

**AGENDA**  
**REGULAR MEETING OF COUNCIL**  
**July 13, 2017**  
**6:30 PM**

1. ROLL CALL
2. READING OF MINUTES
3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES:
  - 3.A BREAKDOWN OF THE ELIGIBLE SALARIES FOR THE LIQUID FUELS ACCOUNT FOR THE MONTHS OF APRIL, MAY AND JUNE, 2017.  
  
[Liquid Fuels Acct for April, May and June 2017.pdf](#)
4. CITIZENS PARTICIPATION
5. INTRODUCTION OF ORDINANCES, RESOLUTIONS, APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS & COMMISSIONS MOTIONS & REPORTS OF COMMITTEES:
  - 5.A MOTIONS
  - 5.B FOR INTRODUCTION – AN ORDINANCE – ADOPTING AND IMPLEMENTING THE ACT 47 EXIT PLAN FOR THE CITY OF SCRANTON PURSUANT TO THE FINANCIALLY DISTRESSED MUNICIPALITIES ACT; AND AUTHORIZING THE MAYOR OF THE CITY OF SCRANTON TO ISSUE AN ORDER DIRECTING THE IMPLEMENTATION OF THE ACT 47 EXIT PLAN WHICH WILL BECOME EFFECTIVE UPON ADOPTION ATTACHED HERETO AS EXHIBIT “A” IN ACCORDANCE WITH THE PROVISIONS OF 53 Pa. C.S.A. §11701.245, THE MUNICIPALITIES FINANCIAL RECOVERY ACT.

[Ordinance-2017 Adopting & Implementing Act 47 Exit Plan.pdf](#)

## 6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A READING BY TITLE - FILE OF THE COUNCIL NO. 110, 2017 - AN ORDINANCE - CLOSING AND VACATING A PORTION OF WRIGHT COURT BETWEEN LINDEN STREET AND THE FORMERLY VACATED PORTION OF WRIGHT COURT.

[Ordinance-2017 Closing & Vacating Portion of Wright Court.pdf](#)

## 7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - FILE OF THE COUNCIL NO. 106, 2017 - APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY SCANLON, INC. T/D/B/A AS DUNMORE BREW HOUSE, 1400 WHEELER AVENUE, DUNMORE, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-1172 TO NEPALI KITCHEN, LLC FOR USE AT 732 PROSPECT AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

[Ordinance-2017 Transfer Liquor License to Nepali Kitchen.pdf](#)

- 7.B FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - FILE OF THE COUNCIL NO. 107, 2017 - AN ORDINANCE - APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY JOAN HUDAK T/D/B/A SEVEN SISTERS TAVERN, 814 SUSQUEHANNA AVENUE, OLYPHANT, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-3527 TO CFM BEER BRICK, LLC FOR USE AT 337 WEST MARKET STREET, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

[Ordinance-2017 Transfer Liquor License to CFM Beer Brick](#)

- 7.C FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 108, 2017 - AN ORDINANCE -AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY-ONE MILLION DOLLARS (\$41,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE CITY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE CITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE CITY WHICH CONSISTS OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AND (2) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED REMAINING USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES AND REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE CITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY IN SUPPORT THEREOF; CREATING ONE OR MORE SINKING FUNDS IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF PROCEEDS OF THE BONDS AND THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL

OBLIGATION BONDS, SERIES B OF 2003; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE CITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE) AND SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENTS NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003, IF NECESSARY OR DESIRABLE; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; SETTING FORTH THE CITY'S INTENT TO PROVIDE FUNDS TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF MONEYS WHICH WILL BE USED TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE

CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE REPEALING OF ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

[Ordinance-2017 General Obligation Bonds \\$41 million.pdf](#)

- 7.D FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 109, 2017 - AN ORDINANCE - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF THE PROCEEDS FROM THE SALE OF THE SCRANTON SEWER AUTHORITY TO REFUND AND REFINANCE THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AND REFUND THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES C AND D OF 2003.

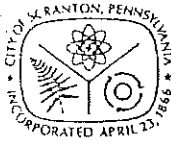
[Ordinance-2017 Reallocate Portion of SSA Sale to Bonds from 2003.pdf](#)

- 7.E FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 177, 2017 - APPOINTMENT OF AJA E. WENTUM, 711 HARRISON AVENUE, SCRANTON, PENNSYLVANIA, 18510 AS A MEMBER OF THE HUMAN RELATIONS COMMISSION, EFFECTIVE JUNE 23, 2017. MR. WENTUM WILL BE REPLACING SUSAN BLUM CONNORS WHO RESIGNED ON JUNE 12, 2017. MR. WENTUM WILL FILL THE UNEXPIRED TERM OF SUSAN BLUM CONNORS WHICH IS SCHEDULED TO EXPIRE ON AUGUST 24, 2018.

8. ADJOURNMENT

City of Scranton  
Pennsylvania

Roseann Novembrino  
City Controller  
Municipal Building  
Scranton, Pennsylvania 18503  
(570) 348-4125



Office of the City Controller  
and Bureau of Investigations

MEMORANDUM

RECEIVED

JUL 10 2017

TO: David Bulzoni  
Business Administrator

OFFICE OF CITY  
COUNCIL/CITY CLERK

FROM: Roseann Novembrino  
City Controller

RM

RE: Liquid Fuels

DATE: July 10, 2017

The following is a breakdown of the eligible salaries for the Liquid Fuels Account for the months of April, May, and June, 2017. Also included are salary details for the same period in the previous year.

	2017	2016
April	36,503.64	47,795.09
May	44,421.37	39,383.96
June	36,323.26	32,483.07
TOTAL	117,248.27	119,662.12
Prior Months	109,918.93	83,444.08
TOTAL YEAR TO DATE	227,167.20	203,106.20

cc: Mayor William L. Courtright  
Dennis Gallagher  
Liz Callela  
Ron Heusner  
City Council

# LIQUID FUELS FOR THE YEAR 2017

ELIGIBLE SALARIES FOR APRIL 2017

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O.T.	SALARY	O.T.	
4-03-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
4-04-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
4-05-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
4-06-17	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
4-07-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
4-10-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	EIDEN	CHAUFFEUR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51



DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
4-11-17	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	EIDEN	CHAUFFEUR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LEVANDOSKI	REPAIRMAN	POTHOLE REPAIR		8		21.1160	31.6740	168.93
4-12-17	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
4-13-17	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
4-14-17	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O.T.	SALARY	O.T.	
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BERBERICH	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
4-19-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	GIANNONE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
4-20-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	KEARNEY	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
4-21-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O.T.	SALARY	O.T.	
4-24-17	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
4-25-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
4-26-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
4-27-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	KEARNEY	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
4-28-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	BERBERICH	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
APRIL 2017 TOTALS					HOURS		WAGES		
					<u>1,768</u>				<u>36,503.64</u>

NOTE: EMPLOYEES REFLECTING NO "STANDARD TIME" HOURS WORKED, BUT HAVE HOURS PAID AS OVERTIME, IS CAUSED BY THOSE EMPLOYEES COMPLETING NON-ROAD WORK RELATED DUTIES DURING NORMAL HOURS, BUT WERE PLACED ON ROAD-WORK ON THE SAME DAY REQUIRING OVERTIME PAY.

# LIQUID FUELS FOR THE YEAR 2017

ELIGIBLE SALARY EXPENSE FOR MAY 2017

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
5-1-17	MAY	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	GIANNONE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
					8		21.7589	32.6384	174.07
05-02-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
					8		21.7589	32.6384	174.07
					8		21.7534	32.6301	174.03
					8		21.9591	32.9387	175.67
05-03-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
					8		21.7589	32.6384	174.07
					8		21.7534	32.6301	174.03
					8		21.9591	32.9387	175.67
					8		21.9591	32.9387	175.67
					8		21.2950	31.9425	170.36
					8		21.2950	31.9425	170.36
05-04-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-05-17	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	WALSH, J.	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
					8		21.7589	32.6384	174.07
					8		21.7534	32.6301	174.03
					8		21.9591	32.9387	175.67
					8		21.9591	32.9387	175.67
					8		21.2950	31.9425	170.36

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
05-08-17	LYNADY	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
05-09-17	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
05-10-17	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
05-11-17	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-12-17	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
05-15-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-16-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-17-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-18-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	SCHOOL ST.	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	SCHOOL ST.	8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	PAVING CREW	SCHOOL ST.	8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	SCHOOL ST.	8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
05-19-17	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	SENSI	OPERATOR	POTHOLE REPAIR		8		21.7589	32.6384	174.07
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	SCHOOL ST.	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	SCHOOL ST.	8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		21.7589	32.6384	174.07
05-22-17	SENSI	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	CHOMKO	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	POPE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	PAVING CREW	MARY ST.	8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LYNADY	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	SENSI	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
05-23-17	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	MARY ST.	8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	PAVING CREW	MARY ST.	8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	MARY ST.	8		21.4574	32.1861	171.66
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
05-24-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	MARY ST.	8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	MARY ST.	8		21.4574	32.1861	171.66
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	MARY ST.	8		21.0633	31.5950	168.51

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
05-25-17	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
05-26-17	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
05-30-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	DESTEFANO	OPERATOR	BROOM		8		21.7534	32.6301	174.03
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
05-31-17	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	BASIN REPAIR/CLEAN		8		21.0633	31.5950	168.51
					8		21.0633	31.5950	168.51
MAY 2017 TOTAL				HOURS	<u>2,144</u>		WAGES		<u>44,421.37</u>

NOTE: EMPLOYEES REFLECTING NO "STANDARD TIME" HOURS WORKED, BUT HAVE HOURS PAID AS OVERTIME, IS CAUSED BY THOSE EMPLOYEES COMPLETING NON-ROAD WORK RELATED DUTIES DURING NORMAL HOURS, BUT WERE PLACED ON ROAD-WORK ON THE SAME DAY REQUIRING OVERTIME PAY.



# LIQUID FUELS FOR THE YEAR 2017

## ELIGIBLE SALARY EXPENSE FOR JUNE 2017

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
06-01-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	CHAUFFEUR	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
06-02-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	CHAUFFEUR	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	POVEROMO	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
06-05-17	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MARONI	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
06-06-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	KEYSER VALLEY	8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
06-07-17	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	KEYSER VALLEY	8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	CARAMANNO	REPAIRMAN	POTHOLE REPAIR		8		21.3763	32.0645	171.01
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
06-08-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	PAVING CREW	KEYSER VALLEY	8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BERBERICH	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
06-09-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	FENTON	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	SENSI	OPERATOR	PAVING CREW	KEYSER VALLEY	8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
06-12-17	JAKES	CHAUFFEUR	PAVING CREW	KEYSER VALLEY	8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	PAVING CREW	KEYSER VALLEY	8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	PAVING CREW	KEYSER VALLEY	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	KEYSER VALLEY	8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	PAVING CREW	KEYSER VALLEY	8		21.0633	31.5950	168.51
	KEARNEY	REPAIRMAN	PAVING CREW	KEYSER VALLEY	8		13.5833	20.3750	108.67
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O. T.	SALARY	O. T.	
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
06-14-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WILLIAMS, K.	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
06-15-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	PAVING CREW	N. DEXTER	8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	PAVING CREW	N. DEXTER	8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
	PIERSON	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
06-16-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
06-19-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
06-20-17	MAY	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	LEONARD	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	PAVING CREW	N. DEXTER	8		21.4574	32.1861	171.66
	POPE	CHAUFFEUR	PAVING CREW	N. DEXTER	8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	PAVING CREW	N. DEXTER	8		21.0633	31.5950	168.51
06-21-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	SPARROW	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	PUGLIESE	OPERATOR	PAVING CREW	N. DEXTER	8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
06-22-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
06-23-17	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
06-26-17	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59

DATE	NAME	POSITION	JOB WORKED	LOCATION	HOURS		RATE		TOTAL
					STD.	O.T.	SALARY	O.T.	
06-27-17	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	FORGIONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.4574	32.1861	171.66
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	FORGIONE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WALSH, J.	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
06-28-17	BAUMAN	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	WILLIAMS, K.	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	JAKES	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	DESTEFANO	OPERATOR	BROOM		8		21.5734	32.3601	172.59
06-26-17	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	ROSS	MASTERCFT	BASIN REPAIR/CLEAN		8		21.4774	32.2161	171.82
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	WALSH, D.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	GENTILE	CHAUFFEUR	POTHOLE REPAIR		8		21.4574	32.1861	171.66
	TROIANIELLO	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	BAUMAN	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	GUSE	REPAIRMAN	POTHOLE REPAIR		8		13.5833	20.3750	108.67
	MAY	OPERATOR	BASIN REPAIR/CLEAN		8		21.7589	32.6384	174.07
	RICHARDSON	MASTERCFT	BASIN REPAIR/CLEAN		8		21.9591	32.9387	175.67
	GIANNONE	CHAUFFEUR	BASIN REPAIR/CLEAN		8		21.2950	31.9425	170.36
	THOMAS, B.	CHAUFFEUR	POTHOLE REPAIR		8		21.2950	31.9425	170.36
	LIPTAI	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
	EVANS	REPAIRMAN	POTHOLE REPAIR		8		21.0633	31.5950	168.51
JUNE 2017 TOTALS					HOURS		1,728	WAGES	36,323.26

NOTE: EMPLOYEES REFLECTING NO "STANDARD TIME" HOURS WORKED, BUT HAVE HOURS PAID AS OVERTIME, IS CAUSED BY THOSE EMPLOYEES COMPLETING NON-ROAD WORK RELATED DUTIES DURING NORMAL HOURS, BUT WERE PLACED ON ROAD-WORK ON THE SAME DAY REQUIRING OVERTIME PAY.

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**ADOPTING AND IMPLEMENTING THE ACT 47 EXIT PLAN FOR THE CITY OF SCRANTON PURSUANT TO THE FINANCIALLY DISTRESSED MUNICIPALITIES ACT; AND AUTHORIZING THE MAYOR OF THE CITY OF SCRANTON TO ISSUE AN ORDER DIRECTING THE IMPLEMENTATION OF THE ACT 47 EXIT PLAN WHICH WILL BECOME EFFECTIVE UPON ADOPTION ATTACHED HERETO AS EXHIBIT "A" IN ACCORDANCE WITH THE PROVISIONS OF 53 Pa. C.S.A. §11701.245, THE MUNICIPALITIES FINANCIAL RECOVERY ACT.**

WHEREAS, the City of Scranton has been declared a Distressed Municipality by the Secretary of the Department of Community and Economic Development ("DCED") of the Commonwealth of Pennsylvania in accordance with Public Law 246, July 10, 1987, Act 47, the Distressed Municipalities Act, ("Act 47"); and

WHEREAS, DCED commissioned the Pennsylvania Economy League to develop an Act 47 Exit Plan for the City of Scranton pursuant to Act 47; and

WHEREAS, the Recovery Plan Coordinator, the Pennsylvania Economy League, with the assistance of the City of Scranton, has prepared an Act 47 Exit Plan which will become effective upon adoption of said Plan hereby amending any and all previous Recovery Plans, which is hereby submitted; and

WHEREAS, the Municipalities Financial Recovery Act, 53 Pa. C.S.A. §11701.245, states that the Chief Executive Officer (the Mayor of Scranton) in a Home Rule Municipality, may issue an Order directing the implementation of the Act 47 Exit Plan no later than seven (7) days following the enactment of an Ordinance approving the Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that the Act 47 Exit Plan attached hereto as Exhibit "A" submitted by the Pennsylvania Economy League is hereby approved and adopted in accordance with the provisions of the Financially Distressed Municipalities Act, and Exhibit "A" shall supersede and control any conflicts with the prior Recovery Plan which it amends and the Mayor and other appropriate Officials of the City of Scranton are hereby authorized to execute any and all documents necessary to implement the Act 47 Exit Plan attached hereto as Exhibit "A".

**BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that any Ordinances approving and authorizing the implementation of prior Recovery Plans, Amended Recovery Plans, or Revised Recovery Plans are hereby repealed.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of Competent Jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

**ACT 47 EXIT PLAN  
FOR THE  
CITY OF SCRANTON**

---



**PENNSYLVANIA  
ECONOMY LEAGUE**  
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**ACT 47 EXIT PLAN  
FOR THE  
CITY OF SCRANTON**

**Prepared For:**  
The City of Scranton

**Date Filed as Revised:**  
June 30, 2017  
Effective Upon Adoption by Ordinance

**Prepared By:**  
Pennsylvania Economy League, Central PA Division, LLC  
88 North Franklin Street, Suite 200  
Wilkes-Barre, PA 18701

June 2017





# PENNSYLVANIA ECONOMY LEAGUE

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Phone: 570.824.3559 ♦ Fax: 570.829.8099

www.pelcentral.org ♦ Email: pelcent@epix.net

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Harrisburg ♦ Philadelphia ♦ Pittsburgh ♦ Wilkes-Barre

June 30, 2017

Mayor William Courtright  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

Mr. Joseph Wechsler  
Council President  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

Mr. David Bulzoni  
Business Administrator  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

Dear Mayor Courtright, Council President Wechsler, and Mr. Bulzoni:

The Pennsylvania Economy League filed copies of the *Act 47 Exit Plan for the City of Scranton* with the City of Scranton on June 5, 2017. PEL received two written comments on the *Exit Plan*—one from the Department of Community and Economic Development and one from the Department of Labor and Industry. PEL also held a public meeting on June 21, 2017, in Scranton City Council Chambers and received comments on the *Exit Plan* from City Council members and the public.

PEL has reviewed all of the comments and has made several revisions to the *Exit Plan*. Some revisions are grammatical or punctual and have been edited into the *Exit Plan*. Others revision are more substantive. For these substantive revisions PEL has included a table to guide the reader in locating the page and section where these revisions have been incorporated into the *Exit Plan*.

PEL is required to file this revised *Exit Plan* within 10 days of the public meeting mentioned above. The *Exit Plan*, as revised, is the complete and final document for the City's consideration. The City is required by Act 47 of 1987, as amended, to enact an ordinance adopting this revised *Exit Plan* no later than 45 days following the public meeting. If you have any questions regarding this letter, please contact me at (570) 824-3559.

Sincerely,

Gerald E. Cross /s/  
Executive Director

cc: Members of City Council  
DCED

### Summary of Revisions

Page Number	Section	Action
2-5	Conclusion	Revised text.
3-5	Exit Plan Compliance with Act 133 of 2012	Deleted Single Tax Office from Act 133 Aggregate Limits by Collective Bargaining Unit.
3-10	WF17 Defined Contribution Retirement Plans	New initiative.
4-3	Eliminate High Coupon Debt	Revised tables and inserted new table.
4-8	D2 Develop and Adopt Financial Policies— 1. Debt Management Policy	Revised text.
5-1	Introduction	Revised text.
5-3	WC1 Safety and Accident and Injury Prevention	Revised text.
5-4	WC4 Conduct Independent Actuarial Evaluation	Revised text.
5-5	WC6 Excess Coverage	Revised text.
5-6	WC7 Job Descriptions for Light Duty and Return to Work Programs	New initiative.
7-5	ED6 Establish a Land Bank	Deleted.
7-6	ED7 Participate in Phase II of the SAPA Plan	Deleted.
9-7	REV7 County-wide Property Reassessment	New initiative.

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## CHAPTER 1

### BACKGROUND

The City of Scranton (City) was incorporated as a city on April 23, 1866 with a population of 35,000. The City is located in Lackawanna County and is the largest municipality in northeastern Pennsylvania. It became a major industrial city—a center of mining, railroads and industry—and attracted thousands of new immigrants. By the mid-1930s, the City's population had swelled beyond 140,000 due to growth in mining and industry. After World War II, anthracite coal lost favor to oil and gas as heating fuel and manufacturing moved to lower labor cost areas of the United States and overseas. The City's population began a downward trend to a 2010 Census count of 76,089. The Census Bureau has estimated the City's 2016 population of 77,291, an increase over 2010 and indicative of growth in population.

The City is currently governed by a home rule charter adopted by the City's voters in a referendum on May 21, 1974. The Home Rule Charter of the City of Scranton (Home Rule Charter) became effective on January 5, 1976. Under the Home Rule Charter the Mayor and Council, jointly, are the governing body of the City. The governing powers are divided between the executive and legislative branches. The executive branch is headed by a Mayor elected at large for a four year term. The Mayor has, among other powers, the power to veto ordinances and resolutions passed by Council, negotiate contracts, and to draft and propose to Council an annual operating budget and an annual capital budget. The Mayor appoints a Business Administrator with the advice and consent of Council. The Business Administrator is responsible for supervising the administration of the City's adopted operating budget and all operating department supervisors report to the Business Administrator.

The legislative branch is a Council that consists of five members elected at large for four year terms. City Council appoints a City Clerk who is responsible for giving notice of Council meetings and keeping a journal of its proceedings. Council is required to meet once a week in regular session. All official and final action is taken by a majority vote. Ordinances or resolutions only become effective upon being signed by the Mayor or when passed by an extraordinary majority over the Mayor's veto. Council may adopt the Mayor's proposed budgets with or without amendments. If Council does not adopt a budget by December 15<sup>th</sup> the

Mayor's proposed budget becomes the City's official budget for the ensuing year. The City's fiscal year commences on January 1 and ends on December 31.

The voters of the City also elect a City Controller for a four year term. The City Controller is responsible for maintaining accounting systems for the City government and for examining and approving all contracts, purchase orders and other financial obligations against the City.

Pursuant to the Commonwealth of Pennsylvania's Municipalities Financial Recovery Act, Act 47 of 1987, as amended, (Act 47) the City was declared a financially distressed municipality by order of the Secretary of the then Department of Community Affairs (now Department of Community and Economic Development) (DCED) on January 10, 1992. The Pennsylvania Economy League (PEL) was subsequently appointed the Act 47 Coordinator (Coordinator) for the City. The City adopted its original Act 47 Recovery Plan (Recovery Plan) in 1992 and adopted subsequent Recovery Plan amendments in 1995, 2002, 2012 and 2015. The City has been in the Commonwealth's Act 47 program for over twenty-five years.

The current elected and appointed City officials have cooperated with the Coordinator in implementing many of the initiatives included in the City's 2012 and 2015 Recovery Plan Amendments. In January 2014, in an effort to strengthen the City's financial capacity and achieve long term budget stability, HJA Strategies, LLC was engaged by the Greater Scranton Chamber of Commerce to assist the City with budgetary and long-term financial solutions. HJA continues to provide guidance to the City and has worked closely with the Coordinator in that regard.

Act 199 of 2014 (Act 199) amended Act 47 to provide a timeline and process for municipalities to exit from their distressed determination. For the City, the *Revised and Updated Act 47 Recovery Plan For the City of Scranton* adopted by Scranton City Council on August 23, 2012 started the Act 199 timeline for the City to exit from the Act 47 program. As part of the Act 199 exit process, the Coordinator was required to prepare and file a report stating the financial condition of the City. On February 17, 2017, the Coordinator filed with the City a *Report Stating the Financial Condition of the City of Scranton* (Financial Condition Report). See Appendix A.

The Financial Condition Report reviewed the City's financial performance from 2012 – 2016, evaluated the City's current financial condition and included a recommendation on the

City's future in the Act 47 program. The Financial Condition Report noted that while the City alternated between operating budget surpluses and deficits during the 2012 – 2016 period, the City avoided financial crises. The Financial Condition Report also recognized that the City completed significant financial objectives as required by the 2015 Revised Recovery Plan that constructively impacted the City's finances. In April 2015 the City's petition to increase its Local Services Tax (LST) from \$52 to \$156, effective for the 2015 fiscal year, was approved by the Lackawanna Court of Common Pleas (Common Pleas). The City has subsequently petitioned and received annual Common Pleas approval to levy the \$156 LST rate in the fiscal years 2016 and 2017. In June 2016, the City obtained \$29,810,000 in bond financing to pay the police and fire judgment resulting from a 2011 Pennsylvania Supreme Court ruling and also refinanced a letter of credit that backed a 2008 taxable variable rate demand note with a \$7,720,000 bond issue for the purpose of reducing interest rate risk. In August 2016, the City successfully monetized the parking assets of the Scranton Parking Authority (SPA) and the City. Under the terms of a concession and lease agreement, the City leased the City's parking assets for forty-five years. The City used the proceeds from the concession to defease outstanding SPA debt related to the parking garages. The City also issued \$32,850,000 in bonds to generate the funds needed to defease the remaining outstanding debt of the SPA. The City's ability to finance both the judgement award and the stranded debt financing (at acceptable rates of interest) provided significant evidence that the negative credit impact of the SPA default of 2012 has been lessened by the City's current actions and progress toward fiscal stability. Finally, in December 2016 the City and the Borough of Dunmore sold the Scranton Sewer Authority's (SSA) wastewater assets to PA American Water Company for \$195 million. After approximately \$70 million in SSA debt was defeased through transaction proceeds, an approximately \$12 million cash adjustment was made, and the Borough of Dunmore was paid its 1/5<sup>th</sup> share, The City received an upfront payment of \$69.9 million from the sale. An additional \$14 million is set aside in escrow accounts that the City and the Borough of Dunmore may receive in segments over the next three years. The City has begun to and will continue to utilize a significant portion of the proceeds of the sale to defease long-term high interest debt and to make contributions to the City's distressed pension plans.

