATES, REDEMPTION
9 PROVISIONS, OPTIONAL AND MANDATORY
10 REDEMPTION PROVISIONS (IF APPLICABLE) AND
11 PLACE OF PAYMENT OF THE PRINCIPAL OF AND
12 INTEREST ON SUCH BONDS; AUTHORIZING
13 SPECIFIED OFFICERS OF THE CITY TO CONTRACT
14 WITH THE PAYING AGENT FOR ITS SERVICES
15 IN CONNECTION WITH THE BONDS; SETTING FORTH
16 THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING
17 THE DEBT; AUTHORIZING EXECUTION AND
18 ATTESTATION OF SUCH BONDS; PROVIDING
19 COVENANTS RELATED TO DEBT SERVICE APPLICABLE
20 TO SUCH BONDS TO THE EXTENT REQUIRED BY THE
21 ACT AND PLEDGING THE FULL FAITH, CREDIT AND
22 TAXING POWER OF THE CITY IN SUPPORT THEREOF;
23 CREATING A SINKING FUND FOR EACH SERIES
24 OF BONDS IN CONNECTION WITH SUCH SERIES OF
25 BONDS, TO THE EXTENT REQUIRED BY THE ACT;

1 DESIGNATING THE PAYING AGENT TO BE THE
2 SINKING FUND DEPOSITARY; PROVIDING A
3 COVENANT TO INSURE PROMPT AND FULL PAYMENT
4 FOR SUCH BONDS WHEN DUE; SETTING FORTH
5 REGISTRATION AND TRANSFER PROVISIONS WITH
6 RESPECT TO SUCH BONDS; AUTHORIZING THE
7 EXECUTION OF ONE OR MORE INVESTMENT
8 AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY
9 (IF APPLICABLE) AND THE PURCHASE OF CERTAIN
10 U.S. TREASURY OBLIGATION OR ANY OTHER
11 SECURITIES OR INVESTMENTS IN CONNECTION
12 WITH THE PROJECT AND THE REFUNDING OF THE
13 PRIOR BONDS; AUTHORIZING AND DIRECTING
14 SPECIFIED OFFICERS OF THE CITY TO DO, TO
15 TAKE AND TO PERFORM CERTAIN SPECIFIED,
16 REQUIRED, NECESSARY OR APPROPRIATE ACTS TO
17 EFFECT THE ISSUANCE OF THE BONDS, INCLUDING,
18 WITHOUT LIMITATION, THE PREPARATION OF A
19 DEBT STATEMENT AND BORROWING BASE
20 CERTIFICATE, AND THE FILING OF SPECIFIED
21 DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY
22 AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY
23 THE ACT; DECLARING THAT THE DEBT TO BE
24 EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL
25 OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE

1 IN EXCESS OF ANY APPLICABLE LIMITATION
2 IMPOSED BY THE ACT; AUTHORIZING PROPER
3 OFFICERS OF THE CITY TO DELIVER THE BONDS
4 UPON THE APPROVAL OF THE DEPARTMENT OF
5 COMMUNITY AND ECONOMIC DEVELOPMENT; IF
6 APPLICABLE, SETTING FORTH CERTAIN COVENANTS
7 PRECLUDING THE CITY FROM TAKING ACTIONS
8 WHICH WOULD CAUSE THE BONDS TO BECOME
9 "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY
10 BONDS," AS THOSE TERMS ARE USED IN THE
11 INTERNAL REVENUE CODE OF 1986, AS AMENDED
12 (THE "CODE"), AND APPLICABLE REGULATIONS
13 PROMULGATED THEREUNDER; AUTHORIZING THE
14 EXECUTION OF A CONTINUING DISCLOSURE
15 CERTIFICATE AND COVENANTING TO COMPLY WITH
16 THE PROVISIONS THEREOF, IF APPLICABLE;
17 AUTHORIZING THE EXECUTION OF ONE OR MORE
18 ESCROW AGREEMENTS BY AND BETWEEN THE CITY
19 AND THE ESCROW AGENT NAMED THEREIN IN
20 CONNECTION WITH THE REFUNDING OF THE PRIOR
21 BONDS; APPROVING THE FORM OF AND RATIFYING
22 THE PREPARATION, USE AND DISTRIBUTION OF A
23 PRELIMINARY PLACEMENT MEMORANDUM AND A
24 PLACEMENT MEMORANDUM BY THE PURCHASER OR
25 PLACEMENT AGENT IN CONNECTION WITH THE

1 MARKETING OF THE BONDS; AUTHORIZING AND
2 DIRECTING THE PREPARATION, EXECUTION AND
3 DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND
4 THE TAKING OF ALL OTHER REQUIRED ACTION;
5 PROVIDING WHEN THIS ORDINANCE SHALL BECOME
6 EFFECTIVE; PROVIDING FOR SEVERABILITY OF
7 PROVISIONS; AND REPEALING ALL ORDINANCES OR
8 PARTS OF ORDINANCES INSOFAR AS THE SAME
9 SHALL BE INCONSISTENT HEREWITH.