The Financial Condition Report's 2016 baseline projections for the period 2017 – 2020 indicated that the City would incur operating budget deficits throughout the projection period

beginning in 2017 with a deficit of -\$562,376 and increasing to -\$11,918,130 in 2020.<sup>1</sup> The Financial Condition Report projects the City's operating expenditures to increase on average of 2.3 percent annually while the City's operating revenues are projected to remain relatively constant. Expenditure increases in employee wages, healthcare (both active and retiree), pension obligations and debt service are the primary expenditure drivers. **Based upon the projected escalating operating budget deficits, the Financial Condition Report concluded that a three-year exit plan shall be prepared for the City to improve the City's ability to achieve long-term financial sustainability.**

The Coordinator conducted a public meeting on March 7, 2017, to receive comments on the Financial Condition Report. Three members of the public and one City Council member provided comment. The public comments involved concerns for pension costs and the assumed rate of return, legacy costs, the potential for tax increases, and also some comments unrelated to the Financial Condition Report. The Coordinator received one written comment from the Office of the Mayor of the City of Scranton which "respectfully" disagreed that a three-year exit plan was necessary and that the City will work to exit the Act 47 program "as expeditiously as possible." See Appendix B. Taking into account all of the comments received, the Coordinator, in its discretion, decided not to revise the Financial Condition Report.

Pursuant to the Act 199 exit process, the Coordinator is required to prepare and file this Exit Plan with the City within 90 days of the public meeting referred to above. The design of the Exit Plan is to ensure the termination of the City's distressed status after three years. This Exit Plan includes revised baseline financial projections for the City for the period 2017 – 2020, general plan provisions and initiatives, workforce and collective bargaining provisions and financial projections based upon the impact of implementing the Exit Plan's provisions.

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<sup>1</sup> See Appendix A, *Report Stating the Financial Condition of the City of Scranton*, page 11.

## CHAPTER 2

### BASELINE GENERAL FUND PROJECTIONS 2017 - 2020

As part of the 2017 Exit Plan process, the Coordinator developed 2017 – 2020 baseline financial projections for future rates of increase or decrease in individual City General Fund operating revenue and expenditure line items. Baseline financial projections are meant to illustrate a status quo approach to current City financial projections and accordingly do not take into account the impact on those projections from the various initiatives recommended in this Exit Plan. In order to undertake the baseline projections, the Coordinator first conducted a review of the City's historical financial data to determine the City's revenue and expenditure baseline.<sup>1</sup> The historical financial review was completed using financial data independently maintained by the Coordinator, the City's annual audits through 2015, and City supplied data for 2014 – 2016 (subjected to monthly review and analysis by the Coordinator). In addition to the historical financial review, the Coordinator utilized the City's adopted 2017 Operating Budget and independent trend analysis, where appropriate. The assumptions below were used by the Coordinator to develop the City's 2017 – 2020 baseline financial projections.

#### Revenue Assumptions:

- All 2017 rates for taxes and fees were held constant through 2020 unless noted below.
- The following revenue items were reviewed on a line-by-line basis.
  - Real Estate tax revenues were held steady for the period due to historical trends in assessment as a result of the lack of a countywide reassessment.
  - Revenue from the Earned Income Tax (EIT) was increased by 1.25 percent per year.
  - Local Services Tax (LST) was maintained at the Court approved Act 47 rate through the period and revenues were increased annually by 0.2 percent.
  - The budget for Business Privilege and Mercantile Tax revenue was increased to reflect increased delinquent collections in 2017. Revenues for 2018 were increased over the 2016 base by 6.0 percent and a 1 percent annual growth applied to 2019 and 2020.

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<sup>1</sup> See Appendix A, *Report Stating the Financial Condition of the City of Scranton*, pages 2-5.



- Real estate transfer tax revenue was held at the budget level for 2017 and reduced by \$375,000 in 2018 to reflect a 2017 rate reduction and historic trends; 2019-2020 revenue was held constant at the 2018 figure.
- Supplemental State Aid for pension was increased 3.0 percent annually.
- Miscellaneous Revenues include \$3.0 million in 2017 and \$2.0 million in 2018 for ongoing activities under the Parking Transaction.
- Other revenues are held constant over the period based upon the Act 47 Coordinator's historical data and trend analysis.

### General Fund Revenue Projections—2017 – 2020

As shown in Table 2-1, the City's General Fund operating revenues are projected to decrease by \$3.8 million or 4.0 percent from \$94.2 million in 2017 to \$90.4 million in 2020.

Tax revenue is anticipated to increase from \$71.1 million in 2017 to \$71.4 million in 2020, an increase of \$345,541 or 0.5 percent. Projected increases are expected in EIT (\$1,008,163) and LST (\$28,831). Mercantile/business privilege decreases from the 2017 high related to increased delinquent collections by \$316,462 and Real Estate transfer decreases by \$375,000.

Table 2-1  
General Fund Baseline Revenue Projections  
2017 – 2020<sup>2</sup>

Revenue	2017	2018	2019	2020	Change 2017 - 2020	
	Estimated	Projected	Projected	Projected	\$	%
Real Estate Taxes	\$32,863,949	\$32,863,949	\$32,863,949	\$32,863,949	0	0.0
EIT	26,580,542	26,912,430	27,248,467	27,588,704	1,008,163	3.8
LST	1,598,507	1,601,704	1,604,908	1,608,118	9,610	0.6
LST Act 47	3,197,015	3,203,409	3,209,816	3,216,235	19,220	0.6
Mercantile/BPT	3,070,250	2,704,158	2,728,849	2,753,788	-316,462	-10.3
RE Transfer Tax	3,376,000	3,001,000	3,001,000	3,001,000	-375,000	-11.1
Other Taxes	400,000	400,000	400,000	400,000	0	0.0
<b>Total Tax Revenue</b>	<b>\$71,086,263</b>	<b>\$70,686,650</b>	<b>\$71,056,989</b>	<b>\$71,431,795</b>	<b>345,531</b>	<b>0.5</b>
Refuse Revenue	7,662,500	7,662,500	7,662,500	7,662,500	0	0.0
Licenses & Permits	2,135,534	2,135,534	2,135,534	2,135,534	0	0.0
Intergovernmental	4,389,334	3,692,332	3,574,668	3,681,909	-707,425	-16.1
Transfers	5,942,008	4,458,928	2,481,067	2,503,428	-3,438,580	-57.9
Other Non tax revenue	2,949,802	2,942,702	2,942,852	2,943,003	-6,799	-0.2
<b>Non Tax Revenue</b>	<b>\$23,079,178</b>	<b>\$20,891,996</b>	<b>\$18,796,622</b>	<b>\$18,926,373</b>	<b>-4,152,804</b>	<b>-18.0</b>
<b>Total Revenue</b>	<b>\$94,165,441</b>	<b>\$91,578,646</b>	<b>\$89,853,611</b>	<b>\$90,358,168</b>	<b>-3,807,273</b>	<b>-4.0</b>

<sup>2</sup> The total revenues estimated and projected in Table 2-1 differs from the Coordinator's Financial Condition Report due to changes in actual receipts and other adjustments. Changes in the 2017 millage rate distribution and revised estimates for other tax revenues largely account for the differences in revenue estimates and projections.

Table 2-1 Continued  
General Fund Baseline Revenue Projections  
2017 – 2020

<u>Revenue</u>	Percent of Total Revenue			
	2017 <u>Estimated</u>	2018 <u>Projected</u>	2019 <u>Projected</u>	2020 <u>Projected</u>
Real Estate Taxes	34.9	35.9	36.6	36.4
EIT	28.2	29.4	30.3	30.5
LST	1.7	1.7	1.8	1.8
LST Act 47	3.4	3.5	3.6	3.6
Mercantile/BPT	3.3	3.0	3.0	3.0
RE Transfer Tax	3.6	3.3	3.3	3.3
Other Taxes	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Tax Revenue	75.5	77.2	79.1	79.1
Refuse Revenue	8.1	8.4	8.5	8.5
Licenses & Permits	2.3	2.3	2.4	2.4
Intergovernmental	4.7	4.0	4.0	4.1
Transfers	6.3	4.9	2.8	2.8
Other Non tax revenue	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>3.3</u>
Non tax Revenue	<u>24.5</u>	<u>22.8</u>	<u>20.9</u>	<u>20.9</u>
Total Revenue	100.0	100.0	100.0	100.0

Note: Totals may not add due to rounding

Nontax revenue, which accounts for about 24 percent of total revenues in 2017, declines over the projection period, dropping by \$4.2 million or 18.0 percent. The largest decrease is attributed to one time revenues anticipated in 2017 related to reimbursement of required capital improvements related to the Parking transaction.

#### Expenditure Assumptions:

- The number of personnel was held constant at the 2017 Operating Budget workforce level.
- Current wages have been increased as specified in collective bargaining agreements, interest arbitration awards or court orders. At the conclusion of the current collective bargaining agreements or arbitration awards, wage increases are anticipated at two percent for all bargaining units. Salaries for non-represented City employees are held constant.
- Employee/retiree medical insurance expenditures were increased annually by six percent from 2018 through 2020 in conformance with recently observed City experience and similar annual increases projected for other local government entities.
- Other major insurance costs have been projected on a line-by-line basis.
- No new or increased capital expenditures are included.

Other Departmental Expenditures are projected to increase slightly from \$7.2 million in 2017 to \$7.5 million in 2020 or 4.4 percent. Increases are projected in liability/casualty insurance (6.1 percent), gas, oil and lubricants (6.1 percent) and all other expenses (5.5 percent) Significant one-time capital expenditures included in the 2017 estimate are not expected to continue. Non-Departmental Expenditures are projected to drop from \$1.9 million in 2017 to just under \$1.2 million in 2020.

### General Fund Projections—2017 – 2020

As based upon the above revenue and expenditure assumptions, Table 2-3 illustrates that without Implementation of the Recommendations of this Exit Plan, the City's projected baseline surplus is expected to grow from \$24,681 in 2017 to \$1.1 million in 2018 before changing to a \$2.0 million deficit in 2019 and further increasing to a \$3.2 million deficit in 2020.

Table 2-3  
Baseline General Fund Projections  
2017 – 2020  
Excludes TRAN Principal (Without Implementation of 2017 Exit Plan)

	2017 <u>Estimated</u>	2018 <u>Projected</u>	2019 <u>Projected</u>	2020 <u>Projected</u>
Revenues	\$94,165,441	\$91,578,646	\$89,853,611	\$90,358,168
Expenditures	\$94,140,760	\$90,500,207	\$91,859,095	\$93,594,615
Surplus/(Deficit)	\$24,681	\$1,078,440	\$(2,005,484)	\$(3,236,447)

Note: Totals may not add due to rounding.

### Conclusion

The baseline projections for the period 2017 – 2020 project that the City will have operating budget deficits in 2019 and 2020. Although the City will experience some expenditure relief in 2018 due to the to the halting of retiree pension COLAs while the pension funds are financially unsound, the Coordinator stresses that the City's operating expenditures will continue to increase annually being driven by wage increases and increases in employee benefits, in particular employee health care, while the City's operating revenues are projected to remain relatively constant. The Coordinator has included initiatives in this Exit Plan to eliminate the projected operating deficits and provide the City with stable, predictable operating budgets going forward that will assist the City in achieving long-term financial sustainability.

- Municipal pension obligations for 2017 are at the City's budgeted level. For 2018 – 2020 the projected MMO, as provided to the Coordinator by the City's Actuary, is based on an 8.0 percent return rate and the annual retiree COLAs removed.
- Other expenditures were increased at various levels based on the Coordinator's historical data and trend analysis.
- No further increases in the costs of any other benefits were included.

### General Fund Expenditure Projections—2017 - 2020

As illustrated in Table 2-2, the City's total operating expenditures are projected to decrease slightly from \$94.1 million in 2017 to \$93.6 million in 2020. Increases are noted in personnel expenditures: health insurance (\$2.9 million or 19.1 percent) and direct compensation (\$2.6 million or 8.2 percent). The decrease in the pension MMO due to the removal of COLAs is significant in reducing this MMO expense by \$6.3 million or 32.9 percent during the period.

Table 2-2  
General Fund Baseline Expenditure Projections  
2017 - 2020<sup>3</sup>

	2017	2018	2019	2020	Change 2017 - 2020	
	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>\$</u>	<u>%</u>
Direct Compensation	\$31,716,251	\$32,503,460	\$33,326,970	\$34,317,132	2,600,881	8.2
Benefits	15,583,460	16,518,468	17,509,576	18,560,150	2,976,690	19.1
Pension	19,111,906	13,783,024	13,270,704	12,815,384	-6,296,522	-32.9
Workers Comp	3,323,826	3,323,826	3,323,826	3,323,826	0	0.0
Other Employee Expense	978,513	998,406	1,020,165	1,043,984	65,471	6.7
<b>Employee Expenditures</b>	<b>\$70,713,956</b>	<b>\$67,127,184</b>	<b>\$68,451,240</b>	<b>\$70,060,476</b>	<b>-\$653,480</b>	<b>-0.9</b>
Capital Expenditures	3,182,314	1,532,314	1,532,314	1,532,314	-1,650,000	-51.8
Other Departmental Expenditures	7,178,223	7,280,923	7,385,677	7,492,525	314,302	4.4
Non Departmental Expenditures	1,939,333	1,198,833	1,198,833	1,198,833	-740,500	-38.2
Debt Service	<u>11,126,934</u>	<u>13,360,953</u>	<u>13,291,031</u>	<u>13,310,466</u>	<u>2,183,532</u>	<u>19.6</u>
<b>Total Expenditures</b>	<b>\$94,140,760</b>	<b>\$90,500,207</b>	<b>\$91,859,095</b>	<b>\$93,594,615</b>	<b>-\$546,146</b>	<b>-0.6</b>

Category	Percent of Total Expenditures			
Employee Expenditures	75.1	74.2	74.5	74.9
Capital Expenditures	3.4	1.7	1.7	1.6
Other Departmental Expenditures	7.6	8.0	8.0	8.0
Non departmental Expenditures	2.1	1.3	1.3	1.3
Debt Service	<u>11.8</u>	<u>14.8</u>	<u>14.5</u>	<u>14.2</u>
<b>Total Expenditures</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: Totals may not add due to rounding

<sup>3</sup> The total expenditures estimated and projected in Table 2-2 differs from the Coordinator's Financial Condition Report due to changes in actual expenditures and other adjustments. Changes to the estimated annual MMO due to revised actuarial assumptions for 2018-20 largely accounts for the difference in expenditure estimates and projections.

Other Departmental Expenditures are projected to increase slightly from \$7.2 million in 2017 to \$7.5 million in 2020 or 4.4 percent. Increases are projected in liability/casualty insurance (6.1 percent), gas, oil and lubricants (6.1 percent) and all other expenses (5.5 percent). Significant one-time capital expenditures included in the 2017 estimate are not expected to continue. Non-Departmental Expenditures are projected to drop from \$1.9 million in 2017 to just under \$1.2 million in 2020.

### General Fund Projections—2017 – 2020

As based upon the above revenue and expenditure assumptions, Table 2-3 illustrates that without Implementation of the Recommendations of this Exit Plan, the City's projected baseline surplus is expected to grow from \$24,681 in 2017 to \$1.1 million in 2018 before changing to a \$2.0 million deficit in 2019 and further increasing to a \$3.2 million deficit in 2020.

Table 2-3  
Baseline General Fund Projections  
2017 – 2020  
Excludes TRAN Principal (Without Implementation of 2017 Exit Plan)

	2017 <u>Estimated</u>	2018 <u>Projected</u>	2019 <u>Projected</u>	2020 <u>Projected</u>
Revenues	\$94,165,441	\$91,578,646	\$89,853,611	\$90,358,168
Expenditures	\$94,140,760	\$90,500,207	\$91,859,095	\$93,594,615
Surplus/(Deficit)	\$24,681	\$1,078,440	\$(2,005,484)	\$(3,236,447)

Note: Totals may not add due to rounding.

### Conclusion

The baseline projections for the period 2017 – 2020 project that the City will have operating budget deficits in 2019 and 2020. Although the City will experience some expenditure relief in 2018 due to the halting of retiree pension COLAs while the pension funds are financially unsound, the Coordinator stresses that the City's operating expenditures will continue to increase annually being driven by wage increases and increases in employee benefits, in particular employee health care, while the City's operating revenues are projected to remain relatively constant. The Coordinator has included initiatives in this Exit Plan to eliminate the projected operating deficits and provide the City with stable, predictable operating budgets going forward that will assist the City in achieving long-term financial sustainability.

## CHAPTER 3

### WORKFORCE

While the cash compensation and benefits provided to City employees varies greatly by individual, the Coordinator's financial review of City personnel expenditures presented within this Exit Plan exhibit a very clear conclusion – the City must control its future personnel expenditures (wages, health benefits, workers compensation and pensions) to sustain its long-term operations. Personnel expenditures, for active employees *and* retirees, represent the majority of the City's General Fund operating expenses and rise annually during the review period. In addition to direct compensation, additional opportunities for employee cash compensation and benefits are available to eligible employees through: longevity; overtime compensation; a health plan with a high level of medical coverage and a lower employee cost than found in private or other public sector employers; retiree health care coverage; a taxpayer guaranteed level of retirement benefits through a defined benefit pension plan; increased costs to the pension plan due to excessive awarding of disability pensions historically, and the inability to collect offsets on the foregoing even when the employee obtains other gainful employment. This level of cash compensation and benefits is offered within the context of the City's weak tax base and the stagnation or even reduction of major City revenue sources absent tax increases.

While the City has reduced its personnel complement over the past five years, restoration of the City's fiscal health cannot be achieved without controlling its future personnel expenses, especially direct compensation, overtime, health care expenses, workers' compensation and pension benefits.

**Number of Budgeted Employees by Category and Year**

Category	2011	2012	2013	2014	2015	2016
Administrative	32	22	29	28	28	30
Clerical	60	57	59	59	60	59
Firefighter	137	131	134	131	125	125
Legislative	7	7	7	7	7	7
Police	148	139	141	141	142	142
Public Works	93	84	84	84	84	86
Single Tax Office	27	19	19	17	17	17
Total	504	459	473	467	463	466

Control over personnel expenses is essential to the City's fiscal survival. Without it, the City will eventually have to make dramatic workforce reductions that will limit its ability to provide the most basic municipal services to its residents. In the past, the City has resorted to layoffs or not filling vacant positions because it was unable to reduce or contain other components of compensation. However, complement reductions must also be balanced with the City's need to provide necessary and vital services to its businesses and residents. While reductions in the City's employee complement temporarily reduces City operating expenditures, the City cannot adequately address its structural operating deficits without diligently managing the entire employee compensation package it offers its employees so that the growth in employee compensation and employee benefits more closely tracks the City's revenue growth.

It is the Coordinator's intent to maintain an open and cooperative dialog between the City and its represented employees. Over 90 percent of the City's employees are represented by a collective bargaining unit.

Employee Group	Description	Term of CBA	Current Covered Positions
International Association of Machinists and Aerospace Workers Local 2462	All non-uniformed, non-management employees (Clerical and Single Tax Office)	Expiration Date 12/31/2020	77
International Association of Machinists and Aerospace Workers Local 2305	Departments of Public Works, Parks and Recreation	Expiration Date 12/31/2017	17
Fraternal Order of Police (FOP), Lodge No. 2	All sworn Police Officers including all ranking Police Department officers who are covered by the FOP Collective Bargaining Agreement	Expiration Date 12/31/2020	142
International Association of Fire Fighters (IAFF), Local Union No. 669	All Fire Fighters including Fire Department officers who are covered by the IAFF Collective Bargaining Agreement	Expiration Date 12/31/2020	136
Management and Non-Collective Bargaining Positions	Management and Non-Collective Bargaining Positions		32

These employees provide essential services to the City's residents from police and fire protection to the collection of refuse and the maintenance of City streets and parks. The Coordinator encourages the City and its represented employees to be ever mindful of the fact that the ultimate purse from which the funds used to provide these services are the hardworking citizens of the City. A financially insolvent City benefits no one.

### **Exit Plan Compliance with Act 133 of 2012**

As required by Act 133 of 2012 (Act 133), which amended the Act 47, the Coordinator is required to provide an aggregate limit on expenditures for each individual collective bargaining unit for the current fiscal year and the next three years. The expenditure limits were developed to offer each collective bargaining unit and the City an opportunity to actively participate in collective bargaining negotiations that produce an outcome consistent with the purpose of Act 47 and the amendments thereto. With limited exceptions for arbitration settlements rendered pursuant to Act 111 of 1968 (the Policemen and Firemen Collective Bargaining Act), any future collective bargaining agreement or memorandum of understanding or any amendment to any current collective bargaining agreement or memorandum of understanding agreed to by the City and any of its collective bargain units or any future arbitration settlement or adjustment rendered shall not exceed the expenditure limits provided in this Exit Plan. The expenditure limits contained herein shall become applicable upon the City's adoption of this Exit Plan.

The expenditure limits include the following assumptions which may be changed through collective bargaining but the total expenditures are not to exceed the total limits for each bargaining unit as provided in this Exit Plan. The individual expenditure categories are included within the "baseline" total with the following assumptions used to calculate the yearly amounts.

- The number of personnel is held constant at the 2017 Operating Budget workforce level.
- Current wages have been increased as specified in collective bargaining agreements, memorandum of understanding, interest arbitration awards or court orders. At the conclusion of the current collective bargaining agreement, memorandum of understanding or arbitration award, wages are anticipated to increase two percent annually for all bargaining units.
- Category of "Other Salary" is held constant at the 2017 budget amount.



- Longevity salary has been increased as specified in any current collective bargaining agreement, memorandum of agreement, interest arbitration award or court orders.
- Overtime salary is held constant at the 2017 budget amount.
- Uniform allowances are held at the 2017 budget amount.
- Employee medical insurance expenditures were increased annually by six percent from 2018 through 2020 in conformance with recently observed City experience and similar annual increases projected for other local government entities.
- Life and short-term disability insurance (non-pension disability benefit) is increased at 3.0 percent annually based on recent premium experience.
- Social Security costs have been increased by the rate of any increase in underlying salaries and wages.

The following maximum expenditure limits for each City collective bargaining unit and group of employees shall be effective upon adoption of this Exit Plan and shall remain in effect until this Exit Plan is amended, is replaced by an emergency action plan pursuant to Chapter 6 of Act 47 or the City's distress determination is terminated.

#### Act 133 Aggregate Limits by Collective Bargaining Unit

##### International Association of Machinists and Aerospace Workers Local 2305

	2017 Estimated	2018 Projected	2019 Projected	2020 Projected
Standard Salary	\$3,732,949	\$3,813,102	\$3,900,173	\$3,987,258
Other Salary (Misc)	243,914	243,914	243,914	243,914
Longevity Salary	206,894	210,896	215,501	220,115
Overtime Salary	354,000	354,000	354,000	354,000
Uniform Allowance	39,668	39,668	39,668	39,668
Health Insurance - DPW Union Active	2,282,403	2,419,348	2,564,509	2,718,379
Social Security	<u>347,138</u>	<u>353,576</u>	<u>360,589</u>	<u>367,604</u>
<b>Total Public Works</b>	<b>\$7,206,967</b>	<b>\$7,434,504</b>	<b>\$7,678,354</b>	<b>\$7,930,938</b>

##### International Association of Machinists and Aerospace Workers Local 2462

	2017 Estimated	2018 Projected	2019 Projected	2020 Projected
<b>Clerical</b>				
Standard Salary	\$2,073,231	\$2,073,231	\$2,099,146	\$2,125,385
Other Salary (Misc)	6,753	6,753	6,753	6,753
Longevity Salary	139,264	145,476	153,915	163,104
Overtime Salary	8,000	8,000	8,000	8,000
Uniform Allowance	13,760	13,760	13,760	13,760
Health Insurance - Clerical Union Active	992,797	1,052,365	1,115,507	1,182,437
Life/Disability Insurance	51,398	51,398	51,398	51,398
Social Security	<u>170,384</u>	<u>170,860</u>	<u>173,488</u>	<u>176,198</u>
<b>Total Clerical</b>	<b>\$3,455,587</b>	<b>\$3,521,842</b>	<b>\$3,621,966</b>	<b>\$3,727,035</b>

	2017	2018	2019	2020
Police	Estimated	Projected	Projected	Projected
Standard Salary	\$9,511,115	\$9,727,492	\$9,985,769	\$10,276,179
Other Salary (Misc)	267,657	267,657	267,657	267,657
Longevity Salary	793,625	817,433	841,956	867,215
Overtime Salary	400,000	379,431	389,416	400,643
Court Appearance Salary	130,000	132,324	135,795	139,674
Uniform Allowance	115,850	115,850	115,850	115,850
Health Ins-Police Union Active	5,731,840	6,075,750	6,440,295	6,826,713
Life/Disability Insurance	156,516	160,093	163,752	167,494
Police Education Allowance	60,000	60,000	60,000	60,000
Social Security	<u>160,985</u>	<u>164,203</u>	<u>168,499</u>	<u>173,295</u>
<b>Total Police</b>	<b>\$17,327,587</b>	<b>\$17,900,233</b>	<b>\$18,568,988</b>	<b>\$19,294,720</b>

	2017	2018	2019	2020
Fire	Estimated	Projected	Projected	Projected
Standard Salary	\$9,605,677	\$10,233,763	\$10,439,163	\$10,754,501
Other Salary (Misc)	285,800	285,800	285,800	285,800
Longevity Salary	782,617	806,095	830,278	855,187
Overtime Salary	250,000	259,411	268,760	280,168
Uniform Allowance	98,550	98,550	98,550	98,550
Health Insurance - Fire Union Active	4,995,156	5,294,865	5,612,557	5,949,311
Life/Disability Insurance	149,292	165,608	183,707	203,785
Social Security	<u>159,828</u>	<u>169,412</u>	<u>172,877</u>	<u>177,976</u>
<b>Total Fire</b>	<b>\$16,326,920</b>	<b>\$17,313,505</b>	<b>\$17,891,693</b>	<b>\$18,605,277</b>

### Workforce Cost Containment Provisions

As mentioned in the Financial Condition Report, the City's current employee expenses as well as its long-term legacy costs are a burden on the City's financial recovery.<sup>1</sup> The cost containment provisions provided herein seek to provide the City with both short-term and long-term assistance in controlling current expenses but also slowing the growth in future legacy costs. Therefore, the Coordinator encourages the City to use its best efforts to implement these cost containment provisions during the implementation of this Exit Plan.

The workforce cost containment provisions included in this Exit Plan are applicable to the City and **all** personnel directly employed by the City, both its represented and non-represented employees. In regard to its collective bargaining units, it is the Coordinator's intent that the City and its collective bargaining representatives make a good faith effort to include the below cost containment provisions in any future collective bargaining agreement or any amendment to a current collective bargaining agreement or to any future memorandum of understanding or amendment to a current memorandum of understanding. It is also the Coordinator's intent that any arbitrator or arbitration panel appointed to settle an interest arbitration dispute or any other labor dispute between the City and its employees use these

<sup>1</sup> See Appendix A, *Report Stating the Financial Condition of the City of Scranton*, pages 2-3, 11.

workforce cost containment provisions as the basis for its decision. The terms and provisions of any current collective bargaining agreement and amendments thereto, any memorandum of understanding or any arbitration settlement now in existence shall be followed for the remainder of the agreement, understanding or settlement.

WF1 Pension Cost of Living Adjustments (COLA). The Coordinator recommends that in each of its upcoming collective bargaining agreements the City negotiate that for any employee hired after January 1, 2018 (or the first day of the year of any new or renegotiated collective bargaining agreements) there shall be no regular or disability pension COLA granted to these newly hired employees. Recognizing the City is obligated to prior commitments it has made to its current and retired employees, the Coordinator also recommends that the City refrain from granting any new pension COLA to its current or retired employees. Pension COLA's cause a corresponding increased cost to the City in the form of higher annual minimum municipal obligation payments which stresses the City's annual operating budgets and also adversely affects the pension funds financial status.

WF2 Retiree Healthcare. The Coordinator recommends that the City refrain from providing retiree health care benefits to any current or future City employee, and his or her dependents, that that retires from City employment, unless the City is currently obligated to provide such benefits contractually or by arbitration settlement.

WF3 Benefits. The Coordinator recommends that the City not provide any new benefit of any kind to current employees or retirees.

WF4 Management Rights. The Coordinator recommends that the City not negotiate any diminution of the City's current management rights. Examples of provisions that may diminish the City's management rights include, but are not limited to, provisions limiting the City's ability to subcontract work; to determine employees' work hours, shifts and schedules; to utilize part-time employees; to implement employee layoffs for economic

or any other reason; or to decide which bargaining unit member performs a particular duty or function.

WF5 Duplication of Benefits. Except as otherwise specifically required by law, the Coordinator recommends that the City not provide any duplication of payment for sick leave, disability leave, workers compensation, Heart and Lung benefits, paid leave, pension benefits, or regular pay. The Coordinator also recommends that all pension plans include a provision to offset pension benefits by the amount of Social Security disability benefits received and that offsets of this nature and due to other employment be strictly enforced by the City. Employees should be required to make an election concerning available benefits in order to avoid any duplication of benefits. In accordance with Pennsylvania law, Act 57 of 1996, 77 P. S. §71, as amended, the amount of workers' compensation benefits paid to any employee should be offset by the amount of pension benefits payable to the same employee. These offsets should also be strictly enforced by the City.

WF6 Holidays, Personal Days, Vacation Days; Other Paid Leave. The Coordinator recommends that the City observe the following:

- a. Employees are not paid for any holidays or personal days which occur after their date of retirement, discharge, or layoff.
- b. At the time of discharge, retirement, or layoff an employee will only be entitled to vacation pay if the employee is currently on active pay status.
- c. Except as provided by law, no vacation time will be earned by an employee who is on extended leave because of injury, sickness, personal days, or holidays, which would result in the employee being paid for more than 52 weeks in a year.
- d. There is no duplication of any form of paid leave or accrual of paid leave for the same period of time.
- e. The scheduling of vacation, holidays, and personal days should be balanced and evenly distributed throughout the year in such a manner as to preclude the need for overtime.
- f. There will be no increase or improvement in any other form of paid leave.

- WF7 Compensatory Time. The Coordinator recommends that the City limits and where possible avoids providing any additional compensatory time off to any City employee for the period 2017 - 2020.
- WF8 Grievances. The Coordinator recommends that the City not agree to any provision which expands any bargaining unit members' rights to present grievances to the City or to appeal grievances to arbitration.
- WF9 Sick Days. The Coordinator recommends that the City not increase the amount of annual sick days or the amount of annual buyout of unused sick days beyond the amounts currently provided in any current collective bargaining agreement or amendment thereto, any memorandum of understanding or any arbitration settlement. The Coordinator recommends that the City not increase the maximum buyout of sick days upon the employee's death or retirement beyond the amounts currently provided for in any current collective bargaining agreement or amendment thereto, any memorandum of understanding or any arbitration settlement. The Coordinator also recommends that the City refrain from buying an employee's accumulated sick days upon termination of employment other than death or retirement.
- WF10 Sick Leave/Doctors Evaluation. The City should ensure that any employee who is off work as a result of any illness or injury for more than three consecutive work days or who exhibits a pattern of possible sick leave abuse is required to furnish, at the employee's expense, a doctor's certification concerning the nature of the illness or injury. In addition, the City may, at its discretion, order an evaluation of the employee's condition by medical personnel of the City's choosing at the City's expense.
- WF11 Workers' Compensation and Heart Lung Benefits. An employee who suffers a work related accident, injury, or illness will follow the procedures developed by the Department of Human Resources, unless governed by the State Workers' Compensation Act or other applicable law. The City shall use all reasonable efforts to maintain an

accident and injury prevention program that satisfies state law, and to utilize best practices to minimize the cost of workers' compensation claims, including insisting on early reporting, utilizing independent medical exams, back to work and light duty initiatives, and settlements where appropriate.

WF12 Past Practices. The Unions will be given the opportunity to identify and negotiate with the City any specific practices or rights which they would like to preserve and have included in future collective bargaining agreements.

WF13 Short-term Disability Insurance. The City will have the right to adjust the terms and conditions of its Short-term Disability program in order to provide that compensation under the program does not begin until after the employee is unable to work for fourteen calendar days.

WF14 Recommendations on Drug and Alcohol Testing. The City will have the right to establish and implement a policy requiring a drug and alcohol test prior to employment with the City and providing for random drug and alcohol testing for current employees. No provision of any collective bargaining agreement, arbitration settlement, arbitration award or any other document executed or awarded after the adoption of this Exit Plan will prohibit the City from exercising this right.

WF15 Recommendations on Modified Duty. Employees who are partially disabled because of a work or non-work related injury or illness and unable to perform their assigned duties or are unable to work due to non-work related illness may be required to report for "modified duty" based on medical documentation provided by a physician designated by the City. Modified duty hours may be consistent with regular City Hall hours, Monday through Friday. Modified duty may be limited to a maximum of twelve months from the date the injury occurred or illness began. The City may develop a modified duty program which may be implemented across bargaining unit functions.

WF16 Payments for Non-Coverage under Employee Health Insurance Benefits. The City currently allows for an “opt-out” payment equal to 40 percent of the savings attributed to the City by having an employee opt out of health insurance coverage. These amounts may be prorated to the types of coverage selected by the employee, for example, they can elect to take vision and dental but opt out of health insurance and prescription and be paid the opt out for only the types of coverage applied. Employees may only opt in or out during open enrollment or for a life changing event. As of the beginning of May, 2017, 90 employees are participating in the opt-out. The City may consider a fixed amount for payment for non-participation in the City’s health insurance. These current savings from opt-out would be a source of credits toward the Act 133 expenditure limits.

WF17 Defined Contribution Retirement Plans. It is imperative that the City seek a long-term solution to the unfunded pension liability costs that have burdened the City’s finances for many years and will continue burden the City into the foreseeable future. The Coordinator recommends that the City undertake an analysis of the effects of transitioning City employees away from defined benefit pension plans to defined contribution retirement plans. The City may focus its analysis on one or more City departments, e.g. non-represented employees.

More and more employers are replacing defined benefit plans defined contribution plans, primarily to avoid the expense and long-term financial obligations associated with administering a defined benefit pension plan. Examples of defined contribution plans include Individual Retirement Accounts and 401(k) plans. With a defined contribution retirement plan an employee, employer or both make periodic contributions to an employee’s retirement account which contributions are generally invested in bonds and securities available inside the retirement plan. The amount of contribution typically is either a percentage of an employee’s salary or a specific dollar amount. Retirement benefits are based on the actual amount in the pension account at the time of retirement. The amount a person has at retirement depends on how much was contributed to the plan, how long the funds are invested and how well the investments perform.

The purpose of the analysis would be to quantify the impact of a transition and to educate City decision makers and City employees about the benefits and tradeoffs in making such a transition. Of course, implementing a transition would require the agreement of the City's respective collective bargaining units. However, it is imperative for the City to review all available options that may potentially alleviate or eliminate this legacy cost over the City's long-term.



## CHAPTER 4 DEBT REDUCTION AND DEBT MANAGEMENT

**Parking Monetization.** Prior to the parking monetization, the City was paying nearly \$3 million per year from its general fund to fulfill the City's guaranty of the outstanding parking bonds. With significant capital improvements needed in the near term, this amount was destined to increase. The goal of the parking monetization was to: i) eliminate this general fund expenditure to the largest extent possible and ii) insulate the City from increasing financial obligations. The proceeds of the parking monetization, along with \$31,180,000 of the City's \$32,850,000 General Obligation Notes, Series of 2016 (Stranded Parking Debt) eliminated this \$3 million per year obligation and replaced it with the debt service on the Stranded Parking Debt, as shown in Table 4-1. The Stranded Parking Debt was structured to wrap around current debt service of the City and will reduce the City's obligations relating to parking from \$3.0 million per year to a little over \$1.6 million per year for each of the next six years.

Table 4-1  
Comparison of Annual City Outlay  
Under the SPA Debt Guaranty, Stranded Debt, and Savings

	2018	2019	2020	2021	2022
Current Annual Debt Service SPA Stranded Debt	\$1,564,000	\$1,623,750	\$1,620,500	\$1,627,250	\$1,618,500
Prior Est. Annual City Outlay Under SPA Guaranty <sup>1</sup>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>
<b>Annual Reduction in SPA Debt Guaranty</b>	<b>(\$1,436,000)</b>	<b>(\$1,376,250)</b>	<b>(\$1,379,500)</b>	<b>(\$1,372,750)</b>	<b>(\$1,381,500)</b>

<sup>1</sup> Assumes additional capital expenditures of \$1,000,000 per year beginning in 2020 increases outlay to \$4.0 million.

This reduction in debt service, however, will be more than made up by the increase in debt service necessary to repay the judgment and capital improvements bond issued by the City in the aggregate principal amount of \$31,480,000, as shown in Table 4-2.

Table 4-2  
Comparison of Annual City Outlay Under the  
SPA Debt Guaranty, Stranded Debt, and Judgement Bonds

	2018	2019	2020	2021	2022
Annual Reduction in Debt Service SPA	(1,436,000)	(1,376,250)	(1,379,500)	(1,372,750)	(1,381,500)
New Debt Service Judgement/Capital Bond	2,075,550	3,599,300	3,614,000	3,620,500	3,641,250
<b>Difference in Annual Debt Service</b>	<b>\$639,550</b>	<b>\$2,223,050</b>	<b>\$1,234,500</b>	<b>\$1,247,750</b>	<b>\$1,259,750</b>

**Sale of Sewer System Assets.** The sale of the Scranton Sewer Authority's (SSA) sewer system ("Sewer System") by the SSA represents the monetization of the last remaining substantial City asset. The proceeds of the sale must be used to improve the long term fiscal sustainability of the City. The proceeds from the SSA sale should be used for: (a) debt reduction; (b) pension system funding improvements; (c) funding capital improvements; (d) economic development initiatives; and, (e) stormwater permitting and planning. The proceeds from the SSA sale should be used predominantly to reduce long term liabilities of the City. Optimization of the use of the proceeds from the sale is crucial in the development of a fiscal strategy that will improve the long-term financial sustainability of the City. The City should look to the construction and implementation of this financial strategy as a pathway to improving the City's creditworthiness, its access to the financial and capital markets, and its ability to achieve sustainable expenditure reductions as the City prepares for an exit from Act 47.

In December 2016, the SSA sold the Sewer System assets to Pennsylvania American Water Company for \$195 million. After SSA sale proceeds were used to defease approximately \$70 million in Authority debt, an approximately \$12 million cash adjustment was made, and the Borough of Dunmore received its 1/5<sup>th</sup> share of the proceeds, net proceeds of the sale in the amount of \$66,505,463 were made available to the City on or about December 28, 2016. Because some of the sewer bonds refunding were refunded on a gross refunding basis and those bonds have now been retired, an additional \$2,568,758 was released to the City in January 2017. The City has thus far received \$69,074,221 from the sale of the Sewer System assets. An amount approximately equal to \$13.6. million, also constituting net proceeds of the sale of the Sewer System, is the City's pro rata share (80 percent) of monies that have been placed into escrows to secure representations and warranties and to resolve easement issues.

The extent to which the City receives its pro rata share of the escrow releases will become clearer during the next three years or so. Amounts released from these post-closing escrows will be considered available for the purposes set forth in this Exit Plan.

**Eliminate High Coupon Debt.** The first use of the net proceeds of the sale was to reduce debt containing high coupons. The following debt was retired in the first quarter of 2017.

<b>Bonds</b>	<b>Coupon</b>	<b>Redemption Cost</b>
2006 Bonds	6.10%	\$8,993,362
2012A Bonds	8.50%	\$3,913,980
2012B Bonds	8.50%	\$6,890,000
2012C Bonds	7.25%	\$1,051,971
2013A Bonds	7.25%	<u>\$7,035,708</u>
		<b>\$27,885,904</b>

The above debt now has been repaid in full, and the result is an approximately \$5.19 million per year reduction in debt service for the City in each subsequent year through and including 2022. (See Table 4-3.)

Table 4-3  
Annual Debt Service of Debt Retired 2017

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
2006 Bonds	\$1,380,005	\$1,379,495	\$1,380,630	\$1,388,105	\$1,371,310
2012A Bonds	1,481,825	1,483,100	1,482,150	1,483,550	1,486,450
2012B Bonds	219,375	222,050	223,450	223,575	222,425
2012C Bonds	1,405,425	1,408,650	1,406,438	1,408,788	1,404,975
2013A Bonds	<u>707,513</u>	<u>708,800</u>	<u>707,550</u>	<u>703,763</u>	<u>707,438</u>
<b>Total Retired Debt Service</b>	<b>\$5,194,143</b>	<b>\$5,202,095</b>	<b>\$5,200,218</b>	<b>\$5,207,780</b>	<b>\$5,192,598</b>

Repayment of this debt is viewed favorably because the debt being repaid is fixed rate debt, and the decrease in debt service expense to the City's General Fund is a known and certain reduction in expenditures in each budget year from 2017 through 2024 inclusive. The City has through this debt retirement action reduced its overall debt burden and created a more affordable remaining level of annual debt service. (See Table 4-4.)

Table 4-4  
Annual Debt Service Savings Recap  
2018-2022

	2018	2019	2020	2021	2022
Debt Service Judgement Bonds	\$2,075,550	\$3,599,300	\$3,614,000	\$3,620,500	\$3,641,250
Debt Service SPA Stranded Debt	<u>1,564,000</u>	<u>1,623,750</u>	<u>1,620,500</u>	<u>1,627,250</u>	<u>1,618,500</u>
New Debt Service 2016	\$3,639,550	\$5,223,050	\$5,234,500	\$5,247,750	\$5,259,750
<b><u>Retired Debt Service</u></b>					
Annual City Outlay Under SPA Guaranty 2016	(\$3,000,000)	(\$3,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)
2006 Bonds	(1,380,005)	(1,379,495)	(1,380,630)	(1,388,105)	(1,371,310)
2012A Bonds	(1,481,825)	(1,483,100)	(1,482,150)	(1,483,550)	(1,486,450)
2012B Bonds	(219,375)	(222,050)	(223,450)	(223,575)	(222,425)
2012C Bonds	(1,405,425)	(1,408,650)	(1,406,438)	(1,408,788)	(1,404,975)
2013A Bonds	<u>(707,513)</u>	<u>(708,800)</u>	<u>(707,550)</u>	<u>(703,763)</u>	<u>(707,438)</u>
Total Retired Debt Service	(\$8,194,143)	(\$8,202,095)	(\$9,200,218)	(\$9,207,780)	(\$9,192,598)
Net Change in Annual Debt Service	(\$4,554,593)	(\$2,979,045)	(\$3,965,718)	(\$3,960,030)	(\$3,932,848)

**Opportunities to Further Reduce Debt Service and Adopt Debt Management Policy.**

The Coordinator recommends that the City consider, at the appropriate time, a partial restructuring of either the 2003B Bonds or the 2003C Bonds with a goal of reducing the remaining aggregate annual debt service in 2025, 2026 and 2027. In the alternative, a lower annual debt service may be achieved through the issuance of new money bonds in the future provided the annual debt service is set at an affordable and sustainable level for the City and is issued in accordance with an adopted debt policy. The City has expressed concern about future Administrations and Councils issuing excessive amounts of debt for non-critical purposes or one time use for budget balancing, thereby reversing the annual savings being accomplished through the cash defeasance of bonds. To address that concern, the City should develop and adopt a Debt Management Policy. The City's financial advisor and the financial advisor to the Coordinator are able to provide the City with sample debt policies that can be circulated to the City Council and key members of the Administration.

**Additional Debt Service Reduction.** After retirement of the above bonds, the remaining sewer proceeds on hand were \$41,188,317. The entire \$41,188,317 is on deposit with a financial institution until such time as proceeds are spent on agreed upon uses. It is anticipated that a

Trust Agreement will be entered into between the City and the financial institution under which the use of proceeds will be prescribed. This Trust Agreement will need to be approved by City Council and the Administration. Of the remaining amount, the City intends to use a portion to fund specified future needs including \$2,000,000 for capital programs, \$500,000 to support economic development initiatives, and \$500,000 for storm water management, permitting and planning. This leaves \$38,188,317 of net proceeds to be applied against additional long term liabilities including the pensions and other debt of the City. Even with the elimination of the aforementioned high coupon bonds the City will need to further reduce its long-term liabilities including debt and pension obligations, in order to create a structurally balanced and sustainable budget, without unacceptably high tax increases. The City should look to further reduce its long-term fixed rate debt, reduce its minimum municipal obligation, reduce the investment earnings assumptions on its pension investments and reduce any other long-term liabilities that can reduce general fund expenses.

**Cash Defeasance of Portions of the 2003 Bonds.** Regarding other long term debt obligations, the bond insurer of the 2003 Bond issues, Ambac Financial Group, Inc. (Ambac), is evaluating a refinancing of portions of the 2003 Bonds and assisting with a cash defeasance of the 2003 C and D Bonds. If Ambac's evaluation produces a financing alternative, the City should consider the potential for additional savings in debt service payments for the City's fiscal year 2017 and beyond as well as leveling off debt service in future years, depending upon the cost of the structured repayment. Of note is the fact that the Series 2003 C Bonds were taxable bonds and at that time the proceeds of this issue (approximately \$18,000,000) were deposited directly into the City's pension funds with the intention of improving the funding status of the City's pension funds. The City continues to pay approximately \$1,228,000 in annual debt service on the Series 2003C and will pay this average annual amount until the debt matures in 2033 or until the debt is retired. Since the 2003 infusion of borrowed cash, the funded status of the pension system deteriorated due to benefit increases, granting of disability pensions, investment decisions and stock market machinations. This prior and instructive experience of the City is a primary reason for the Coordinator recommending caution in using too much of the proceeds from the sale of the Sewer System for a deposit into the pension plans.

<b>Bond Issue</b>	<b>Average Annual Debt Service</b>	<b>Principal Outstanding 1/1/2017</b>	<b>Maturity</b>
Series 2003 C	\$1,228,000	\$13,270,000	2033
Series 2003 D	\$1,077,000	\$6,135,000	2023

Also of note is the fact that the Series 2003D Bonds were issued to fund deficiencies in the City's workers' compensation reserves. Paying off these bonds using a variety of sources of cash would be beneficial to the City and could result in expense reductions of approximately of \$1,077,000 per year. As also stated herein, using some of this freed up capacity to improve and enhance the City's workers' compensation and disability pension efforts would be money well utilized.

### **Debt Management Policy**

The City of Scranton has been experiencing financial distress for several decades. In 2003, the City borrowed \$18,145,000 to fund its underfunded pension plans and \$13,480,000 to fund self-insured workers' compensation reserves. As previously mentioned, the debt service on the pension bonds continues to be an expense but the pension system problems were not resolved. In 2012 and 2013, the City borrowed \$25,980,000 for working capital purposes and, because of its financial distress and a payment default on its guaranteed parking bonds, the 2012 and 2013 borrowings were undertaken at very high interest rates. The combination of the growing debt load and high debt service payments, coupled with increasing Minimum Municipal Obligations on pensions placed a great deal of stress on the City's finances.

In accordance with the Revised and Updated Act 47 Recovery Plan (February, 2015) the City monetized its parking assets and sold its Sewer System. Using proceeds of the foregoing along with a borrowing to repay the stranded debt, the City has now repaid all of the guaranteed parking obligations issued by the Scranton Parking Authority. Using proceeds of the sale of its Sewer System, the City was able to redeem and pay off all of the 2012 and 2013 high interest rate debt, along with its 2006 bonds.

### City of Scranton Debt Outstanding After February 2017

	Outstanding Principal	Rate	Maturity
<b>Total Outstanding December 31, 2016</b>	<b>146,635,000</b>		
Guaranteed Lease Revenue Bonds, Series Of 2006	(8,820,000)	5.5% - 6.1%	2023
Series 2012 A	(6,755,000)	8.5%	2022
Series 2012 B	(1,010,000)	8.5%	2022
Series 2012 C	(6,655,000)	7.25%	2022
Series 2013 A	(3,780,000)	7.25%	2023
<b>Bonds Redeemed in 2017</b>	<b><u>(27,020,000)</u></b>		
Emmaus, Series Of 2002	4,485,000	3.5%	2028
General Obligation Bonds, Series B Of 2003	25,195,000	4.35% - 5.0%	2031
General Obligation Bonds, Series C Of 2003	13,270,000	4.9% - 5.6%	2033
Federally Taxable General Obligation Bonds, Series D Of 2003	6,135,000	5.0% - 5.5%	2023
Series 2016 A Bonds	29,810,000	5.0%	2028
Series 2016 AA Bonds Federally Taxable	7,870,000	5.25%	2026
Series 2016 Notes	32,850,000	5.0%	2032
<b>Total Outstanding After February 2017 Call</b>	<b><u>119,615,000</u></b>		

The above listing illustrates the fact that, notwithstanding the issuance of the stranded parking debt and the City's need to borrow more than \$30,000,000 to fund the judgment against it by its uniformed employees, the City has made significant progress in reducing its debt service obligations. In addition, at the time of this Exit Plan preparation, the City is in negotiations in an effort to retire a portion of the 2003 debt using proceeds of the sale of the sewer system, reserves maintained under the workers compensation trust agreement and other amounts available therefor.

With the City's bonded indebtedness and annual debt service being reduced to a more manageable level, coupled with more sustainable minimum municipal obligation for its pensions, it will be important for the City not to back slide into incurring debt for operating costs, pensions or workers' compensation and to keep annual debt service expenditures at a level that is affordable and sustainable. In this regard, the City will need to be disciplined in prioritizing and paying for its capital needs by using some pay as you go funding along with a small amount of debt.

D1 Regain Investment Grade Credit Rating. The City should continue to take all steps necessary to restore its investment grade credit rating. This will reduce the cost of borrowing and enable the City to get more “bang for its buck” when financing necessary capital improvements. Developing, adopting and following debt, fund balance, and capital improvement program policies will have some bearing on the City’s financial policies and management and hence its credit rating.