10 MS. EVANS: What is the
11 recommendation of the Chair for the
12 Committee on Finance?

13 MR. JOYCE: As Chairperson for the
14 Committee on Finance, I recommend final
15 passage of Item 7-H.

16 MR. MCGOFF: Second.

17 MS. EVANS: As amended.

18 MR. JOYCE: As amended.

19 MS. EVANS: On the question? Roll
20 call, please.

21 MS. CARRERA: Mr. McGoff.

22 MR. MCGOFF: Yes.

23 MS. CARRERA: Mr. Loscombe.

24 MR. LOSCOMBE: Yes.

25 MS. CARRERA: Mr. Joyce.

1 MR. JOYCE: Yes.

2 MS. CARRERA: Mrs. Evans.

3 MS. EVANS: Yes. I hereby declare
4 Item 7-H, as amended, legally and lawfully
5 adopted.

6 MS. KRAKE: 7-I, FORMERLY 6-B -FOR
7 CONSIDERATION FOR THE COMMITTEE ON FINANCE =
8 FOR ADOPTION - FILE OF COUNCIL NO. 72, 2012
9 - AUTHORIZING THE MAYOR AND OTHER
10 APPROPRIATE CITY OFFICIALS TO LEVY A REAL
11 ESTATE TAX MILLAGE INCREASE FOR A PERIOD OF
12 (10) YEARS DEDICATED TO RETIRING THE
13 UNFUNDED DEBT INCURRED IN CALENDAR YEAR 2012
14 IN THE AMOUNT OF NINE MILLION SEVEN HUNDRED
15 FIFTY THOUSAND DOLLARS (\$9,750,000.00) AND
16 DIRECTING THE CITY TREASURER TO SEPARATE THE
17 PROPER PORTION OF THE REAL ESTATE TAXES
18 RECEIVED FROM THE SINGLE TAX OFFICE DURING
19 SUCH TEN (10) YEAR PERIOD AND FORWARD SAME
20 TO A SEPARATE ACCOUNT TO SERVICE AND RETIRE
21 THE UNFUNDED DEBT.

22 MS. EVANS: What is the
23 recommendation of the Chair for the
24 Committee on Finance?

25 MR. JOYCE: As Chairperson for the

1 Committee on Finance, I recommend final
2 passage of Item 7-B.

3 MR. MCGOFF: Second.

4 MS. EVANS: On the question? Roll
5 call, please?

6 MS. CARRERA: Mr. McGoff.

7 MR. MCGOFF: Yes.

8 MS. CARRERA: Mr. Loscombe.

9 MR. LOSCOMBE: Yes.

10 MS. CARRERA: Mr. Joyce.

11 MR. JOYCE: Yes.

12 MS. CARRERA: Mrs. Evans.

13 MS. EVANS: Yes. I hereby declare
14 Item 7-I legally and lawfully adopted.

15 MS. KRAKE: 7-J, FORMERLY 6-C, FOR
16 CONSIDERATION BY THE COMMITTEE ON FINANCE -
17 FOR ADOPTION - FILE OF COUNCIL NO. 73, 2012
18 - AMENDING FILE OF COUNCIL NO. 56, 2011 - AN
19 ORDINANCE ENTITLED "GENERAL CITY OPERATING
20 BUDGET 2012" BY TRANSFERRING \$150,000.00
21 FROM VARIOUS ACCOUNT NUMBERS LISTED BELOW TO
22 ACCOUNT NO. 01.401.15319.4299
23 (NON-DEPARTMENTAL EXPENSES - OPR TSF DEBT
24 SERVICE - SCRANTON PARKING AUTHORITY) TO
25 PROVIDE FUNDING FOR THE SCRANTON PARKING

1 AUTHORITY DEBT PAYMENT DUE DECEMBER 1, 2012.
2 EMERGENCY CERTIFICATE ATTACHED.

3 MS. EVANS: What is the
4 recommendation of the Chair for the
5 Committee on Finance?

6 MR. JOYCE: As Chairperson for the
7 Committee on Finance, I recommend final
8 passage of Item 7-J.

9 MR. ROGAN: Second.

10 MS. EVANS: On the question? Roll
11 call, please?

12 MS. CARRERA: Mr. McGoff.

13 MR. MCGOFF: Yes.

14 MS. CARRERA: Mr. Loscombe.

15 MR. LOSCOMBE: Yes.

16 MS. CARRERA: Mr. Joyce.

17 MR. JOYCE: Yes.

18 MS. CARRERA: Mrs. Evans.

19 MS. EVANS: Yes. I hereby declare
20 Item 7-J legally and lawfully adopted.

21 If there is no further business,
22 I'll entertain a motion to adjourn.

23 MR. JOYCE: Motion to adjourn.

24 MS. EVANS: This meeting is
25 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