D2 Develop and Adopt Financial Policies.

1. **Debt Management Policy.** The purpose of debt policies is to provide written guidelines to all policy-makers and elected officials to ensure the City does not issue too much debt or issue debt for the wrong reasons. A Debt Management Policy should be approved by City Council and the Mayor. It will serve multiple purposes: to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the City’s approach to debt financing. By following adopted guidelines the City should be able to improve the quality of its decisions, elected officials will be encouraged to seek justification for the need to borrow and the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning. Adherence to a debt management policy also signals to rating agencies and the capital markets that a government is well managed and can be expected to meet its obligations in a timely manner. The Debt Management Policy should be used to build public confidence in and better public understanding of the City’s debt issuance policies and practices; assure access to the capital markets; achieve the lowest cost of capital; preserve financial flexibility and maintain appropriate resources and funding capacity for present and future capital needs; and ensure that the City secures highly qualified professional service firms to assist with debt issuance in an open and competitive process.

The Government Finance Officers Association (GFOA) publishes a Debt Issuance Checklist of Considerations when issuing bonds (notes, or guaranties). **All elected officials should become familiar with the items, questions and considerations on the checklist prior to voting in favor of incurrence of debt.**



Elements of the Debt Management Policy should include limitations on contingent or guaranty exposure to debt service payments from other entities; debt limits more restrictive than the Local Government Unit Debt Act (statutory limits) including metrics for debt as a percentage of operating revenues, operating expenses, or both (e.g. 10-12 percent); term, structure, maturities level debt service, capitalized interest, bond insurance; minimum refunding savings; selection of professionals through a competitive process; periodically re-letting such arrangements; post issuance tax compliance; and continuing disclosure compliance.

2. **Develop a Capital Improvement Financing Plan (“CIFP”).** The City shall utilize an integrated approach to capital planning and financing and shall prepare a multi-year CIFP for City Council consideration and adoption. Individual bureaus and departments shall develop multi-year capital plans. Coordination and integration of these individual capital plans into the CIFP shall reside with the Business Administrator’s Office. The CIP shall be for the following three to five fiscal years and shall be updated at least annually as part of the City budget process. The CIFP shall contain a comprehensive description of the sources of funds, including current revenue requirements; identify the timing of project expenditures and their impact on future operating and capital budgets; and evaluate the impact of the projects on the amount and timing of bonds to be issued, debt service requirements, outstanding debt, and debt burden. In developing the CIFP, the Business Administrator’s Office shall determine whether the planned financings conform with policy targets related to (1) the magnitude and composition of the City's indebtedness, and (2) the fiscal resources of the City to support such indebtedness during the five-year CIFP horizon and through the final maturity of the proposed debt. Affordability impacts of the CIFP shall be evaluated in consultation with the various Bureaus.
3. **Develop a Fund Balance Policy.** Once the additional debt is defeased, COLA’s are halted, and deposits into the pension funds are made, the City should be in a position to start to generate surplus from operations that can be used to seed a fund balance.

This fund balance can be used for one-time extraordinary expenditures and can be borrowed from in lieu of a TRAN, or in order to reduce the size of the TRAN. A policy concerning the funding goals and permitted expenditures should be drafted, considered and adopted.

- D3 Additional Reduction of Debt and Long Term Obligations. Even with the elimination of the aforementioned high coupon bonds the City will need to further reduce its long-term liabilities including debt and pension obligations, in order to create a structurally balanced and sustainable budget, without unacceptably high tax increases. The City should seek to further reduce its long-term fixed rate debt, reduce its minimum municipal obligation, reduce the investment earnings assumptions on its pension investments and reduce any other long-term liabilities that can reduce general fund expenses.

## CHAPTER 5 WORKERS' COMPENSATION FUNDING

The City's Human Resources Department (HR Department) is responsible for administering the City's Workers' Compensation Program (WCP). The City's WCP is self-insured. The City's annual workers' compensation expenses (indemnity, medical and administrative expenses) for 2017 were estimated to be approximately \$3.324 million. The discounted Accrued Actuarial Liability ("AAL"), calculated in the manner currently required by the Commonwealth of Pennsylvania, was estimated to be \$22,103,877. According to a loss run prepared during the latter part of 2016 by the City's third-party administrator of workers' compensation claims, PMA Management Corp. (PMA), the City had posted total reserves for the City's outstanding claims of approximately \$6.8 million. The difference between the accrued actuarial liability and the posted reserves of \$15.3 million is significant and should be periodically reviewed by the City and its professionals (including its actuarial professionals, Third Party Administrator and any outside AIPP Coordinator). On its face, the estimated discounted liability for just over 100 open claims appears to be very high.

The City has recently made progress towards reducing its workers' compensation liability. In 2016, the City hired a full-time Workers' Compensation Coordinator (WCC) who had been previously employed by Housing and Redevelopment Insurance Exchange as a claims manager for approximately 24 years. The City was not able to increase its staff compliment to also include the Department of Labor and Industry recommended certified Accident and Injury Prevention Program professional. So, having to choose between the two, and believing the claims administration side needed more attention, the City determined to address issues on the claims administration and claims management side. Accordingly, it retained a claims person who is actively involved in certain day-to-day initiatives. Additional initiatives undertaken by the WCC, HR Department, and Law Department include:

1. Increased frequency for Heart and Lung Arbitrations – now scheduled for every two months,
2. Imposition of Light Duty policy with the Police Union. Several employees have already participated in this program. The formation of a Light Duty Policy for Department of Public Works is nearing completion; the Light Duty policy for the Fire Department is currently under negotiation,

3. Claim settlements continue to be offered when appropriate.
4. Communications to Labor and Industry on December 2, 2016, and April 21, 2017, keeping the Department apprised of its progress and its goals and objectives.

As permitted by law, the City has contracted out for a certified AIPP Coordinator. The certified AIPP Coordinator entered into a new contract in March of 2017 and is currently helping the City to obtain certification of its Workplace Safety Committee so that it meets the requirements of the PA Workplace Safety Committee Certification Program. The City should obtain certification of its Safety Committee during 2017 and should have all necessary elements included in Title 34 of the Health and Safety Regulations satisfied and certified to in order to maintain and continue self-insurance status under Pennsylvania Law. The City should continue to make compliance with all applicable Health and Safety Regulations a priority that is supported by the Office of the Mayor, Human Resources and the Law Department.

While the City has improved its WCP, there remains a cultural problem at the City that will need to be overridden with significant work and consistent implementation of policies and procedures. The City must continue to focus significant attention on its WCP. Many of the efforts outlined in this Exit Plan should generate opportunities to reduce the City's annual workers' compensation expenses and thereby reduce general fund budget expenses without reducing essential government services. The City should obtain reviews, reports, recommendations, and audits from its TPA, actuary, any contracted AIPP Coordinator or consultants and provide, where appropriate, evidence of improvements or deficiencies as the case may be to the Department of Labor and Industry (Department. In addition to the aforementioned, the Coordinator recommends that the City implement the following initiatives to reduce its workers' compensation liability.

WC1 Safety and Accident and Injury Prevention. The Department, through the Bureau of Workers' Compensation (WC Bureau) believes that one of the City's most significant problems, and a leading factor in the City's high annual workers' compensation expenses as a proportion of payroll, is that for many previous years the City was not putting sufficient effort into work place safety and accident and injury prevention. The WC Bureau has recommended that the City begin to work with the WC Bureau's Health and Safety Division on processes and programs to reduce workplace injuries. The

professional staff at the WC Bureau have a great understanding of best practices and how to address and satisfy the applicable regulations. The WC Bureau has recommended that the City take advantage of the Workers Compensation Automation and Integration System's PA Training for Health and Safety (PATHS) program at no cost and the expertise of safety experts within the Department, also at no cost, to improve its safety program. PATHS can provide in person and web based training programs for the City. The City should, to the largest extent possible take advantage of relevant offerings under PATHS that can eventually improve its WCP.

In addition, the WC Bureau has suggested that the City work with the Indiana University of Pennsylvania's Consultation Program, or any similar program approved by the Bureau (collectively Consultation Program) at no cost to the City. The City should take advantage of the WC Bureau's offer to assist both with personnel from the Bureau's Health and Safety Division and from Indiana University of Pennsylvania. Due to budget constraints, the City does not have an in-house employee with sufficient experience in AIPP to evaluate its outside contractor; determine and monitor their progress, or to evaluate further options. The City should utilize information it can garner from its peers to determine whether it should retain the services of a firm that specializes in safety and accident prevention for municipal self-insureds as its AIPP Coordinator or hire a certified individual to perform such function in house. The City should monitor performance of its certified AIPP Coordinator regularly and replace them if they are not performing the requisite tasks in an acceptable manner.

WC2 Monitoring Effectiveness and Pursuit of Best Practices By PMA. The City's WCC should continue to monitor performance of claims administration by PMA and ensure that the City is receiving the best services possible. This includes ensuring that PMA is following best practices in the areas of prompt reporting, prompt medical examinations, cutting off potential for longer term Permanent Total Disability (PTD) and Permanent Partial Disability (PPD), management of medical expenses, back to work initiatives, offsets, settlements, etc. The WCC should develop metrics for measuring PMA's performance and suggest strategies for improvement. Best practices claims management

and claims administration is extremely important for the City in order to reduce workers' compensation costs.

WC3 Use of Sewer Sale Proceeds. The Coordinator recommends that the City uses proceeds from the sale of its Sanitary Sewer System, along with estimated surplus amounts under the workers' compensation Trust Agreement, to pay off the City's 2003 D Bonds (originally issued to fund workers' compensation bonds). The cash defeasance of the 2003 D Bonds will not only repay a borrowing for workers' compensation reserve funding but it will save the City over \$1 million per year for the next 5 years. The City should consider using a portion of these savings to bolster its worker's compensation infrastructure and programs.

WC4 Conduct Independent Actuarial Evaluation. The Coordinator believes that the City's annual workers compensation expenditure is significantly higher than would be expected, even for a large municipality with full time police, fire and public works departments. Many of the City's efforts to improve its safety programs and claims administration are expected to have a positive impact on the City's AAL and its annual workers' compensation expenses in the future. In the not too distant future, an actuarial report should be prepared that modifies the loss development triangle to take into account the recent improvements in the City's program, including reinsurance, settlements, etc. If the annual amount is still burdensome and the AAL remains high, the Coordinator recommends a claim by claim analysis by an outside actuary firm to discern what other issues are causing the City to experience high workers' compensation costs. The City should consider retaining a firm and an actuary who is a Fellow of the Casualty Actuarial Society for this additional work.

WC 5 Investment Strategy for the Reserves. A more accurate loss development triangle and more accurate future cash flow projections will also give the City a better idea of how to invest its reserves. A more accurate cash flow analysis should enable the City to take advantage of intermediate fixed rate returns.

WC6 Excess Coverage. The City has used many excess carriers over its history– presumably to find the lowest costs each year. In more recent years the City has placed this coverage with Safety National, the predominate excess carrier insuring municipalities at this time. Current attachment point for Safety National’s coverage is \$800,000. The City should take into account how much it is paying for this level of excess coverage, and what it might do if there is a requirement of the carrier to raise it to \$1,000,000 at the next policy renewal and the resultant additional premium increases. The City should ascertain the extent to which they are using the excess coverage at the \$800,000 attachment point, that is, how many claims have or are expected to exceed \$800,000? If the number is a low one then the City could agree to \$1,000,000 excess and save on the premium. A claim by claim analysis would be able to assist with determining whether the actual ultimate value of large claims is understated or overstated which is very important in connection with negotiation of attachment point and premium. The City is reminded that any increase in retention would need to be approved by the Self-Insurance Division and will be taken into account when loss development factors are assessed.

WC7 Job Descriptions for Light Duty and Return to Work Programs. Job descriptions shall be prepared to aid in the creation of light duty and return to work programs. These job descriptions can be made available to any panel of physicians and to the treating physician at the time of treatment or during any medical examination process.

## CHAPTER 6

### PENSION SYSTEM FUNDING IMPROVEMENTS AND DISABILITY PENSION REFORM

The Coordinator recommends that a portion of the proceeds of the sale of the Sewer System be directed into the City's pension plans. However, the Coordinator does not recommend a funding level into the pension funds solely for the purpose of creating "temporary" annual budgetary savings or solely to raise the funded percentage for any of the funds in the near term only. By the very nature of pension funding actuarial calculations, such budget savings or funded ratio improvements can only be relied on for a short period of time (perhaps the two to three-year period subsequent to the annual valuation report or Section 404 (h) treatment in the case of debt funded deposits). The City's pension savings goals should be based upon a long-term horizon of at least a 20-year period, with an emphasis on the stability of the funds to pay future benefits rather than immediate budgetary savings. Any initial savings analysis will invariably be based upon myriad actuarial and investment assumptions that are beyond the control of the City and those assumptions are highly likely to change (e.g. investment returns, retirement ages, mortality of plan participants and surviving spouses, disability pensions, and payroll etc.). *It bears repeating that there are myriad factors that could result in the annual budgetary benefit of a pension deposit dissipating over time and it is unlikely that the projected expense reduction will be realized for the entire amortization period.* These factors are in large part outside of the City's or Coordinator's control.

It is essential to the viability of the City's pension plans, which are amongst the lowest funded pensions in the Commonwealth of Pennsylvania, that the City continue to hold the line on increasing payments of pension benefits and that the agreed to reforms aimed at reducing the frequency of the granting of disability pensions be enforced as soon as possible and continually. In addition, the City should continually bargain for changes and make management decisions that can help ensure that the pension funds are stable and that the funding system remains viable without extraordinary infusions of money such as the sale of the Sewer System, because as stated previously, this is the last remaining significant asset of the City. Failing to do so not only endangers the City's structural budget stability but every future generation of retirees.

Toward this goal, the Coordinator recommends that the City engage in discussions with its collective bargaining units to enter into a Pension Benefit Memorandum of Understanding.



This Memorandum should control the timing and limit the amount of any pension benefit enhancements for at least ten years beginning in 2017. Moreover, any disputes between the bargaining units and the City that could have a material adverse impact on the funding of the pension plans as estimated or calculated by the actuary to the plans, should be adjudicated or resolved prior to any significant contributions are made from Sewer Sale proceeds to the pension funds.

The City has limited the granting of annual benefit increases to current retirees due to the inability to declare the funds actuarially sound. These annual increases were based on one-half of the rate of annual salary increases, if any, payable to active employees under the applicable collective bargaining agreements. The City shall continue to deny benefit increases until the funded ratios of the funds allow them to be reasonably declared actuarially sound after taking into account the impact on liabilities the COLA would yield. The status of municipal defined benefit pension plans is defined by the Pennsylvania Auditor General through the Municipal Pension Reporting Program. By way of example, the City may consider a COLA reinstatement to an amount of up to 25% of its value to pensioners; provided however that no COLA shall be granted that results in the funded ratio of any plan dropping to 50% or less. These calculations should not be done on demand, but only at the time the actuary is calculating the MMO for the following years' budget.

The City is also challenging an interpretation of adopted City ordinances that govern the required age for retirement of plan participants. There are inconsistent provisions for the age of retirement eligibility for the police and firefighter pension plans. These inconsistencies are the subject of legal action seeking to remove a stated retirement age and allow retirement solely upon years of service. The elimination of an age requirement will allow for a larger number of retirees in the near future. Such an increase is not factored into the current actuarial assumptions, valuations, and annual funding requirements and may result in a large increase in the City's annual required obligation which it can ill afford.

The Coordinator recommends that the City begin the process of lowering the pension funds assumed rate of return on fund investments. Currently the Minimum Municipal Obligation assumes an assumed 8 percent rate of return. Upon consultation with the Actuary for the plans, the City should take the action necessary to reduce the investment return assumptions by between .50% and 1.00% (from 8.00 percent to 7.50 or 7.00 percent). These reductions will

enable the Actuary to also reduce the assumed annual salary increase in the annual valuation report by a like amount. This lowering of the assumed rate of return and annual wage growth assumption should result in a modest reduction of the amount required to be deposited by the City to reduce the rate of return. On an annual basis the City should continue to lower the assumed rate of return on pension funds so that the funds are more accurately estimating current market return trends and in order to decrease volatility of the MMO due to market changes outside of the City's control. Once the escrow funds are released in amounts sufficient to reduce the investment return assumption by another .25 percent, the Coordinator recommends the transfer of such amount into the pension plans.

Governance of the pension plans has caused significant problems over the years for the City of Scranton. The Coordinator emphasizes that the City is responsible to make up funding deficiencies so it is the City that is responsible for and shall be solely empowered with the responsibility to hire and fire Investment Consultants or Investment Advisors, setting the discount rate for actuarial purposes and ensuring compliance with the disability pension reforms. The lack of a single consistent source for applicable rules and regulations has resulted in confusion and cost. An intermediate term plan of the City should be to memorialize the current rules and regulation in one place, to update their Ordinances to the extent necessary and to empower both City officials (primarily) and Aggregate Pension Board officials (secondarily) to enforce all aspects including offsets and disability pension reforms.

PSF1 Reduce the Investment Return assumption to 7.50-7.0 percent.

PSF2 No COLAs shall be granted unless, with the COLA factored into the funding ratio calculation, the Pensions Plan's funding ratio will allow them to be reasonably declared actuarially sound.

PSF3 Continue to seek increases in the employee funding percentage, and deferral of retirement age in order to keep the pensions solvent consistent with national trends.

PSF4 Adopt a Pension Fund Governance Policy that clearly sets forth City as being primarily responsible for investment earnings return assumption and for hiring and firing an investment consultant/advisor.

### **Disability Pension Reform**

If an employee becomes injured or ill and is determined to remain so for a significant length of time she or he may become eligible for a paid disability pension. If approved, the disability pension benefits depend on whether the disability resulted from a service or non-service injury or illness. Disability pensions negatively impact pension funds which are funded based on the anticipation of employees retiring upon a certain age and years of service.

In the past, the City has had a significant number of City employees seek and obtain a paid disability pension. The Times-Tribune newspaper investigation in 2014 indicated that the City had the highest percentage of fire and police disability pensions in the Commonwealth. In a recent report to the City Administration, the actuary for the Aggregate Pension Boards indicated that during the 10 year period ending December 31, 2014, 28 percent of total retirements (disability plus regular) for fire, and 68 percent of total retirements for police, have been disability retirements. This experience makes it extremely difficult for the City as it attempts to restore its financially distressed pension funds.

The City's recent history for claims and granted claims for disability pensions is shown below.

#### **Recent Disability Pension Activity**

<b>Year</b>	<b>Claims for Disability Pension</b>	<b>Disability Pensions Granted</b>
2013	2	2
2014	2	2
2015	5	5
2016	2	2

The City and its uniformed employees (police and fire) entered into Memoranda of Understanding dated January 30, 2015, and supplemented these with Memoranda Agreements dated March 11, 2016 (the "Agreements"), which were negotiated as conditions for the payment of the Supreme Court award judgement. The Agreements are intended to reform the process of obtaining and continuation of disability pensions. The City and its uniformed employees agreed to the mutual selection of a panel of physicians who are board certified in an asserted illness or

injury. The select physician will make the final decision as whether a police officer and fireman is entitled to a disability pension.

Another provision of the Agreements allows the City to hire a third-party administrator to oversee management of disability pensions. Many of the City's police and fire disability pension beneficiaries stem from a work-related injury and a workers' compensation claim. In order to provide the City with effective and efficient management of disability pensions stemming from its self-insured workers' compensation program, the City of Scranton recently solicited bids through a Request for Proposals for a third-party administrator. The duties outlined in the scope of the RFP were very streamlined and the City indicated that it would take on the other responsibilities necessary to implement the MOU. The City only received one proposal as of the May 19, 2017 deadline and at this time the City is reviewing the proposal to determine if it meets the RFP's qualifications. At this time the City is reviewing the proposal to determine if it meets the RFP's qualifications. The Coordinator recommends that the City amend the RFP to encompass a broader role for the TPA and take primary responsibility for seeking offsets and ensuring that the City's disability pension incidence is reduced to more normal levels based upon other cities in the Commonwealth. This disability pension reform is very important to the City's long term financial position and the Coordinator recommends that the City shall continue to implement this disability pension reform.

## CHAPTER 7 CAPITAL FUNDING AND ECONOMIC DEVELOPMENT

### **Funding Capital Improvements**

The City has substantial capital needs across a variety of the remaining assets and will have the additional responsibility of managing the storm water function as the City is required to meet the increasing standards for storm water pollution reduction of federal and state environmental regulations. Sewer System sale proceeds can be used to establish a capital projects fund and serve as a capital reserve for the development of multi-year capital programs to respond to the capital needs of the City. During 2017 the Coordinator encourages the City to develop a multi-year capital improvement plan, and to consult with its financial advisor about the right mix of borrowing and pay-as-you go for the next several years as the City positions itself to regain an investment grade rating. The amount deposited under the Trust Agreement shall include \$2.0 million for capital improvements, and such amounts shall be transferred by the Trustee to the City solely for capital improvements pursuant to a requisition for the same, during calendar year 2018.

### **Economic Development Initiatives**

The City of Scranton is the county seat and largest municipality in Lackawanna County, serving as the regional hub for economic activity. Scranton is home to three hospitals (Regional Hospital, Moses Taylor Hospital and Geisinger Community Medical Center), two universities (the University of Scranton and Marywood University), two colleges (Lackawanna College and Johnson College) and a medical school (Geisinger Commonwealth School of Medicine). The City is poised to take advantage of its wealth of educational and medical institutions by promoting an “Eds and Meds” economic development strategy.

In 2016, the City engaged the National Resource Network (NRN) to develop a strategy to implement downtown economic development. NRN held a series of one-on-one meetings and workshops with City officials and various community stakeholders to gather information and feedback as it developed the downtown plan. Stakeholder priorities for downtown, as outlined by NRN, included continued residential population growth, increasing amenities downtown to better attract more residents, and improving maintenance and aesthetics downtown. Stakeholders also desired additional clarity of the City’s role in economic development implementation, as well as the need for the City to endorse and champion a consistent downtown vision before anchor

institutions are willing to invest and partner with the City. In addition to the stakeholder interview and workshop process, NRN prepared case studies of successful economic development efforts in four cities: Pittsburgh; Lancaster; Syracuse, NY; and Chattanooga, TN. The case studies provide the City with best practice models and a consistent set of ingredients for success — leadership, partnerships, resources and flexibility.

Based this input, NRN developed a strategic plan that focused on revitalizing the City's downtown. The recommendations include forming a partnership with Scranton Tomorrow, a volunteer-based community support and economic development organization that was formed in 1992. Scranton Tomorrow is the Commonwealth-designated Main Street organization for the City. The NRN recommendations include the following:

- Increase the City of Scranton's capacity for economic development by designating a current or new staff member to be the City's point person for implementation of the Downtown Plan.
- Designate Scranton Tomorrow (a §501(c)(3)) as the City's lead partner organization for coordinating the implementation and evolution of the Downtown Plan.
- Organize a focused, short- term task force to further define the required changes to Scranton Tomorrow to effectively implement the Downtown Plan.
- Build support among downtown property owners for the creation of a business improvement district with a stable source of funds from a special assessment.

The City administration and City Council have been briefed on the 2017 NRN plan and are in general agreement concerning the recommendations but no formal legislative action has been taken to adopt the plan. Meanwhile, implementation of the NRN recommendations is underway. In terms of Recommendation 1, Mayor William Courtright designated Business Administrator David Bulzoni temporarily as the City's point person to be assisted by Office of Economic and Community Development Deputy Director Thomas Preambo. Mayor Courtright has indicated a willingness to designate a permanent economic development point person but currently has no one in the administration that can assume those duties full time nor does he believe that he has the funds at this time to hire someone for that role. Absent a full-time City

economic development point person, it is anticipated that the partnership with Scranton Tomorrow will bolster the City's internal economic development capacity.

In terms of the other NRN recommendations, the City has engaged NRN for a Phase II project to assist with the task force process and otherwise help Scranton Tomorrow as it ramps up to assume this new role as the City's economic development partner. Task force members, including individuals from key downtown anchor institutions, have been identified and a tentative date has been set for the first meeting. Scranton Tomorrow has placed key economic development individuals on its Board of Directors and has revamped its economic revitalization committee in order to move forward.

As the City works through the NRN recommendations, there are various other ongoing economic development efforts in the City's downtown. Like other cities, the City's downtown is attracting millennials and empty nesters. To continue to draw this population, it is important that amenities, such as convenient access to basic necessities and additional green space, be encouraged by the City. Both the increase in downtown living and in businesses that serve these residents will assist in strengthening the City's tax base.

Other notable downtown projects include the purchase of the Mall at Steamtown in 2015 by a developer who is pursuing an eclectic mix of tenants that is expected to reinvigorate the retail environment including the recent opening of the upscale Iron Horse Movie Bistro; Lackawanna County's purchase of the former Globe Store on Wyoming Avenue to serve as the hub for County offices; and efforts to revitalize the 300 block of Adams Avenue with a diverse mix of restaurants, a theater and the renovation of the current Scranton Counseling Center into another use. Other downtown projects include a planned expansion of the medical college and renovation of the Samter's Building at the corner of Penn and Lackawanna Avenues into mixed residential/commercial use.

Other economic development efforts are underway in the City's neighborhoods. The United Neighborhood Centers (UNC) of Northeastern Pennsylvania, the Commonwealth-designated Elm Street manager for South Scranton, is working with other agencies to continue development projects in that neighborhood. Pending projects include a South Scranton Women's Business Incubator that will also house UNC offices and relocation of the Scranton Counseling Center to a renovated building. In addition, the proposed Iron Furnaces Corridor

Project would link recent renovations in South Scranton with the downtown, improve pedestrian access, and further enhance that historic area.

However, challenges remain to implementing economic development initiatives, such as the continued lack of City capacity in terms of a designated economic development point person in City government other than the City business administrator and the need to obtain funding for future economic development projects. As Scranton prepares to exit Act 47, it is crucial that the City implement key economic development initiatives such as the NRN plan and develop and maintain strong relationships with economic development partners such as Scranton Tomorrow, the Greater Scranton Chamber of Commerce, Lackawanna County, the state Department of Community and Economic Development, downtown developers and key anchor institutions. The economic development goal is to strengthen the City's tax base and move it to the point of sustainability so that the City can successfully exit from Act 47.

The economic development provisions provided herein seek to provide the City with both short-term and long-term assistance in revitalizing the City's downtown and its surrounding neighborhoods. The Coordinator encourages the City to use its best efforts to implement the following economic development initiatives during the implementation of this Exit Plan.

### **Economic Development Initiatives**

- ED1 Increase Internal City Capacity. The City should explore increasing its internal capacity in line with the NRN recommendations. This could include identifying funds to hire an economic development specialist for the City's Office of Community and Economic Development and/or hiring an executive director for the largely dormant Scranton Redevelopment Authority.
- ED2 Adopt NRN Plan. The City should consider official adoption of the NRN Downtown Scranton Revitalization Plan and work to achieve the plan's recommendations including the eventual creation of a downtown business improvement district.
- ED2 Enhance Economic Partnerships. The City should continue to strengthen its partnerships with Scranton Tomorrow, the Greater Scranton Chamber of Commerce, Lackawanna County, anchor institutions and key stakeholders to pursue economic development



opportunities in the downtown (particularly related to residential development) and the City at large including the “Eds and Meds” strategy and neighborhood revitalization projects. City officials should work with its partners to prioritize economic development projects that advance the NRN strategy and in partnership with the state Department of Community and Economic Development to identify potential funding sources for economic development projects as needed.

- ED4 Funding Economic Development. It is anticipated that the plan to allocate proceeds from the Scranton Sewer Authority sale will include \$500,000 for economic development, of which a significant portion is expected to be channeled to the NRN effort.
- ED5 Retain and Grow the Residential Population in the Downtown. The City should work with its economic development partners to provide amenities and attract businesses that will support, grow and retain the residential population in downtown as well as in City neighborhoods.

## CHAPTER 8

### STORMWATER PERMITTING AND PLANNING

Polluted stormwater runoff is often transported to municipal separate storm sewer systems (MS4s) and ultimately discharged into local rivers and streams without treatment. Common pollutants include oil and grease from roadways, pesticides on lawns and farms, sediment from construction sites and litter such as cigarette butts, paper wrappers and plastic bottles. The federal Clean Water Act of 1972 (CWA) was intended to regulate pollutants discharged into water and to implement pollution control programs.

In 1990, the U.S. Environmental Protection Agency (EPA) promulgated rules under the CWA establishing Phase I of the National Pollutant Discharge Elimination System (NPDES). The NPDES system addresses water pollution by regulating point sources that discharge pollutants into waters. The Phase I permit rules impacted (1) medium and large MS4s generally serving populations of 100,000 or greater, (2) construction activity disturbing 5 acres of land or greater, and (3) ten categories of industrial activity.<sup>1</sup> The EPA has authorized state governments to perform many permitting, administrative and enforcement aspects of the program. The Pennsylvania Department of Environmental Protection (DEP), through the Bureau of Clean Water administers the NPDES permitting and compliance monitoring programs and over sees the implementation of the Pennsylvania Stormwater Management Act of 1978 (Act 167).<sup>2</sup>

The NPDES rules were updated by the EPA in 1999. The Phase II program updated and expanded the Phase I program by requiring additional operators of MS4s in urbanized areas and operators of small construction sites, through the use of NPDES permits, to implement programs and practices to control polluted stormwater runoff.<sup>3</sup> The Phase II updates required 953 smaller municipalities, including the City, and numerous institutions throughout Pennsylvania to obtain NPDES permits for their stormwater discharges.<sup>4</sup> Each permit holder must implement and enforce a stormwater management program that reduces the discharge of pollutants to the

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<sup>1</sup> United States Environmental Protection Agency (USEPA), Office of Water, *Stormwater Phase II Final Rule, An Overview*, January 2000 (revised December 2005), Fact Sheet Series. EPA 833-F-00-001.

<sup>2</sup> Pennsylvania Department of Environmental Protection. "Stormwater Management." <http://www.dep.pa.gov/Business/Water/CleanWater/StormwaterMgmt/Pages/default.aspx> (accessed May 24, 2017).

<sup>3</sup> USEPA, *Stormwater Phase II Final Rule, Small MS4 Stormwater Program Overview*.

<sup>4</sup> Pennsylvania Department of Environmental Protection. "Municipal Stormwater." <http://www.dep.pa.gov/Business/Water/CleanWater/StormwaterMgmt/Stormwater/Pages/default.aspx> (accessed May 24, 2017).

maximum extent practicable. For the next permit term, MS4 permit holders that discharge to surface waters impaired for certain pollutants or that discharge to waters in the Chesapeake Bay watershed need to develop a Pollutant Reduction Plan (PRP) or Total Maximum Daily Load Plan when they submit their MS4 renewal application/Notice of Intent (NOI).

For the City, it must submit its NOI for its next NPDES permit no later than May 4, 2019.<sup>5</sup> A PRP is required to be completed and attached to the City's NOI.<sup>6</sup> The PRP is required to include seven elements. One of these elements includes a public participation requirement. The City will have to make a complete copy of the PRP available for public review, publish a public notice of the PRP, receive written comments for at least 30 days from the publication of the public notice or accept comments at any of its regularly scheduled public meetings, consider the comments and make a record of the consideration of each received comment. As another required element of the PRP, the City must submit a map that identifies land uses and/or impervious/pervious surfaces and the City's storm sewershed boundary. Another key element is identification of funding mechanisms to achieve the Best Management Practices included in the submitted PRP.<sup>7</sup>

The City currently has under contract Arcadis Design and Consultancy to undertake a detailed Preliminary Stormwater Analysis. Arcadis is expected to provide the City with viable methods that address the City's stormwater management issues.

The MS4 and NOI regulations cover municipal separate storm sewer systems and are in contrast to regulations and requirements covering combined sewer systems which mix both sanitary wastewater flows and stormwater flows within the same collection system. It is worth noting that the most significant element of stormwater management is the required separation of the combined sewer systems that will be undertaken by Pennsylvania American Water, the new owner of the Sewer System, in their required implementation of the \$140 million stormwater combined sewer overflow federal Consent Decree.

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<sup>5</sup> Pennsylvania Department of Environmental Protection. "2018 MS4 Permit NOI/Application Due Date Report." [http://files.dep.state.pa.us/Water/BNPNSM/StormwaterManagement/MunicipalStormwater/2018%20MS4%20Permit%20NOI\\_Application%20Due%20Date%20Report%205.16.2017.pdf](http://files.dep.state.pa.us/Water/BNPNSM/StormwaterManagement/MunicipalStormwater/2018%20MS4%20Permit%20NOI_Application%20Due%20Date%20Report%205.16.2017.pdf) (Accessed May 24, 2017).

<sup>6</sup> Pennsylvania Department of Environmental Protection, Bureau of Clean Water. *National Pollutant Discharge Elimination System (NPDES) Stormwater Discharges From Small Municipal Separate Storm Sewer Systems Pollutant Reduction Plan (PRP) Instructions*, (revised 03/2017).

<sup>7</sup> *Ibid.*, at pages 4- 8.

SPP1 Segregate and Allocate \$500,000 from SSA sale for Stormwater Permitting and Planning Sewer Plans. In order for the City to be prepared to submit a timely NOI, the Coordinator is recommending that the City segregate \$500,000 of the SSA sale proceeds be used to assist the City for the expenses necessary to complete a comprehensive NOI submission to DEP in May 2019. Any remaining funds shall be used as a basis for funding the implementation of Best Management Practices identified in the PRP and approved by DEP.

## CHAPTER 9

### GENERAL EXIT PLAN PROVISIONS, REVENUE, FINANCIAL MANAGEMENT

Successful implementation of this Exit Plan will necessitate changes in the way the City currently provides services and how it finances those services. The ultimate goal of this Plan is to allow a rescission of the declaration of financial distress under Act 47 and to restore the community's confidence in the City of Scranton's ability to effectively maintain current operations into the future.

The following outlines the general provisions of the City of Scranton's 2017 Exit Plan for 2017 – 2020, unless modified in a subsequent revised Exit Plan.

#### **General Governance**

**Cooperation Among City's Leadership.** Governance and leadership of the City of Scranton under the Home Rule Charter rests with both the Executive branch (Mayor) and Legislative branch (City Council) of the municipal government. While the Executive-Legislative form of municipal government provides for a separation of powers and checks and balances between the two branches, it ultimately requires both branches to work together to provide effective governance and leadership.

In any community (regardless of size of population, area, or distressed status), it is not unusual that the Mayor and City Council will not agree on every issue. However, a fundamental cornerstone of governance is that elected leaders work together on behalf of all residents to effectively manage municipal financial operations, adopt a balanced budget and maintain municipal services. In Scranton, collaboration, cooperation and compromise have shown to be possible and have led to progress in achieving the goals of the prior adopted Recovery Plans.

Since 2014 both the City Administration and City Council have been actively and progressively working together for the betterment of the City. It is this continued cooperation and shared goals that will lead the City away from fiscal distress and the resulting oversight.

Once this Exit Plan is adopted the next step will be implementation. The Mayor (or a designee), representatives from City Council, the Business Administrator, and key management staff (as appropriate) shall participate in regular meetings, organized by the Act 47 Coordinator, to discuss and execute implementation of the mandates included in this Exit Plan. Within these meetings, the participants shall discuss key policy mandates and determine how each will be

implemented. At the implementation meetings, other management issues may be discussed, including but not limited to current finances, human resources, economic development, general City operations and intergovernmental cooperation. The Act 47 Coordinator will be responsible for preparing each meeting's agenda and will lead the meetings. These gatherings are intended for a small number of attendees to focus on priority-setting and problem-solving and may result in follow-up assignments and associated progress reports.

**GOV1 Reporting.** It is important that that the City continue to regularly report its progress in implementing this Exit Plan to the Act 47 Coordinator. This, in turn, allows the Act 47 Coordinator, as the agent of DCED, to ensure that the Commonwealth is up-to-date on the status of implementation efforts. Therefore, the City shall provide cash flow, revenue and expenditure status reports to the Act 47 Coordinator no less frequently than monthly during the period it remains under a determination of distress. These reports may be in spreadsheet form, written memo or other form as requested by the Act 47 Coordinator or may take the form of weekly or monthly meetings. Additional on-site meetings involving the Act 47 Coordinator and appropriate officials and employees shall also be held on an as needed basis to review implementation efforts and to aid in the overall Exit Plan implementation process.

**GOV2 Submission of Data.** The City shall continue to routinely provide the Act 47 Coordinator with all data pertinent to the City's financial recovery effort. For example, the annual budget shall be sent to the Act 47 Coordinator as required by Act 199 of 2014. In addition, key management, administrative, and financial decisions made by the City, which may or may not relate directly to the Exit Plan, shall also be promptly communicated to the Act 47 Coordinator. This is particularly important if these actions entail an abrupt change or alteration in the policies or practices of the City.

Among the specific items which shall be regularly transmitted or made available to the Act 47 Coordinator are:

- Council Meeting Agendas (prior to the meetings) - all regular and special meetings;
- Council Meeting Minutes - all regular and special meetings;

- Notice of any meetings involving the City and third parties on any matter relating to City finances and operations (e.g., meetings with creditors, vendors, etc.);
- Relevant communications with creditors, vendors, etc.;
- All non-privileged correspondence (in and out, internal and external) on matters relating to employee unions, collective bargaining, arbitration, grievances, etc.;
- All proposed ordinances;
- All litigation initiated/settled;
- All personnel actions (including worker's compensation claims and employee grievances);
- Monthly financial reports (as of the last day of each month) and related documents;
- Major contracts awarded and grant applications made;
- All other relevant correspondence (internal and external, in and out); and
- Anything that the Act 47 Coordinator should be made aware of in regards that materially impacts the operation of the City.

GOV3 Failure to Comply. If the City and its elected or appointed officials fail to communicate and consult with the Act 47 Coordinator on a regular basis as provided for in this Exit Plan and/or fail to provide the information, reports or documentation requested by the Act 47 Coordinator, the City may be found to have violated this Exit Plan which may result in sanctions by the state which includes the withholding of Commonwealth funding.

### **Revenues**

REV1 Maintain existing Tax Rates and Annually Petition for the Higher LST. The City's revenue base requires recurring, stable revenue sources to provide adequate revenue for core municipal services. To that end it is vital that the current taxation structure be maintained for the duration of the Exit Plan. Aside from the increase in the Local Services Tax, other tax rates are proposed to be maintained at current levels with the proviso that for whatever reason the City is unable to implement other associated initiatives in this Plan, then the City will need to further adjust existing tax rates and/or reduce expenditures to maintain a balanced budget. **On an annual basis the City shall request under the enabling legislation authorization from the Lackawanna County**

**Court of Common Pleas to levy the Local Services Tax at a rate of \$156/year on all individuals who work in the City.**

REV2 Delinquent Collection—Tax and Nontax Revenues. The City shall take all aggressive action permitted by law to collect delinquent tax and non tax accounts including real estate and other taxes as well as refuse collection and other fees. To this end, the City has engaged a third-party collection firm. The City shall periodically evaluate these collection results to maximize its return.

REV3 Delinquent Real Estate Tax Collection. The City shall appeal to its legislative delegation to change Pennsylvania's Real Estate Tax Sale Law, 72 P.S. Section 5860.101 et seq., to allow Cities of Second Class A take part in the county tax claim bureau and to amend the Local Tax Collection Law, 72 P.S. Section 5511.1, et seq., so as to provide Cities of Second Class A with the opportunity to utilize all of the powers and remedies under this law including, but not limited to, initiating litigation against individuals and/or entities which are delinquent in their real estate tax obligations and obtaining judgments against the individuals and/or entities that would be personal in nature and thereby go beyond the potential of attachment to the underlying real estate. This would benefit the City of Scranton by providing an enforcement mechanism that is not presently available under existing statutes which would aid the City in receiving the tax revenue to which it is entitled in a more expeditious manner. Concurrently, the City shall explore the legality of participating in the county's tax claim bureau process.

REV 4 Consider A Transition From The Mercantile/Business Privilege Tax To The Payroll Preparation Tax. The City of Scranton levies a Business Privilege & Mercantile Tax (BPMT) on all businesses in the City except for those that are statutorily exempt, such as manufacturers. Like all political subdivisions in the Commonwealth, the City and School District are barred from raising their BPMT tax rates. The 2014 amendments to Act 47 provided another revenue alternative for Act 47 municipalities. They are now permitted with Court approval to replace the Mercantile/Business Privilege Tax with a Payroll Preparation Tax. The tax is levied on for profit employers and imposed as a flat



percentage on gross payroll. The initial implementation of this tax must be on a revenue neutral basis, though the base has the ability to grow over time as payroll grows. An important consideration is the ability for the Payroll Preparation Tax to remain in place even after the municipality exits Act 47 thus the change would be a permanent one. The City in cooperation with the Coordinator should review and analyze its existing Mercantile/Business Privilege structure and collection process and weigh the benefits of making this transition. The City should also engage the business community in this discussion prior to making any change. The City will also need to coordinate with the School District as they also impose the tax and to work with the City's legislative delegation to address changes in the Act that would also allow the School District to make a similar transition. Because of the required revenue neutral phase-in period and the estimated time for that transition, no financial impacted is expected in the timeframe of this amended recovery plan. This initiative will be considered as a strengthening of the tax base of the City that will increase annually more than the revenue source replaced.

REV5 Review Fee Structure To Ensure Full Cost Recovery. The City shall review its fee schedule for all services and permits provided to users of the service or permit. The City shall consider all costs related to the provision of service, including but not limited administrative costs, employee benefits, storage costs, inspection costs, and overhead and maintenance.

The fee schedule shall be reviewed every two years to ensure that increased costs are recovered in a timely manner.

REV6 Review and increase utilization of Payment in Lieu of Property Tax (PILOT) Agreements. Similar to many other core communities, Scranton is home to many non-profit entities. These tax-exempt properties represent a significant portion of the City's real estate value.

In 1997, the General Assembly enacted a lower standard for meeting the tax-exempt criteria by passing Act 55 of 1997. The practical effect of the Act was to allow virtually all non-profit organizations tax-exempt status that in turn, placed a greater burden on

other taxpayers. However, the Pennsylvania courts did not agree that the original “Hospital Utilization Project (HUP)” was struck down by Act 55, and as a result in 2012, the Supreme Court reestablished the need for a charity to meet the higher standard “HUP Test” before considering the Act 55 standards. Act 55 encourages non-profits to enter into PILOT agreements with municipalities. As of the writing of this Exit Plan, the Coordinator is not aware of any existing City/non-profit PILOT agreements; the City is a recipient of a year to year contribution from the University of Scranton of approximately \$175,000.

Since the passage of Act 55, it has been reportedly difficult for local governments to renew or enlist new PILOT agreements. Pittsburgh has had some success in negotiating a PILOT arrangement under its Act 47 plan. By working with the Pittsburgh Foundation, the Pittsburgh Public Services Fund was established and resulted in PILOT payments of approximately \$4 million annually or about 1 percent of its budget though the program has not been continued by the new City administration. Harrisburg should quantify and communicate the value of the services it provides to its larger (Purely Public Charity) non-profit property owners, pointing out the advantages of the City services that support the organizations’ operations.

In the pursuit of PILOT payments the City should take the following actions:

1. Determine the impact on property tax revenues as part of the due diligence of selling government owned property to for-profit organizations.
2. Solicit voluntary contributions from government sponsored organizations to reimburse the City for all or a portion of the services provided by the City. The City shall review the implementation of an Act 55 format for the formal agreement and payment of specified PILOT revenue from organizations exempt from property taxation.
3. Review the status of the qualification and PILOT agreements with the non-profit healthcare institutions and the other private organizations with large tax-exempt assessments (starting with those of at least \$1 million in assessed value).
4. Seek voluntary contributions / PILOTs with non-profit organizations, starting

with those having the highest tax-exempt values and those who utilize substantial amounts of the City services. An increase of 5 percent to 10 percent of the five year PILOT average amount will yield more than \$100,000.

REV7 County-wide Property Reassessment. The Coordinator recommends that the governing bodies of the City should continue their efforts to petition the Lackawanna County Commissioners to conduct a reassessment of real property values throughout Lackawanna County. The last county-wide property reassessment occurred in 1968. The county began a reassessment in September 2006 with new assessments scheduled to go into effect for 2009. However, the reassessment was indefinitely suspended in October 2009 by the Commissioners because of the cost of completion.

Property reassessment will result in a more equitable distribution of the property tax burden, promote commercial development and allow municipalities to lower their overall property tax mill rates while maintaining the same tax base. Presently, owners of newer buildings typically pay higher taxes because their assessments are closer to actual worth compared to older buildings, whose owners pay less because their assessments are far less than actual worth. This disincentivizes new construction not only in the City but throughout Lackawanna County.

## **Financial Management**

FM1 Financial Management and Reporting. The City has made significant progress in developing a reliable financial and accounting system. However, many of the policies relevant to the system are not compiled and available in a comprehensive plan. A systematic review of existing financial reporting policies shall be undertaken. The plan shall delineate appropriate policies and procedures which shall be in conformance with applicable state law, the City's Home Rule Charter, and Generally Accepted Accounting Principles (GAAP).

FM2 Allocate Administrative Responsibilities. In order to achieve the commendable improvement of financial management processes as identified, the City shall continue the

dispersion of non-financial or department specific responsibilities away from the Office of Business Administrator and to the responsible City department. The fundamental objective of the operation of the Office of Business Administration should remain the administration of the yearly budget and completion of the audit on a timely basis. The Business Administrator's office presently assumes responsibility for departmental initiatives outside of its administrative code responsibilities. To achieve the identified financial management objectives, the various City departments will assume greater responsibility for direct department initiatives, such as Request for Proposal preparation and execution to the greatest extent as allowed under the Home Rule Charter and Administrative Code. The City's implementation of the Position Classification and Compensation study will provide valuable guidance in the segregation of specific duties.

FM3 Audits. It shall be the goal of the City to receive all prior year audits required under its Home Rule Charter and Administrative Code by the date specified in the Charter or Code. The City shall pursue actions for non-compliance against the auditing firm as available under the request for proposal for the particular audit. The City shall also insure that the audits performed for its component units and other relevant entities are timely completed and forward to the City as required by applicable law.

FM4 Insurance Costs and Risk Management. The City shall utilize professional risk managers to ensure the sound management of the Workmen's Compensation program and other City insurance. The City, primarily through the Business Administrator, shall take action to comply with the Irrevocable Trust Agreement, as amended, for funding the City's workers' compensation claims to ensure annual self-insurance certification from the Department of Labor and Industry (L & I). Specifically, the City shall ensure that the highest priority is given to: the funding requirements of the agreement including any unfunded liability, fulfilling the reporting requirements delineated in the agreement, and securing the required annual actuarial estimates from L & I which are to be used for budgeting the mandated funding.

In addition, the Business Administrator in conjunction with the City Attorney, Human Resources Director, and professional risk managers shall review the City's existing liability and property insurance policy. The Business Administrator shall make recommendations to the Mayor on changes that might be undertaken in terms of overall coverage, deductible limits, and excess insurance in order to provide for either enhancements in coverage or reduction in cost.

FM5 Investment Policy and Program. The City shall set forth a plan which defines investment policies, fixes investment responsibilities, and provides for a clear investment process. The City needs a formally adopted investment policy to protect officials from legal actions for questionable investment practices. A properly prepared policy will also facilitate the protection of the City's liquid assets, the maintenance of sufficient liquidity to meet operating requirements, and earning of market rates of return on investments.

An investment policy should:

- Fix investment responsibilities and identify the type of investment instruments that are allowable and set forth investment diversification requirements.
- Set forth the procedures for identifying when idle "money" will be available for investment and for how long a period of time it will be available.
- Specify means to be used in evaluating the performance of the investment program.
- Identify the City's safekeeping and collateralization requirements.
- Specify reporting requirements by the officials responsible for implementing the investment program.

After due consideration and review by all relevant parties, the Mayor shall authorize the implementation of the investment policy and program. Should any of the proposals require action by City Council, the Mayor shall promptly propose such ordinances/resolutions to Council.

FM6 Update Human Resources Management Plan. **Subject to other provisions of this 2017 Exit Plan, the City shall review and update its Human Resources Management Plan where necessary.** To the extent that any management practices are not in a unified and

comprehensive format, they shall be consolidated into the City's Human Resources Management Plan.

The Human Resources Management Plan shall contain, but not be limited to:

- The development of an integrated personnel database which will record and track for each City employee such items as date of hire, medical insurance coverage, pension eligibility, work attendance, holiday eligibility, vacation eligibility, sick time eligibility and other related items. All data collected shall be subject to applicable legal requirements and individual employee confidentiality. The database shall have the capability of providing relevant management reports.
- Policies for management (FLSA exempt) personnel relating to eligibility for benefits, work schedule, vacations, sick leave eligibility, and termination procedures unless provided for under state statute or City ordinances (including the Administrative Code). Criteria for exempt status under the Fair Labor Standards Act (FLSA) shall be explained in the Human Resources Management Plan.
- Procedures for employees "reporting off" because of sickness, injury, or other reasons.
- The development of job descriptions and qualifications subject to any contractually required consultation with the bargaining units.
- Staff training for employees to improve overall City efficiency with particular emphasis on training in information technology.
- Cross training for all employees so that the absence of any one employee will not endanger operational efficiency.
- Written guidelines for travel reimbursement while on City business.
- Policies for the use of City vehicles and/or reimbursement for use of an employee's vehicle while on City business.
- Compilation of all relevant policies and procedures in an updated Personnel Manual.

FM7 Non-Represented Employee Position, Compensation, and Classification Study. The City's adopted 2011 and 2012 operating budgets eliminated administrative personnel positions and also reduced the compensation of many remaining administrative positions. For example, the Business Administrator's Office personnel complement was reduced

from 4 to 2 in 2012 and the Solicitor's Office personnel complement was reduced from 5 to 2 in 2014. Likewise, the Business Administrator's salary was reduced from \$85,000 to \$53,000 in 2011; the Public Works Director's salary was reduced from \$65,000 to \$48,750 in 2011, and the Solicitor's salary was reduced from \$70,000 to \$52,500 in 2011. The City has utilized Act 47 grant funding to supplement these low salaries (for example, the Business Administrator salary is \$89,000 in 2017); this supplemental grant funding is non-continuing and therefore the City must examine positions, compensation, and classifications anew to determine appropriate rates and responsibilities for future budgets and staff recruitment and retention.

The work being performed by personnel whose jobs were eliminated did not go away and needed to be performed. The City concomitantly distributed these duties and responsibilities to remaining administrative staff. Unfortunately, for some of the remaining administrative staff members whose workload increased their compensation was also reduced due to the fiscal crisis. Over the past three years, the Mayor's Office and City Council has stabilized the City's fiscal position and has commenced the process to address some of the issues resulting from the City's 2012 financial crisis.

To assist the City, the Coordinator is recommending that City shall engage a qualified personnel consultant to perform an Employee Position, Compensation, and Classification Study (Study) for all employees not represented by a collective bargaining agreement, to include department directors, as of the adoption of this Exit Plan. The Study is a process by which jobs of a common nature with similar duties and responsibilities are grouped together for the purposes of assignment to an appropriate pay range. It is the Coordinator's intent that the City undertake this Study to strengthen the City's selection and compensation program for these City employment positions. For the City's situation, updated job descriptions are necessitated due to the transfer of duties and responsibilities to administrative personnel resulting from the aforementioned eliminated job positions. Accurate job descriptions are an essential ingredient of a comprehensive compensation program and provide a basis for position comparison to market data collected for that position. The appointed consultant shall classify the elements of a position that include

the nature, scope, and level of duties and responsibilities; the relationship of the position to other positions in the department; supervision given/received; and the exercise of independent judgment.

In consultation with the Coordinator, the City shall assess the Study's position description and classification conclusions and evaluate the impact of its fiscal conclusions on the City's operating budget. The City shall pursue an Act 47 grant in the approximate amount of \$65,000 to fund this Study and shall utilize the Study's results in preparing the 2018 and 2019 budgets for compensation of non-represented employees.

FM8 Inspections and Licenses. The City's Department of Permits, Licensing, and Inspections is responsible for the issuance of all licenses and building, housing, health, and zoning inspections and enforcement. The City shall ensure that all its inspectors continue to maintain required certifications. Further, the Department shall determine what new and additional requirements, if any, have been imposed on the City by applicable law. The Director, in conjunction with the City Business Administrator and Director of Information Technology shall explore data/informational systems which may be used to facilitate the various permitting and licensing functions of the department.

FM9 Capital Items/Budget. The City of Scranton shall develop a comprehensive list of capital needs and funding sources. All capital budgets must be prepared and approved under the terms of the City's Home Rule Charter and any applicable laws.

With respect to Capital Items/Budget:

- In general, it is the intent of the Act 47 Coordinator that the City shall fund these projects to the greatest extent possible using federal and/or state grants (or grants from other sources) as well as other "one-time" sources.
- In addition to the major capital projects, lesser capital purchases (especially vehicles, other rolling stock, technology infrastructure, and like items) shall generally be funded from funds budgeted for capital acquisition in the City's General Fund.
- In accordance with the terms of the City's Home Rule Charter, the Mayor shall annually submit a five-year Capital Budget for consideration and action by City



Council. To the extent possible, specific plans and dollar estimates as well as funding sources shall be included along with timelines for project initiation and completion.

## CHAPTER 10

### ACHIEVING BALANCED GENERAL FUND BUDGETS 2018 – 2020

It was the Coordinator's finding in the Financial Condition Report that although the City has made noteworthy progress on a number of fronts, the burden of its legacy cost obligations continues to stress the City's annual finances and hinders its ability to achieve long-term financial sustainability.<sup>1</sup> Therefore, the Coordinator recommended that a three-year exit plan be prepared for the City that will include the initial stages of a strategy designed to moderate the impact of the City's legacy costs on its annual operating budgets and improve the City's ability to achieve long-term financial sustainability. Chapters 3 through 9 of this Exit Plan contain many initiatives that are designed to address the impact of these legacy costs over both the short-term and long-term thereby reducing the City's annual budget obligation for these costs while maintaining sufficient revenues to provide vital and necessary services to its residents.

The Coordinator's baseline assumptions, as outlined in Chapter 2 of this Exit Plan, project that the City will have moderate operating budget surpluses in 2017 and 2018, turning to moderate deficits in 2019 – 2020. (See Chapter 2, page 2-5 of this Exit Plan). The Coordinator believes implementation of the following initiatives will eliminate the projected operating budget deficits projected in 2019 and 2020. (See Table 10-1.)

Table 10-1  
Baseline General Fund Projections  
2017 – 2020  
Excludes TRAN Principal (With Implementation of 2017 Exit Plan)

	2017 Estimated	2018 Projected	2019 Projected	2020 Projected
Revenues	\$ 94,165,441	\$ 91,578,646	\$ 89,853,611	\$ 90,358,168
Expenditures	\$ 94,140,760	\$ 90,500,207	\$ 91,859,095	\$ 93,594,615
Surplus/(Deficit)	\$ 24,681	\$ 1,078,440	\$ (2,005,484)	\$ (3,236,447)
<b>Act 47 Plan Mandates</b>				
Further Debt Restructuring 2017	\$ -	\$ (2,305,970)	\$ (2,306,240)	\$ (2,305,890)
Revenue Increases/Expenditure Decreases	\$ -	\$ -	\$ -	\$ 930,557
Net Surplus/(Deficit)	\$ 24,681	\$ 3,384,410	\$ 300,756	\$ -
Cumulative Surplus/(Deficit)	\$ 24,681	\$ 3,409,091	\$ 3,709,847	\$ 3,709,847

<sup>1</sup> See Appendix A, *Report Stating the Financial Condition of the City of Scranton*, page 10.

## Deficit Elimination

DE1 Further Debt Restructuring 2017. The Coordinator recommends that the City uses proceeds from the sale of its Sanitary Sewer System, along with estimated surplus amounts under the workers' compensation Trust Agreement, to pay off the City's 2003 C and 2003 D Bonds (the latter of which were originally issued to fund workers' compensation bonds). The cash defeasance of the 2003 C and 2003 D Bonds will not only repay a borrowing for workers' compensation reserve funding but it will save the City over \$2.3 million per year for the next 5 years. The City should consider using a portion of these savings relating to the workers' compensation bonds to bolster its worker's compensation infrastructure and programs.

## APPENDIX A

**REPORT STATING THE FINANCIAL CONDITION  
OF THE CITY OF SCRANTON**

**Prepared For:**

The City of Scranton, Lackawanna County

**Date Filed:**

February 17, 2017

**Prepared By:**

Pennsylvania Economy League, Central PA Division, LLC  
88 North Franklin Street, Suite 200  
Wilkes-Barre, PA 18701

## REPORT STATING THE FINANCIAL CONDITION OF THE CITY OF SCRANTON

### Introduction

Pursuant to the Commonwealth of Pennsylvania's Municipalities Financial Recovery Act, Act 47 of 1987, as amended, (Act 47) the City of Scranton (City) was declared a financially distressed municipality by order of the Secretary of the then Department of Community Affairs (now Department of Community and Economic Development) (DCED) on January 10, 1992. The Pennsylvania Economy League (PEL) was subsequently appointed the Act 47 Coordinator (Coordinator) for the City. The City adopted its original Act 47 Recovery Plan (Recovery Plan) in 1992 and adopted subsequent Recovery Plan amendments in 1995, 2002, 2012 and 2015.

Act 199 of 2014 (Act 199) amended Act 47 to among other provisions limit the amount of time a municipality may be declared a financially distressed municipality to five years from the effective date of its most recent recovery plan or recovery plan amendment. For the City, the 2012 Recovery Plan Amendment adopted by Scranton City Council on August 23, 2012 started the five year limitation of the City's declaration as a financially distressed municipality. As part of the Act 199 process, the Coordinator is required to complete a report stating the financial condition of the municipality no later than 180 days after the beginning of the final year of distressed status. The report is required to include one of the following findings: (1) termination of distressed status; (2) municipal disincorporation; (3) fiscal emergency; or (4) a three-year exit plan. The Coordinator has prepared this Report Stating the Financial Condition of the City of Scranton (Report) and accordingly files this Report with the Department and City representatives.

### Financial Condition

#### Background

The City of Scranton is located in Lackawanna County in northeastern Pennsylvania. The City's estimated 2015 population is 77,118<sup>1</sup> making it the largest municipality in northeastern Pennsylvania. The City is governed pursuant to the Home Rule Charter of the City of Scranton adopted by referendum on May 21, 1974. The Mayor and City Council, jointly, are

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<sup>1</sup> U.S. Census Bureau. (2015, July 1). *State and County Quickfacts: Scranton City, PA*.

the governing body of the City.<sup>2</sup> The current elected officials have cooperated with the Coordinator in implementing many of the initiatives included in the City's 2012 and 2015 Recovery Plan Amendments. In an effort to strengthen the City's financial capacity, in January 2014 HJA Strategies, LLC was engaged by the Greater Scranton Chamber of Commerce to assist the City with budgetary and long-term financial solutions. HJA continues to provide guidance to the City and has worked closely with the Coordinator in that regard.

### Operating Budget Review

The City has experienced operating budget surpluses and deficits since it adopted the 2012 Recovery Plan Amendment. The City's audits indicate that the City incurred operating budget surpluses in 2012 and 2015 of \$8,777,736 and \$3,569,796, respectively. However, in 2013 and 2014 the City's audits show that the City incurred operating budget deficits of \$3,288,846 and \$2,897,796, respectively. The City's 2016 unaudited financial statements indicate that the City completed 2016 with a \$2,539,316 operating budget surplus.<sup>3</sup>

#### Revenues, Expenditures, Surplus(Deficit) Including TRAN 2012 - 2016

	2012	2013	2014	2015	2016
	Audited	Audited	Audited	Audited	Reported
Revenues	100,772,279	85,862,582	77,994,935	99,225,694	101,548,922
Expenditures	<u>91,994,543</u>	<u>89,151,428</u>	<u>80,892,731</u>	<u>95,655,898</u>	<u>99,009,606</u>
Surplus/(Deficit)	8,777,736	-3,288,846	-2,897,796	3,569,796	2,539,316

The City's legacy costs include retiree healthcare, pension, and debt service. These ongoing legacy costs were incurred by the City in prior years, however, the City remains legally required to satisfy these prior commitments. The City presently commits current operating budget revenue to fulfill these legacy costs and the corresponding expenditures are included in the City's operating budget expenditures. During the 2012-2016 operating budget review period the City's legacy costs have steadily increased. In 2012, the City's legacy costs were \$24,942,887 or 33.1 percent of the City's total 2012 operating expenditures excluding the

<sup>2</sup> *Home Rule Charter of the City of Scranton*. Article II, Section 201.

<sup>3</sup> The City of Scranton received significant cash proceeds from transactions completed in 2016. The proceeds from these transactions were not included in the 2016 operating budget adopted by the City and are considered by the Coordinator as a one-time revenue sources. Therefore, to accurately reflect the City's 2016 operating budget performance the Coordinator does not include these proceeds in its analysis of the City's 2016 operating budget performance.

TRAN. In 2016, the City's legacy costs increased \$34,628,946 or 40.1 percent of the City's total 2016 operating expenditures excluding the TRAN. These legacy costs significantly impact the City's ability to provide current services to its residents from the revenue it receives from its annual operating tax revenues.

**Legacy Costs by Type and Proportion of Total Expenditures Excluding TRAN  
2012 - 2016**

	2012	2013	2014	2015	2016
	Audited	Audited	Audited	Audited	Reported
Retiree Healthcare	\$ 6,898,816	\$ 6,651,643	\$ 7,135,389	\$ 6,894,804	\$ 7,119,956
Pension MMO	\$ 4,514,909	\$ 7,579,642	\$ 12,444,756	\$ 12,635,490	\$ 14,700,396
Annual Debt Service	\$13,529,161	\$ 9,056,318	\$ 10,485,838	\$ 12,509,397	\$ 12,808,594
<b>Total Legacy Costs</b>	<b>\$ 24,942,887</b>	<b>\$ 23,287,603</b>	<b>\$ 30,065,984</b>	<b>\$ 32,039,690</b>	<b>\$ 34,628,946</b>
<b>% of Total Expenditures</b>	<b>33.6%</b>	<b>30.2%</b>	<b>43.8%</b>	<b>38.8%</b>	<b>40.1%</b>

The largest legacy cost increase during the review period was the City's annual pension obligation which increased from \$4,514,909 in 2012 to \$14,700,396 in 2016, an increase of 225 percent. This large pension increase is primarily due to the significant underfunded liabilities in the City's Aggregate Pension Fund and the City's participation in the Act 44 of 2009 amendments to the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984) which allowed the City to reduce its required pension contribution. The City's retiree healthcare obligation increased from \$6,898,816 in 2012 to \$7,119,956 in 2016 while the City's debt service decreased slightly from \$13,529,161 in 2012 to \$12,808,594 in 2016.

### 2016 Financial Review

The Coordinator is projecting that the City ended the 2016 fiscal year with an operating surplus of \$2,539,316.<sup>4</sup> The City increased its real property tax rates in 2016 by 5.7 percent and received approval from the Lackawanna County Court of Common Pleas to increase the Local Services Tax levy from \$52 to \$156. For the 2016 fiscal year, the City's unaudited operating revenues were \$88.8 million or within 1.7 percent of the budgeted amount, for a budget to actual difference of \$1.6 million. Unaudited operating expenditures were also lower at \$86.3 million or 3.6 percent under the approved budget by \$3.2 million. Accordingly, the City is expected to have a 2016 operating surplus of revenue over expenditures of approximately \$2.5 million.

<sup>4</sup> Based on the City of Scranton's reported financial numbers that have not been independently audited as of this Report.



These figures do not include the significant financial events that occurred in 2016 and are discussed later.

**2016 Budget to Actual and Variance Excluding TRAN**

	2016	2016	2016 Act - Bud	
<u>Revenue</u>	<u>Actual</u>	<u>Budget</u>	\$	%
Real Estate Taxes	\$32,834,319	\$33,534,836	-700,516	-2.1%
EIT	26,233,921	25,555,000	678,921	2.7%
LST	4,911,261	5,020,000	-108,739	-2.2%
Mercantile/Business Privilege	2,349,152	3,560,000	-1,210,848	-34.0%
Other Taxes	4,591,708	3,137,500	1,454,208	46.3%
Refuse Revenue	7,336,170	7,287,500	48,670	0.7%
Other Non-Tax Revenue	<u>10,542,391</u>	<u>12,266,061</u>	<u>-1,723,670</u>	<u>-14.1%</u>
Operating Revenue	88,798,922	90,360,896	-1,561,974	-1.7%

**2016 Budget to Actual and Variance**

	2016	2016	2016 Act - Bud	
<u>Expenditures</u>	<u>Actual</u>	<u>Budget</u>	\$	%
Personnel Expenditures	63,004,261	65,245,348	-2,241,088	-3.4%
Departmental Expenditures	8,060,853	9,433,900	-1,373,047	-14.6%
Non-departmental Expenditures	2,789,416	2,407,773	381,643	15.9%
TRAN Interest	264,162	210,000	54,162	25.8%
Debt Service Excluding TRAN & SPA	<u>12,140,914</u>	<u>12,177,363</u>	<u>-36,449</u>	<u>-0.3%</u>
Operating Expenditures	86,259,606	89,474,384	-3,214,778	-3.6%
Operating Surplus/(Deficit)	\$2,539,316	\$886,512	\$1,652,804	186.4%

During fiscal year 2016 the City maintained its accounts payable on a current basis through the third quarter. The City's revenue cycle produces a cash shortfall in the fourth quarter and the City responds by holding accounts payable where possible to a 90-day payment cycle. The City uses unexpended or unencumbered funds in fund accounts such as debt service pre-funding and workers compensation reserve accounts to provide sufficient cash liquidity to meet payroll and make the City's minimum municipal obligation payment for the City's pension fund. These funds are made whole again in early January through the funding of the City's 2017 Tax and Revenue Anticipation Note. The City promptly paid its outstanding debt service obligations in 2016 and satisfied its \$13 million 2016 Tax and Revenue Anticipation Note in October 2016. The City paid its 2016 pension minimum municipal obligation of \$14.4 million in December 2016. The City is current on its financial audits having received its 2015 financial audit in November 2016. The City anticipates completion of the 2016 audit by July 1, 2017 due to improvements in the City's audit preparation process through the use of an independent accounting firm to supplement business administration staff capacity.

The City completed several significant financial events in 2016 that were included in the City's Recovery Plan Amendments. In June, the City obtained \$29,810,000 in bond financing to pay the police and fire judgment resulting from a 2011 Pennsylvania Supreme Court ruling. Also in June the City refinanced a letter of credit backing a 2008 taxable variable rate demand note with a \$7,720,000 bond issue. In August, the City successfully monetized the Scranton Parking Authority (SPA) and the City's parking assets. Under the terms of a lease concession agreement, the National Development Council (NDC) will lease the City's parking assets for forty-five years. NDC privately placed \$39,000,000 of bonds to finance the concession paid to the City. The City used the proceeds from the concession to defease outstanding SPA debt related to the parking garages. The City also issued \$32,850,000 in bonds to generate the remaining funds needed to defease the remaining outstanding debt of the SPA. Finally, in December the City successfully sold the Scranton Sewer Authority (SSA) assets to PA American Water Company for \$195 million. The City received \$69.9 million from the sale with an additional \$14 million set aside in escrow accounts that the City may receive in segments over the next three years. As this Report is being written the City is currently modelling several scenarios utilizing the \$69.9 million proceeds from the sale of the SSA assets. It is anticipated the City will eventually utilize a significant proportion of these cash assets to defease long-term high interest debt and to make a contribution to the City's distressed pension plans. The City will also be modelling the use of the remaining \$14 million of the escrowed SSA assets in anticipation of receipt of these funds in the future.

### 2017 Financial Condition

The City adopted a balanced 2017 operating budget on December 8, 2016, with revenues and expenditures equal to \$94,017,385. The adopted 2017 budget maintains the same property and Act 511 tax rates included in the City's 2016 budget with the exception of a decrease in the Real Estate Transfer tax rate from 2.9 percent to 2.4 percent. The City closed on a \$12,750,000 TRAN on January 3, 2017. The City will make required payments on the 2017 TRAN throughout 2017 with it being anticipated that the 2017 TRAN will be paid no later than November 2017. Throughout the 2017 fiscal year, the Coordinator will monitor the City's fiscal position by way of in-person weekly meetings with the Business Administrator and Finance

Manager, monthly financial reports, and the preparation of monthly cash flow estimates for the City's use.

**Adopted 2017 Budget  
Revenue and Expenditures Excluding TRAN**

<u>Revenue</u>	<u>2017 Budget</u>
Real Estate Taxes	\$34,273,287
EIT	26,563,760
LST	4,595,000
Mercantile/Business Privilege	3,070,250
Other Taxes	3,819,000
Non tax revenue	21,696,088
<b>Total Revenue</b>	<b>\$94,017,385</b>
<u>Expenditures</u>	
Direct Compensation	\$31,665,083
Benefits	17,418,759
Pension	19,111,906
Workers Comp	3,323,826
<b>Subtotal Personnel</b>	<b>71,519,574</b>
Departmental Expenditures	9,658,973
Non-departmental Expenditures	2,024,333
Debt Service excluding TRAN & SPA	10,604,505
TRAN Interest	210,000
SPA Guarantee	0
<b>Total Expenditures</b>	<b>\$94,017,385</b>
<b>Surplus/(Deficit)</b>	<b>\$0</b>

As of the date of this Report the City has a typical amount of accounts payable with none known to be over thirty days due and a sufficient cash balance to meet anticipated costs and employee expenses until the receipt of 2017 real estate, earned income, and local services tax revenues. The City ended the 2016 with \$839,891 in cash and \$1.4 million in accounts payable. The City is projected to end 2017 with \$329,000 in cash and \$700,000 in payables.

**Estimated 2017 Cash Flow by Quarter Including TRAN**

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2017
	Estimated	Estimated	Estimated	Estimated	Total
Revenues	25,262,496	28,913,562	20,059,172	21,243,527	95,478,758
TRAN	12,750,000	0	0	0	12,750,000
<b>Total Revenues</b>	<b>38,012,496</b>	<b>28,913,562</b>	<b>20,059,172</b>	<b>21,243,527</b>	<b>108,228,758</b>
Expenditures	17,804,573	17,859,997	17,263,685	31,528,645	84,456,901
Debt Service	2,649,255	2,649,255	2,649,255	2,649,255	10,597,022
TRAN Repay	4,020,812	4,082,401	4,637,207	219,580	12,960,000
<b>Total Expenditures</b>	<b>24,474,641</b>	<b>24,591,653</b>	<b>24,550,148</b>	<b>34,397,481</b>	<b>108,013,923</b>
<b>Surplus/(Deficit)</b>	<b>13,537,855</b>	<b>4,321,909</b>	<b>-4,490,976</b>	<b>-13,153,953</b>	<b>214,835</b>

## Estimated 2017 Cash on Hand by Quarter Period Including TRAN

	1st Qtr. Estimated	2nd Qtr. Estimated	3rd Qtr. Estimated	4th Qtr. Estimated
Cash Beginning of Period	839,891	3,576,656	7,339,427	7,927,848
Surplus Deficit	13,537,855	4,321,909	-4,490,976	-13,153,953
Increase/(Decrease) in Payables	-1,224,886	0	500,000	0
Other Balance Sheet Items Affecting Cash	-9,576,204	-559,137	4,579,396	5,555,945
<b>Cash End of Period</b>	<b>3,576,656</b>	<b>7,339,427</b>	<b>7,927,848</b>	<b>329,840</b>

The City currently has 477 budgeted employee positions. The City's managerial, supervisory and confidential employees are "at will" employees. Most of the City's employees are represented by one of four unions and are subject to labor contracts with the City.

Lodge No. 2 of the Fraternal Order of Police represents the City's uniformed police officers. The current City and FOP collective bargaining agreement term began on January 1, 2008 and was due to expire on December 31, 2017. Pursuant to a 2015 Memorandum of Understanding between the City and the FOP, the 2008 collective bargaining agreement term was extended to cover the period from January 1, 2018, through December 31, 2021.

The Local Union No. 60 of the International Association of Fire Fighters (IAFF) represents the City's uniformed fire fighters. The IAFF's current collective bargaining agreement with the City began on January 1, 2008, and was due to expire on December 31, 2017. Similar to the FOP, however, the IAFF executed a Memorandum of Understanding with the City in 2015 that extended the 2008 collective bargaining agreement term from January 1, 2018, through December 31, 2021. The City is not expected to negotiate new collective bargaining agreements with the FOP and IAFF representatives until 2021.

The International Association of Machinists and Aerospace Workers AFL-CIO Local 2305 (Local 2305) represents the City's public works employees. The City's current collective bargaining agreement with Local 2305 began on January 1, 2014, and expires December 31, 2017. The City will be negotiating with Local 2305 on a new contract during the latter half of 2017.

The International Association of Machinists and Aerospace Workers AFL-CIO Local 2305 (Local 2462) represents the City's clerical employees. The City's collective bargaining agreement with Local 2462 expired on December 31, 2015. Local 2462 members continue to work under the terms of the expired contract until a new agreement is reached. The City and Local 2462 have negotiated a new collective bargaining agreement that is pending ratification by

Local 2462 members and the City. The Coordinator has reviewed the proposed collective bargaining agreement and believes that the agreement substantially complies with the cost containment provisions included in the City's adopted 2015 Recovery Plan Amendment.

The City's outstanding principal long-term debt as of December 31, 2016, was \$146,635,000. The City is currently expected to make \$10,597,022 in long-term debt service payments of principal and interest in 2017.

#### Long-Term Debt Summary

	Outstanding Principal	Rate	Maturity
Emmaus General Authority Go Notes, Series of 2002	4,485,000	3.5%	2028
Go Bonds, Series B of 2003	25,195,000	4.35% - 5.0%	2031
Go Bonds, Series C of 2003	13,270,000	4.9% - 5.6%	2033
Federally Taxable Go Bonds, Series D of 2003	6,135,000	5.0% - 5.5%	2023
Series 2016 A Bonds	29,810,000	5.0%	2028
Series 2016 AA Bonds Federally Taxable	7,870,000	5.25%	2026
Series 2016 Notes	32,850,000	5.0%	2032
<b>Total Outstanding After February 2017 Call</b>	<b>119,615,000</b>		
Lease Revenue Bonds, Series of 2006	8,820,000	5.5% - 6.1%	2023
Series 2012 A	6,755,000	8.5%	2022
Series 2012 B	1,010,000	8.5%	2022
Series 2012 C	6,655,000	7.25%	2022
Series 2013 A	3,780,000	7.25%	2023
<b>Call February 2017</b>	<b>27,020,000</b>		
<b>Total Outstanding December 31, 2016</b>	<b>146,635,000</b>		
2012 Act 47 Loan	600,000	0	2022

The City of Scranton's Aggregate Pension Fund (Fund) remains in Level III—Severe Distress.<sup>5</sup> As of January 1, 2015, the Fund's funding ratio was 24.3 percent.<sup>6</sup> The funded status of the police, firemen's and non-uniformed pension plans are 31.1 percent, 17.4 percent and 27.3 percent funded, respectively, as of January 1, 2015.<sup>7</sup> The police plan only has available assets to fund less than 6 years of benefit payments, the firemen's plan only has assets to fund less than 3 years of benefit payments and the non-uniform plan only has assets to fund less than 4 years of benefit payments.<sup>8</sup> As previously mentioned, the City is currently evaluating using a portion of

<sup>5</sup> Letter accompanying Pennsylvania Auditor General's *Compliance Audit—City of Scranton Aggregate Pension Fund*. (August 25, 2016).

<sup>6</sup> *Id.*

<sup>7</sup> Commonwealth of Pennsylvania. Department of the Auditor General, *Compliance Audit—City of Scranton Aggregate Pension Fund* (September 2016) at pages 15, 16 and 17, respectively.

<sup>8</sup> Letter accompanying Pennsylvania Auditor General's *Compliance Audit—City of Scranton Aggregate Pension Fund*. (August 25, 2016).

the SSA sale proceeds as part of other systematic changes to the Fund. The City's annual minimum pension obligation in 2017 is estimated to be \$19,111,906.

The City's retiree healthcare contribution in 2017 is projected to be \$8,062,205. The City does not pre-fund this legacy cost similar to its pension liabilities and finances these costs on a pay-as-you-go basis. As of December 31, 2015, the City's unfunded actuarial liability for retiree healthcare was \$195,258,597.<sup>9</sup>

In 2015, the City worked with the Greater Scranton Chamber of Commerce and other public and private stakeholders to develop the Scranton Community Revitalization Plan (Downtown Plan) with the goals of rebuilding the healthy financial position of the City and enhancing the business and residential climate within the City's central business district.<sup>10</sup> The Plan recommends increasing the number of residents living downtown, fostering an "Eds and Meds" district through existing institutional anchors, and improving the quality of life for current downtown residents. These goals for downtown revitalization and economic development are critical as the City strives to exit Act 47 and become a healthy, sustainable community. The City engaged the National Resource Network (NRN) in 2016 to develop strategies to implement the Plan, which resulted in the completion of the Downtown Scranton Revitalization Strategic Implementation Plan (NRN Plan) in December 2016.

Recommendations from the NRN Plan include: increasing the City of Scranton's capacity for economic development by designating a current or new staff person to be the City's point person for implementation of the Downtown Plan; designating Scranton Tomorrow (a 501(c)(3) nonprofit organization) as the City's lead partner organization for implementing the Downtown Plan; and building support among downtown property owners for the creation of a business improvement district in the next two to three years that would be funded by a special assessment. In order to implement these recommendations, the NRN Plan further recommends that the City invest seed money of up to \$500,000 from the City's sewer proceeds to increase Scranton Tomorrow's capacity so that the organization can expand services to the downtown and enhance programming and marketing activities. Funding would also be sought from state grants and downtown anchor institutions. In addition, the City is recommended to take the lead in

<sup>9</sup> *City of Scranton, Pennsylvania—Financial Statements and Single Audit Together with Report of Independent Public Accountants For the Year Ended December 31, 2015*, at page 76.

<sup>10</sup> Greater Scranton Chamber of Commerce and partners, *Our Transformative Period Community Revitalization Plan*. (December 2015).

organizing a focused, short-term task force to further define the required changes to Scranton Tomorrow to effectively implement the Downtown Plan.

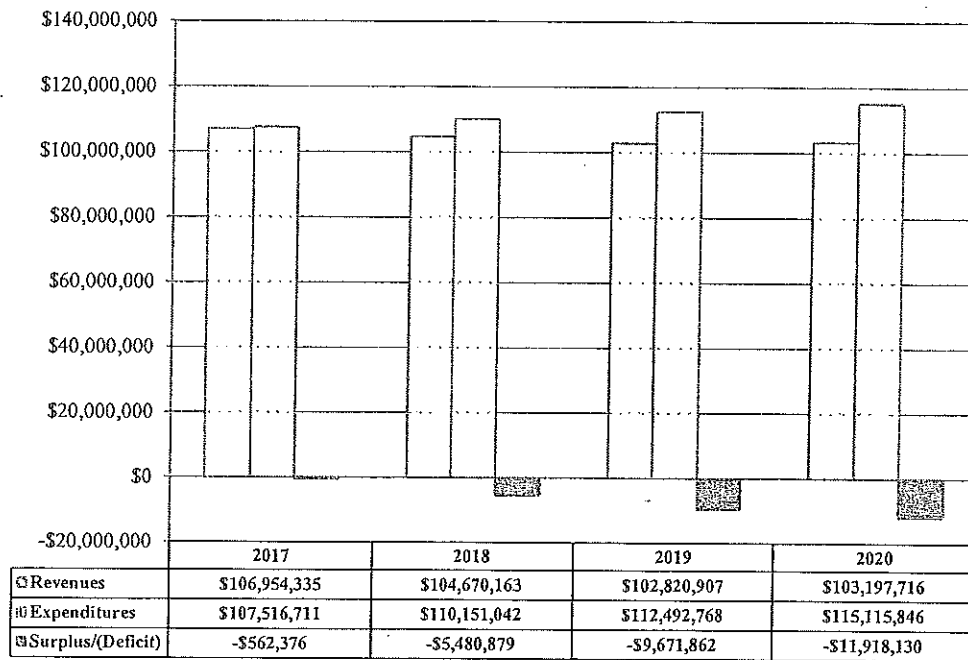
The City is currently implementing two Act 47 funding contracts. In 2016 the City executed a \$234,925 Act 47 grant contract with DCED to support administrative salaries, purchase technological improvements and to conduct a feasibility study of the management of City's storm water system. These initiatives were included in the City's 2015 Recovery Plan amendment. In 2012 the City executed a \$2.0 million interest free loan agreement and note from DCED under the Act 47 program. The City repaid \$1.0 million in 2012. The remaining \$1.0 million has been amortized through 2022 with the City repaying \$100,000 annually.

#### Finding

It is the Coordinator's finding that although the City has made noteworthy progress on a number of fronts, the burden of its legacy cost obligations continues to stress the City's annual finances and hinders its ability to achieve long-term financial sustainability. Therefore, the Coordinator recommends that a three-year exit plan shall be prepared for the City that will include the initial stages of a strategy designed to moderate the impact of the City's legacy costs on its annual operating budgets and improve the City's ability to achieve long-term financial sustainability.

The Coordinator's baseline operating budget projections for the next three years projects the City's baseline operating expenditures to increase annually on average of 2.3 percent while the City's baseline operating revenue over the next three years is projected to decrease slightly or remain flat annually. Consequently, the City is projected to incur baseline operating budget deficits over the next three years in the absence of a financial plan. The Coordinator will be providing recommendations to the City to eliminate these projected operating deficits in the recommended exit plan.

**Projected Baseline Revenues, Expenditures, Surplus (Deficit) Including TRAN  
2017 – 2020**



Along with the projected operating budget deficits, the outstanding legacy costs noted in this Report will continue to confront the City. The City's retiree healthcare obligation is projected to increase from \$8,062,205 in 2017 to \$9,602,215 in 2020. In addition, the City's annual minimum pension obligations are also projected to increase from \$19,111,906 in 2017 to \$20,583,575 in 2020. The City's debt service is also projected to increase from \$9,356,772 in 2017 to \$11,848,791 in 2020. Thus, during the 2017-2020 operating budget projected period the City's total legacy costs will continue to increase. In 2017, the City's total legacy costs are projected to be \$36,530,883 or 38.5 percent of the City's 2017 operating expenditures with the City's total legacy costs increasing to \$42,034,581 or 41.1 percent of the City's 2020 operating expenditures. It is the intent of the Coordinator to assist the City in developing a long-term strategy in the exit plan that will address these legacy issues that will minimize the long-term cost impact of these legacy costs on the City's future operating budgets.



**Legacy Costs by Type and Proportion of Total Expenditure Excluding TRAN  
2017 – 2020**

	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Retiree Healthcare	\$ 8,062,205	\$ 8,545,938	\$ 9,058,694	\$ 9,602,215
Pension MMO	\$ 19,111,906	\$ 19,801,014	\$ 20,189,258	\$ 20,583,575
Annual Debt Service	<u>\$ 9,356,772</u>	<u>\$ 11,835,699</u>	<u>\$ 11,837,647</u>	<u>\$ 11,848,791</u>
Legacy Costs	\$ 36,530,883	\$ 40,182,651	\$ 41,085,598	\$ 42,034,581
<b>Total Expenditures</b>	<b>\$ 94,766,711</b>	<b>\$ 97,401,042</b>	<b>\$ 99,742,768</b>	<b>\$ 102,365,846</b>
<b>% of Total Expenditures</b>	<b>38.5%</b>	<b>41.3%</b>	<b>41.2%</b>	<b>41.1%</b>

As previously noted, the City recently closed on the sale of the SSA assets to PA American Water. The City, its financial advisors and the Coordinator are currently modelling several scenarios on how to use the \$69.9 million to alleviate short-term and long-term financial issues confronting the City. The City is also expected to receive up to \$14 million of escrowed sales proceeds over the next three years. The City's final allocation of these funds will undoubtedly have an impact on the overall financial position of the City. The Coordinator will be providing assistance to City on the planned use of these funds and will be monitoring the ongoing impact of the allocation these funds on the City's finances over the next three years.

The City is currently in the process of completing a collective bargaining agreement with Local 2462 and will be negotiating a new collective bargaining agreement with Local 2305 in the latter half of 2017. The 2015 Recovery Plan amendment includes the cost containment provisions required by Act 133 of 2012 that the City cannot exceed when negotiating with its collective bargaining units. These cost containment provisions have proven to be beneficial to the City's cost containment strategy and will assist the City as it concludes its current negotiations with Local 2462 and begins negotiations with Local 2305.

The City is still in the process of evaluating a replacement of business privilege and licensing taxes with a payroll preparation tax, an initiative in the 2015 Recovery Plan Amendment. The legal authorization for the City to implement this initiative is only provided by Act 47. The Coordinator has engaged an independent consulting firm to estimate the impact of a payroll preparation tax upon those entities subject to the tax that were not subject to the business privilege and license tax and to estimate a rate of tax based on current payrolls in the City. The City has engaged a data analysis firm to increase compliance with the current business privilege and license tax. The Scranton School District (which levies a business privilege and license tax, also) has engaged a separate firm to increase compliance with the business privilege

and license tax. Implementation of the payroll preparation tax by the City while it is in the Act 47 program would allow the City to continue implementing the tax after the City's financially distressed status is terminated.

The Coordinator will continue overseeing the implementation of the Act 47 loan and grant projects over the term of the exit plan. The funds included in the Act 47 grant for the storm water feasibility study are germane to the City's sale of the SSA assets. The sale of the SSA assets to PA American Water Company did not include the City's storm water system. Prior to the sale the SSA assisted the City with maintaining its storm water system. The City has now assumed full responsibility for the City's storm water system. The Coordinator will be assisting the City with the implementation of the feasibility study's findings as it proceeds to develop a systematic policy to maintain the City's storm water system.

#### Summary

The City has been in the Commonwealth's Act 47 program since 1992. The Mayor, his administrative staff and City Council have actively, cooperatively, and proactively engaged the Coordinator over the past three years and have proceeded with the implementation of many of the initiatives included in the City's 2012 and 2015 Recovery Plan Amendments. The City has avoided financial crises and has completed 2016 with a balanced operating budget. The City has resolved the long outstanding judgment from the 2011 Pennsylvania Supreme Court ruling. The City has monetized its parking assets and sewer assets. These two monetizations have provided the City with significant resources to ameliorate several outstanding financial issues confronting the City.

Notwithstanding these positive developments, the growth of the City's operating expenses is projected to outpace the growth of the City's operating revenues resulting in projected significant annual operating deficits in 2018, 2019 and 2020. The City's increasing legacy costs will continue to consume a greater portion of the City's current tax revenues. The City will also need time to complete the implementation of various initiatives contained in the City's 2012 and 2015 Recovery Plan Amendments. The exit plan will provide the City with initiatives to foster multi-year financial plans with positive annual financial results and will include the initial stages of a plan to resolve the City's increasing legacy costs to include retiree healthcare, pension and high-interest debt obligations.

Therefore, it is the Coordinator's finding that an exit plan for the City is appropriate at this time to prepare the City to seek termination of its financially distressed status within the next three years.

## APPENDIX B



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

March 3, 2017

---

**Official Comments to the Report Stating the Financial Condition of the City of Scranton**

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Dear Members of the Pennsylvania Economy League,

The City of Scranton has had the opportunity to review the Report Stating the Financial Condition of the City of Scranton.

First and foremost, the City would like to recognize and extend its gratitude for the cooperation and guidance over the past three (3) years extended by your members, namely Gerald Cross, the Act 47 Coordinator for the City.

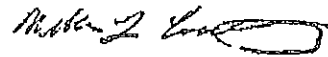
While the City has remained in Act 47 Distressed Status since 1992, some twenty-five (25) years, after three (3) years of diligent work, along with the assistance of HJA Strategies, PFM, the City Office of Business Administration, and your organization, the City has achieved significant milestones in ameliorating its financial distress in a remarkably short period of time. Since taking office, my administration, in compliance with several goals contained within the Recovery Plan, has been able to resolve the longstanding Police and Fire Judgment stemming from the 2011 Supreme Court ruling. Because of this achievement, the City halted the excessive interest that had been accruing to the detriment of the City since 2012. The City has also monetized the Scranton Parking Authority and its parking assets through a lease to a nonprofit organization. This has effectively allowed the City to defease a substantial portion of its outstanding parking-related debt and will incur no future capital expenditures with respect to parking. Similarly, the sale of the Scranton Sewer Authority has netted the City approximately \$69.9 million, with another portion in escrow anticipated to be received in installments in the future. \$27 million has been used to defease existing high-interest debt from 2006, 2012, and 2013. The remaining balance will be utilized, with the approval of City Council, to defease other debt and/or to fund the City's municipal pension funds. Additionally, over the past three (3) years, the City has gone from not being able to borrow any money, or at least to do so at reasonable rates of interest, to being sought out by investors, with competitive interest rates being offered. Through collective bargaining, the City has also obtained increased pension and healthcare contributions from active employees. Furthermore, it is important to note that this has all been achieved without reductions in staffing.

It is the City's position that through the defeasance of debt, namely \$27 million to defease bonds from 2006, 2012, and 2013, the City's annual expenditures for debt will decrease. Additionally, the City will have its MMO reduced by additional contributions to the Pension Fund, also resulting from proceeds from the Sewer Authority sale. It also continues to explore savings regarding healthcare and pharmacy costs. The City will also work with the Department of Labor and Industry in an attempt to reduce its annual contributions for its Self-Insured Worker's Compensation Fund. The City is also working with NRN to undertake a vast economic development initiative. All of these measures are anticipated to reduce annual expenditures for the present year and onward into the future. As such, the City is confident that it will be able to keep pace with future budgets.

Based upon the foregoing, while the City appreciates your recommendation to exit Act 47 Distressed Status, the City respectfully disagrees that a three (3) year exit plan is necessary and will work to achieve a full exit as expeditiously as possible.

Thank you for your ongoing assistance and cooperation.

Respectfully Submitted,



William L. Courtright, Mayor

WLC/jlb



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

July 6, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

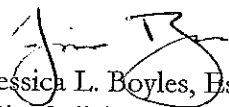
JUL - 6 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE ADOPTING AND IMPLEMENTING THE ACT 47 EXIT PLAN FOR THE CITY OF SCRANTON PURSUANT TO THE FINANCIALLY DISTRESSED MUNICIPALITIES ACT; AND AUTHORIZING THE MAYOR OF THE CITY OF SCRANTON TO ISSUE AN ORDER DIRECTING THE IMPLEMENTATION OF THE ACT 47 EXIT PLAN WHICH WILL BECOME EFFECTIVE UPON ADOPTION ATTACHED HERETO AS EXHIBIT "A" IN ACCORDANCE WITH THE PROVISIONS OF 53 Pa. C.S.A. §11701.245, THE MUNICIPALITIES FINANCIAL RECOVERY ACT.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

FILE OF COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**CLOSING AND VACATING A PORTION OF WRIGHT COURT BETWEEN LINDEN STREET AND THE FORMERLY VACATED PORTION OF WRIGHT COURT.**

**WHEREAS**, the portion of Wright Court described below and shown on Exhibit "A" no longer serves a public purpose; and

**WHEREAS**, the remaining portion of Wright Court was vacated from Schnell Place by File of Council #170, 2005; and

**WHEREAS**, a request to vacate said roadway has been received; and

**WHEREAS**, the City Engineer and City Planner have inspected said right-of-way and recommend its vacation; and

**WHEREAS**, the Council of the City of Scranton finds that there no longer exists a need for a public right of passage in this right-of-way and the public is no longer benefitted by such a use.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the portion of Wright Court described below be hereby vacated:

**All** that certain piece, parcel or lot of land situate, lying and being, in the City of Scranton, County of Lackawanna, Commonwealth of Pennsylvania, bounded and described as follows:

**Beginning** at a point, a nail set, for a corner along the Northwestern Right-of-way Line of West Linden Street, said starting point further located on a course North forty-four Degrees no Minutes no Seconds West, a distance of one hundred fifty and no hundredths feet, (150.00 ft.), from the intersection of the Northwestern Right-of-way line of West Linden Street, and the Westerly Right-of-way line of North Seventh Avenue;

**Thence** leaving the West Linden Street Right-of-way Line along the lands of Penn East Credit Union, South forty-six Degrees no Minutes no Seconds West, (S 46° 00' 00" W), a distance of two hundred seven and no hundredths feet, (207.00 ft.), to a point, a railroad spike corner found, at lands of, Employment Opportunity & Training Center, and a point along the Northeast end of Wright Court previously abandon;

**Thence** along the Northeasterly end of Wright Court Abandon, North forty-four Degrees no Minutes no Seconds West, (N 44° 00' 00" W), a distance of twenty and no hundredths feet, (20.00 ft.), to an iron pin set, along lands of Employment Opportunity & Training Center;



**Thence** along lands of Employment Opportunity & Training Center and along other lands of the Penn East Credit Union, North forty-six Degrees no Minutes no Seconds East (N 46° 00' 00" E), a distance of, two hundred seven and no hundredths feet, (207.00 ft.), to a point, a nail set, for a corner, along the Northwesternly Right-of-way line of West Linden Street;

**Thence** along the Northwesternly Right-of-way Line of West Linden Street South forty-four Degrees no Minutes no Seconds East (S 44° 00' 00" E), a distance of, twenty and no hundredths feet, (20.00 ft.), to a point the place of beginning.

**Containing** 4,140 Sq. Ft., (0.1 Acres), of land, more or less as shown on Exhibit "A" is hereby closed and vacated with the exception of any public or private utility easements in place.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This ordinance shall take effect immediately upon passage.

**SECTION 3.** This ordinance is enacted by the Council of the City of Scranton, under the authority of the act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

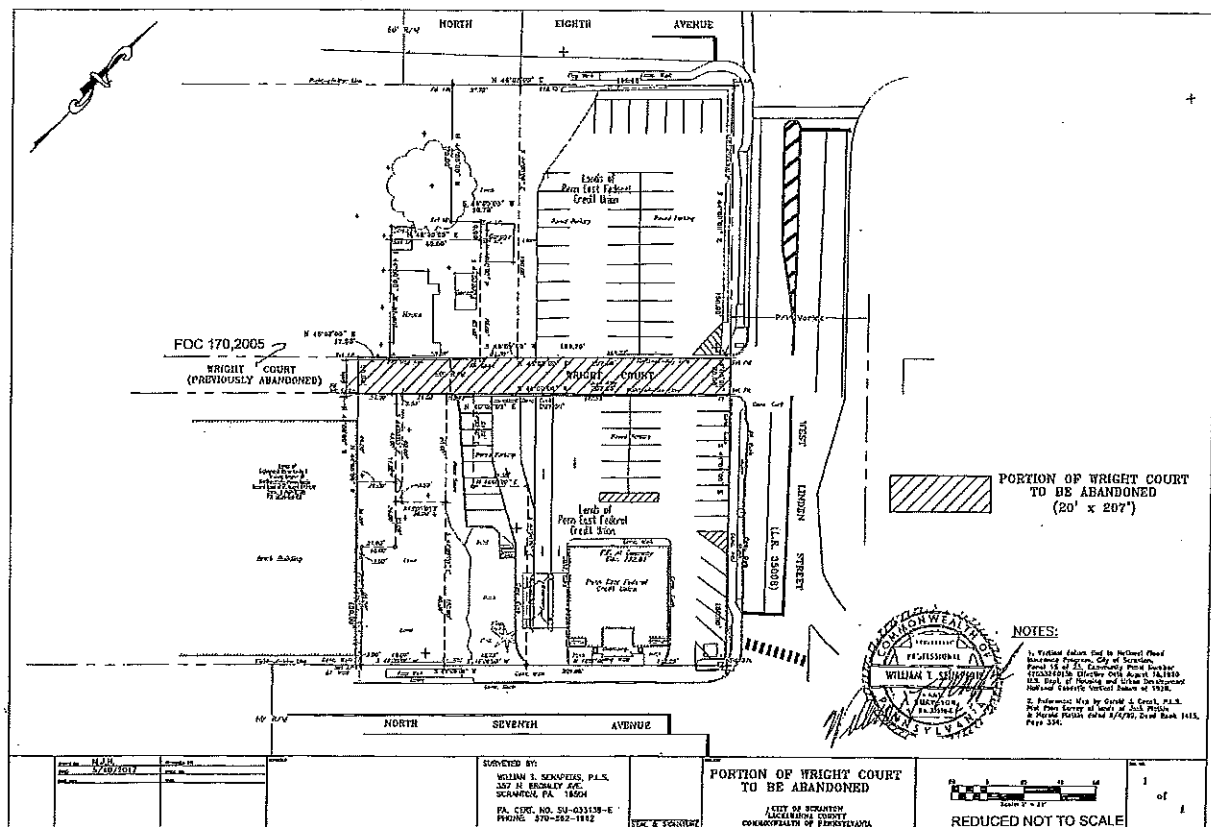
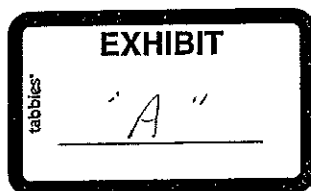


EXHIBIT A





DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

June 29, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

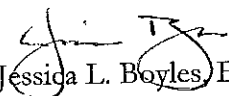
JUN 29 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE CLOSING AND VACATING A PORTION  
OF WRIGHT COURT BETWEEN LINDEN STREET AND THE FORMERLY  
VACATED PORTION OF WRIGHT COURT.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

**AN ORDINANCE**

**APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY SCANLON INC. T/D/B/A AS DUNMORE BREW HOUSE, 1400 WHEELER AVENUE, DUNMORE, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-1172 TO NEPALI KITCHEN, LLC FOR USE AT 732 PROSPECT AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.**

**WHEREAS**, the Pennsylvania Liquor Control Board ("PLCB") requires that the governing body of a municipality pass legislation approving an inter-municipal transfer of a liquor license when a municipality has met its quota of liquor licenses; and

**WHEREAS**, Nepali Kitchen, LLC wishes to transfer Lackawanna County Restaurant Liquor License No. R-1172 currently owned by Scanlon Inc. t/d/b/a/ as Dunmore Brew House, 1400 Wheeler Avenue, Dunmore, Lackawanna County, Pennsylvania to the City of Scranton in order to sell alcohol at the premises located at 732 Prospect Avenue, Scranton, Lackawanna County, Pennsylvania; and

**WHEREAS**, the Council of the City of Scranton approves the transfer of this license subject to its authority regarding inter-municipal transfers and subject to public comment on the same.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the inter-municipal transfer request of Nepali Kitchen, LLC to transfer Lackawanna County Restaurant Liquor License No. R-1172 in the name of Scanlon Inc. t/d/b/a as Dunmore Brew House, 1400 Wheeler Avenue, Dunmore, Lackawanna County, Pennsylvania to the City of Scranton for use at 732 Prospect Avenue, Scranton, Pennsylvania is hereby approved.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

WETZEL, PHILLIPS, RODGERS & FALCONE

ATTORNEYS AT LAW

1170 HIGHWAY 315, SUITE 1

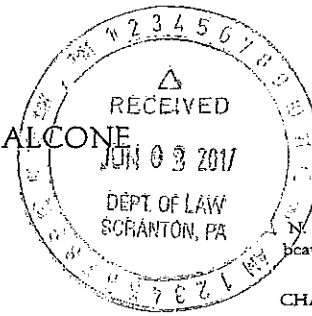
PLAINS, PENNSYLVANIA 18702

(570) 823-0101

FAX (570) 825-7799

TOLL FREE: (877) 803-6424

WEB SITE: CSPRLAW.COM



OF COUNSEL

N. BRIAN CAVERLY  
bcaverly@wcpirlaw.com

CHARLES A. SHEA III  
(1947-2014)

HONORABLE  
LEWIS WOOD WETZEL  
titelawyer@yahoo.com

BRUCE J. PHILLIPS  
bfastastro@aol.com

JOHN P. RODGERS  
jrodgers@wcpirlaw.com

SAMUEL A. FALCONE  
s.falcone@gmail.com

May 30, 2017

RECEIVED  
JUN 02 2017

Joseph Wechsler, Council President  
Scranton City Council  
340 North Washington Avenue  
Scranton, PA 18503  
(via certified mail)

OFFICE OF CITY  
COUNCIL/CITY CLERK

RE: Intermunicipal Transfer of Liquor License R1172

Dear Mr. Wechsler:

Please be advised that my office represents the interests of Nepali Kitchen, LLC in connection with the purchase of Pennsylvania Liquor License R1172. My client has entered into an Agreement of Sale for the purchase of said Liquor License with Scanlon, Inc. located at 1400 Wheeler Avenue, Dunmore, Lackawanna County, Pennsylvania. Nepali Kitchen, LLC will be purchasing the Liquor License in order to sell alcohol at the premises located at 732 Prospect Avenue, Scranton, Lackawanna County, Pennsylvania. The above referenced license is currently registered in Dunmore and the Scranton City Council would have to approve the transfer of the License into Scranton City.

Due to the fact that Nepali Kitchen, LLC cannot submit their application to transfer the Liquor License to the Pennsylvania Liquor Control Board without approval of Scranton City Council, I am, by virtue of this correspondence, requesting that this matter be addressed at a public hearing before the next regularly scheduled meeting. I am enclosing a proposed Resolution for the Scranton City Council to consider if it votes to authorize the transfer of the License into Scranton City.

If you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,

John P. Rodgers

JPR/am  
Enclosures

cc. Jessica L. Boyles, Esquire (570-348-4105)



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

June 22, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

JUN 22 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY SCANLON INC. T/D/B/A AS DUNMORE BREW HOUSE, 1400 WHEELER AVENUE, DUNMORE, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-1172 TO NEPALI KITCHEN, LLC FOR USE AT 732 PROSPECT AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

**AN ORDINANCE**

**APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY JOAN HUDAK T/D/B/A SEVEN SISTERS TAVERN, 814 SUSQUEHANNA AVENUE, OLYPHANT, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-3527 TO CFM BEER BRICK, LLC FOR USE AT 337 WEST MARKET STREET, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.**

**WHEREAS**, the Pennsylvania Liquor Control Board ("PLCB") requires that the governing body of a municipality pass legislation approving an inter-municipal transfer of a liquor license when a municipality has met its quota of liquor licenses; and

**WHEREAS**, CFM Beer Brick, LLC wishes to transfer Lackawanna County Restaurant Liquor License No. R-3572 currently owned by Joan Hudak t/d/b/a Seven Sisters Tavern, 814 Susquehanna Avenue, Olyphant, Lackawanna County, Pennsylvania to the City of Scranton in order to sell alcohol at the premises located at 337 West Market Street, Scranton, Lackawanna County, Pennsylvania; and

**WHEREAS**, the Council of the City of Scranton approves the transfer of this license subject to its authority regarding inter-municipal transfers and subject to public comment on the same.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the inter-municipal transfer request of CFM Beer Brick LLC to transfer Lackawanna County Restaurant Liquor License No. R-3572 in the name of Joan Hudak t/d/b/a Seven Sisters Tavern, 814 Susquehanna Avenue, Olyphant, Lackawanna County, Pennsylvania to the City of Scranton for use at 337 West Market Street, Scranton, Pennsylvania is hereby approved.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.



**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

WETZEL, PHILLIPS, RODGERS & FALCONE

ATTORNEYS AT LAW

1170 HIGHWAY 315, SUITE 1

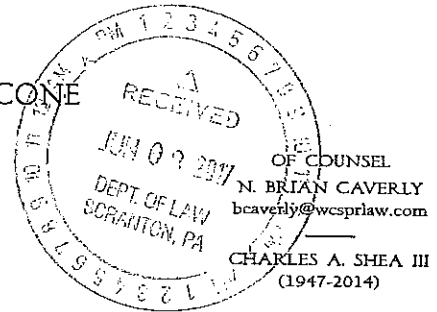
PLAINS, PENNSYLVANIA 18702

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TOLL FREE: (877) 803-6424

WEB SITE: CSPRLAW.COM



HONORABLE  
LEWIS WOOD WETZEL  
titlelawyer@yahoo.com

BRUCE J. PHILLIPS  
bfastastro@aol.com

JOHN P. RODGERS  
jrodgers@wcpirlaw.com

SAMUEL A. FALCONE  
s.falcone@ymail.com

May 30, 2017

RECEIVED  
JUN 02 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Joseph Wechsler, Council President  
Scranton City Council  
340 North Washington Avenue  
Scranton, PA 18503  
(via certified mail)

RE: Intermunicipal Transfer of Liquor License R3527

Dear Mr. Wechsler:

Please be advised that my office represents the interests of CFM Beer Brick, LLC in connection with the purchase of Pennsylvania Liquor License R3527. My client has entered into an Agreement of Sale for the purchase of said Liquor License with Joan Hudak located at 814 Susquehanna Ave., Olyphant, Lackawanna County, Pennsylvania. CFM Beer Brick, LLC will be purchasing the Liquor License in order to sell alcohol at the premises located at 337 West Market Street, Scranton, Lackawanna County, Pennsylvania. The above referenced license is currently registered in Olyphant and the Scranton City Council would have to approve the transfer of the License into Scranton City.

Due to the fact that CFM Beer Brick, LLC cannot submit their application to transfer the Liquor License to the Pennsylvania Liquor Control Board without approval of Scranton City Council, I am, by virtue of this correspondence, requesting that this matter be addressed at a public hearing before the next regularly scheduled meeting. I am enclosing a proposed Resolution for the Scranton City Council to consider if it votes to authorize the transfer of the License into Scranton City.

If you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,

John P. Rodgers

JPR/am  
Enclosures

cc. Jessica L. Boyles, Esquire (570-348-4105)



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

June 22, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED


JUN 22 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE CURRENTLY OWNED BY JOAN HUDAK T/D/B/A SEVEN SISTERS TAVERN, 814 SUSQUEHANNA AVENUE, OLYPHANT, LACKAWANNA COUNTY, PENNSYLVANIA, LICENSE NO. R-3527 TO CFM BEER BRICK, LLC FOR USE AT 337 WEST MARKET STREET, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

FILE OF THE COUNCIL NO \_\_\_\_\_

2017

AN ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY-ONE MILLION DOLLARS (\$41,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE CITY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE CITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE CITY WHICH CONSISTS OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AND (2) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED REMAINING USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES AND REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE CITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY IN SUPPORT THEREOF; CREATING ONE OR MORE SINKING FUNDS IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF PROCEEDS OF THE BONDS AND THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER

OFFICERS OF THE CITY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE CITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE) AND SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENTS NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003, IF NECESSARY OR DESIRABLE; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; SETTING FORTH THE CITY'S INTENT TO PROVIDE FUNDS TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF MONEYS WHICH WILL BE USED TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE REPEALING OF ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, the City of Scranton, Lackawanna County, Pennsylvania (the "City"), is a home rule charter city operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the City, in contemplation of the issuance and sale of one or more series of its general obligation bonds in an aggregate principal amount not to exceed Forty-One Million Dollars (\$41,000,000), to provide funds for and towards certain projects of the City, has determined that the Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the City; and

WHEREAS, the City has determined that such Bonds will be issued as one or more series of general obligation bonds designated generally as "City of Scranton, Lackawanna County, Pennsylvania, General Obligation Bonds, Series of 2017" (the "Bonds") or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Mayor of the City upon delivery of each series of the definite Bonds in accordance with this Ordinance; and

WHEREAS, the City has determined to accept the proposal of RBC Capital Markets, Philadelphia, Pennsylvania, as representative (the "Purchaser"), for the purchase of the Bonds, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

WHEREAS, the City has heretofore issued its \$35,650,000 original aggregate principal amount General Obligation Bonds, Series B of 2003 (the "2003B Bonds"), a portion of which remains outstanding (such portion being hereinafter referred to as the "Refunded 2003B Bonds"); and

WHEREAS, the City desires to authorize the current refunding of the outstanding Refunded 2003B Bonds for the purpose of reducing the total debt service over the life of the 2003B Bonds; and

WHEREAS, the Bonds which are being issued to currently refund the Refunded 2003B Bonds will not be outstanding through a maturity date that could not have been included in the issue of the 2003B Bonds; and

WHEREAS, if necessary or desirable, a portion of the proceeds of the Bonds shall be deposited in escrow pursuant to the terms of one or more escrow agreements (collectively, the "2003B Bonds Escrow Agreement"), to be executed by and between the City and an escrow agent named therein (the "2003B Bonds Escrow Agent"), such that such portion of the proceeds of the Bonds, together with interest to be earned thereon (if any), will be held by the 2003B Bonds Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the Refunded 2003B Bonds, all as shall be set forth more fully in the 2003B Bonds Escrow Agreement; and

WHEREAS, the City has heretofore issued its \$18,145,000 original aggregate principal amount Federally Taxable General Obligation Pension Funding Bonds, Series C of 2003 (the "2003C Bonds"), a portion of which remains outstanding; and

WHEREAS, the City has heretofore issued its \$13,480,000 original aggregate principal amount Federally Taxable General Obligation Bonds, Series D of 2003 (the "2003D Bonds"), a portion of which remains outstanding; and

WHEREAS, the City has determined to refund the 2003C Bonds and the 2003D Bonds with funds to be provided by the City (the "City Funds"); and

WHEREAS, if necessary or desirable, the City Funds shall be deposited in escrow pursuant to the terms of one or more escrow agreements (collectively, the "2003C Bonds and 2003D Bonds Escrow Agreement"), to be executed by and between the City and an escrow agent named therein (the "2003C Bonds and 2003D Bonds Escrow Agent"), such that the City Funds, together with interest to be earned thereon, will be held by the 2003C Bonds and 2003D Bonds Escrow Agent in a separate escrow account and irrevocably pledged for the refunding of the 2003C Bonds and 2003D Bonds, all as shall be set forth more fully in the 2003C Bonds and 2003D Bonds Escrow Agreement; and

WHEREAS, the City has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount not to exceed Forty-One Million Dollars (\$41,000,000) to fund a certain project (hereinafter described) of the City pursuant to the provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Council of the City of Scranton, Lackawanna County, Pennsylvania (the "Council"), in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Ordinance, the City hereby authorizes and directs the issuance of one or more series of general obligation bonds in the aggregate principal amount not to exceed Forty-One Million Dollars (\$41,000,000) to be designated generally as "City of Scranton, Lackawanna County, Pennsylvania, General Obligation Bonds, Series of 2017", or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Mayor of tl

City upon delivery of the definitive Bonds in accordance with this Ordinance. The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Council hereby finds and determines that a private sale by negotiation is in the best financial interests of the City.

Section 2. The City determines that the debt to be incurred pursuant to this Ordinance, which will be evidenced by the Bonds, shall be nonelectoral debt of the City.

Section 3. A brief description of the project (the "Project") to be funded with the proceeds of the Bonds is as follows: (1) currently refunding the Refunded 2003B Bonds, and (2) paying the costs and issuance of the issuance of the Bonds.

The remaining realistic estimated useful lives of the capital projects that were financed and refinanced by the proceeds of the 2003B Bonds which are to be refinanced by a portion of the proceeds of the Bonds range from at least 1 year to at least 25 years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

Stated installments of maturities of principal of the Bonds will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project or two years from the date of issuance of the Bonds.

The City hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

Section 4. In connection with the issuance and sale of the Bonds, the City, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded 2003B Bonds is to reduce total debt service over the life of the 2003B Bonds; and (b) that the current refunding of the Refunded 2003B Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The City further finds and determines that the final maturity date of the Bonds issued to effect the current refunding of the Refunded 2003B Bonds does not extend to a date that could not have been included in the 2003B Bond issue.

The Council hereby authorizes and directs the Mayor of the City to determine the principal amount of the outstanding 2003B Bonds to be refunded by each series of the Bonds upon delivery of each series of the definitive Bonds in accordance with this Ordinance and hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the current refunding of the Refunded 2003B Bonds, including, but not limited to, providing notice to the paying agent for the Refunded 2003B Bonds, to call the Refunded 2003B Bonds for optional redemption in full on the date of delivery of the Bonds, or such other date as selected by the Mayor of the City upon delivery of the definitive Bonds in accordance with this Ordinance. In accordance with Section 8246 of the Act, it is the intent of the City that the Refunded 2003B Bonds shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 5. Subject to the approval of the Department, as required by the provisions of the Act, the City shall and does hereby accept the proposal of the Purchaser, for the purchase of the Bonds in accordance with the terms and conditions of this Ordinance and the Purchaser's proposal, dated July \_\_, 2017 (the "Proposal"). The sale of the Bonds shall be for an aggregate purchase price of not less than 96% of the aggregate par amount of the Bonds issued by the City, exclusive of any original issue discount and any original issue premium, plus accrued interest, if any, from the date of the Bonds to the date of delivery thereof. The Mayor of the City and the Controller of the City are hereby authorized and directed to accept and to execute the Proposal and any supplements, amendments and/or confirmations thereto in the name and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the City and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the City with respect to such bid security, except as provided by the Act. Upon final pricing of each series of the Bonds, the

Purchaser will present to the City an addendum or confirmation to the Proposal for each series of the Bonds setting forth the final terms and conditions of each series of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for each series of the Bonds (collectively, the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Ordinance, the Mayor of the City and the Controller of the City are hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest to such acceptance and execution.

Section 6. Each series of the Bonds, when issued, will be a general obligation of the City.

Section 7. Each series of the Bonds shall be fully registered, without coupons, in denominations of \$5,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 10. Each series of the Bonds shall be dated and shall bear interest from that date at the applicable rates per annum on the dates (each an "Interest Payment Date"), until maturity or prior redemption, as set forth in the definitive Bonds for such series as delivered to the Purchaser in accordance with the provisions hereof, subject, in each case, to the parameters set forth in Section 8.

Section 8. The Bonds shall bear the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption, on the dates and in the maximum amounts as set forth on Exhibit A attached hereto.

Each series of the Bonds shall be issued in such aggregate principal amounts among series, as serial bonds or term bonds and shall be subject to optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof and the delivery instructions of the Purchaser; provided however that the interest rates on the Bonds, and any serial maturities or mandatory sinking fund redemption amounts shall be within the parameters set forth on Exhibit A.

In lieu of such mandatory redemption, the Paying Agent (hereinafter defined), on behalf of the City, may purchase, from money in the hereinafter-defined Sinking Funds, or the City may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under this 128



Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

Section 9. The Mayor and Controller of the City or other proper officers of the City are hereby authorized, empowered and directed to contract with Community Bank, N.A., Scranton, Pennsylvania, as paying agent, or such other paying agent which shall be a bank or bank and trust company authorized to do business in the Commonwealth, as may be selected by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance (any such paying agent selected in accordance with this Section 9 being hereinafter referred to as the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the corporate trust office of the Paying Agent in lawful money of the United States of America.

Section 10. Each series of the Bonds shall be in substantially the form set forth in Exhibit B hereto. The form of the Bonds as submitted to the City is hereby approved in substantially such form, with such changes, insertions and variations as are necessary or appropriate to reflect the final terms, including, but not limited to, series designation, interest rates, principal amounts, the name or designation and the final redemption provisions, of the Bonds as specified to the City in the delivery instructions of the Purchaser and such other changes as the Mayor of the City may approve upon advice of the Solicitor of the City, such approval to be evidenced by such officer's execution and delivery of the Bonds.

Section 11. The Bonds shall be executed in the name and on behalf of the City by the true or facsimile signatures of the Mayor and Controller of the City and the true or facsimile official seal of the City shall be affixed thereunto, duly attested by the true or facsimile signature of the City Clerk of the City. Said officers are authorized and directed to execute and attest the Bonds. The execution and delivery of the Bonds in accordance with Section 10 hereof shall constitute conclusive proof of the approval of the final terms and provisions of the Bonds by the City.

No Bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds in accordance with the provisions hereof.

Each series of the Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the City or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Paying Agent, in connection with discontinuing the book-entry system as below or otherwise.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price, if any, or interest on such

Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid.

The City and the Paying Agent shall treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of the Bonds, registering the transfer of the Bonds, obtaining any consent or other action to be taken by registered owners of the Bonds and for all other purposes whatsoever; and neither the City nor the Paying Agent shall be affected by any notice to the contrary. Neither the City nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Paying Agent as being a registered owner, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (4) any notice which is permitted or required to be given to registered owners of the Bonds; (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as the registered owner of the Bonds.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of the Bonds under this Ordinance shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Ordinance by the City or the Paying Agent with respect to any consent or other action to be taken by registered owners of the Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the City or the Paying Agent may establish a special record date for such consent or other action. The City or the Paying Agent shall give DTC notice of such special record date not less than 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the City and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the City determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the City or the beneficial owners of the Bonds. In any such event, unless the City appoints a successor securities depository, the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the City or the Paying Agent for the accuracy of such designation. Whenever DTC requests the City and the Paying Agent to do so, the City and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 12. The City covenants to and with the registered owners from time to time of the Bonds that the City (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the City in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its Sinking Funds or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the City shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the City shall be enforceable specifically.

Section 13. The City hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for each series of the Bonds issued, each sinking fund to be known as "Sinking Fund - City of Scranton, Lackawanna County,

Pennsylvania, General Obligation Bonds, Series of 2017" (collectively, the "Sinking Funds"), or such other name or designation to coincide with the series of Bonds issued, the name of the Bonds and the series and year issued as selected by the proper officers of the City, which such Sinking Fund shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

Section 14. The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Funds created pursuant to Section 13. The City covenants and agrees to deposit in the Sinking Funds, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the City or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Funds and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

Section 15. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Record Date preceding the first Interest Payment Date, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest shall be paid as set forth in the definitive Bonds, until the principal sum is paid. Interest on the Bonds is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date or such other day approved by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the City shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of the Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing or such other day approved by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance.

If the date for payment of the principal of or the interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the on the nominal date of redemption, and no interest shall accrue after such date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The City and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds n be exchanged for a like aggregate principal amount of Bonds of other authorized denomination of the same series, maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the City maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The City and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the City maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the City upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The City shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 16. If necessary, the City hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Bonds and the refunding of the Refunded 2003B Bonds. The City hereby authorizes and directs the Mayor and Controller of the City to execute and the City Clerk of the City to attest, any investment agreement on behalf of the City, in the form approved by the Solicitor of the City and Bond Counsel to the City. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 17. The Mayor, Controller or the City Clerk of the City, and, if applicable, their duly qualified respective successors, are each hereby authorized and directed, in the name and on behalf of the City: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the City in connection with the issuance of the Bonds; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Ordinance or applicable law.

The Mayor, Controller or the City Clerk of the City and, if applicable, their duly qualified respective successors, are each authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department appropriate statements required by Section 8026 of the Act which are necessary to qualify the nonelectoral or lease rental debt of the City, which is subject to exclusion of self-liquidating or subsidized debt, for exclusion from the appropriate debt limits of the City as self-liquidating or subsidized debt.

Section 18. It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the City, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the City.

Section 19. The proper officers of the City are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. The City covenants to and with the registered owners of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder. The City further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the Mayor and Controller of the City, being the official(s) responsible for issuing the Bonds, attested by the City Clerk of the City, are hereby authorized and directed to execute and deliver, in the name and on behalf of the City, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" or "private activity bonds" within the meanings of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the City as to the amount and use of the proceeds of the Bonds.

Section 21. With respect to each series of the Bonds, if determined to be advantageous to the City by the Mayor of the City, the City hereby authorizes and directs the purchase of a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by a municipal bond insurer (the "Insurer") acceptable to the Purchaser and the Mayor of the City insuring the payment when due of the principal of and interest on such series of the Bonds as provided therein. Proper officers of the City are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, including the payment of the premium thereof.

The Mayor of the City and the City Clerk of the City are hereby authorized and directed to execute any and all insurance agreements and certificates with or for the benefit of the Insurer as may be necessary regarding the issuance of the Bonds and the delivery of the Municipal Bond Insurance Policy and acceptable to such officers executing the same.

Section 22. If necessary, on the date of delivery of the Bonds, to the extent required for a lawful defeasance of the Refunded 2003B Bonds, the Mayor, Controller and City Clerk of the City or other proper officers of the City are hereby authorized, empowered and directed to execute, attest and deliver the 2003B Bonds Escrow Agreement in the form approved by such officers with the advice of the Solicitor of the City. The 2003B Bonds Escrow Agreement shall provide for, among other things, the following: (i) a certification to the 2003B Bonds Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the Refunded 2003B Bonds, (ii) the deposit with the 2003B Bonds Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay the principal of, premium, if any, and interest on the Refunded 2003B Bonds maturing on or after the date fixed for the redemption thereof, (iii) the investment of the amounts deposited with and held by the 2003B Bonds Escrow Agent, (iv) a direction to the 2003B Bonds Escrow Agent to cause notice of redemption to be given to the holders of the Refunded 2003B Bonds, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the 2003B Bonds Escrow Agent of all investments held by it pursuant to the 2003B Bonds Escrow Agreement.

The City hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the Refunded 2003B Bonds to "no longer be deemed to be outstanding" as of the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to pay the principal of and interest due on the Refunded 2003B Bonds when due.

Section 23. The Mayor, Controller and City Clerk of the City or other proper officers of the City are hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) on behalf of the City and the City hereby covenants and agrees that it will

comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or on the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

As used herein, the term "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate to be executed by the City in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of each series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

As used herein, the term "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries).

Section 24. The Council hereby approves the preparation, use and distribution of one or more Preliminary Official Statements by the Purchaser in connection with the marketing of each series of the Bonds. The Mayor of the City is hereby authorized to execute and approve one or more final Official Statements relating to each series of the Bonds and any amendments or supplements to the same, provided that the final Official Statement and any amendment and/or supplement shall have been approved by the Solicitor of the City. The Purchaser is hereby authorized to use the final Official Statement (and any amendment or supplement thereto) in connection with the sale of the Bonds.

Section 25. Pursuant to the provisions of this Ordinance, the City hereby authorizes and directs the refunding of the 2003C Bonds and the 2003D Bonds with the City Funds.

The City hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the 2003C Bonds and the 2003D Bonds, including, but not limited to, providing notice to the respective paying agent for each of the 2003C Bonds and the 2003D Bonds, to call the 2003C Bonds and the 2003D Bonds for optional redemption in full on such date as selected by the Mayor of the City. In accordance with Section 8246 of the Act, it is the intent of the City that the 2003C Bonds and the 2003D Bonds shall no longer be outstanding from and after the date of the redemption of the 2003C Bonds and the 2003D Bonds.

If necessary or desirable, to the extent required for a lawful defeasance of the 2003C Bonds and the 2003D Bonds, the Mayor, Controller and City Clerk of the City or other proper officers of the City are hereby authorized, empowered and directed to execute, attest and deliver the 2003C Bonds and 2003D Bonds Escrow Agreement in the form approved by such officers with the advice of the Solicitor of the City. The 2003C Bonds and 2003D Bonds Escrow Agreement shall provide for, among other things, the following: (i) a certification to the 2003C Bonds and 2003D Bonds Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the 2003C Bonds and the 2003D Bonds, (ii) the deposit with the 2003C Bonds and 2003D Bonds Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay the principal of, premium, if any, and interest on the 2003C Bonds and the 2003D Bonds maturing on or after the date fixed for the redemption thereof, (iii) the investment of the amounts deposited with and held by the 2003C Bonds and 2003D Bonds Escrow Agent, (iv) a direction to the 2003C Bonds and 2003D Bonds Escrow Agent to cause notice of redemption to be given to the holders of the 2003C Bonds and the 2003D Bonds, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the 2003C Bonds and 2003D Bonds Escrow Agent of all investments held by it pursuant to the 2003C Bonds and 2003D Bonds Escrow Agreement.

The City hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "2003C Bonds and 2003D Bonds Investments") for investment of the City Funds held under the 2003C Bonds and 2003D Bonds Escrow Agreement. The City hereby authorizes and directs the Mayor and Controller of the City to execute and the City Clerk of the City to attest any 134

investment agreement on behalf of the City, in the form approved by the Solicitor of the City and Bond Counsel of the City. The 2003C Bonds and 2003D Bonds Investments shall be limited to those authorized under law.

The City hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the refunding of the 2003C Bonds and the 2003D Bonds to cause the 2003C Bonds and the 2003D Bonds to "no longer be deemed to be outstanding" under the Local Government Unit Debt Act, 53 Pa.C.S., Chapters 80-82, of the Commonwealth of Pennsylvania, as amended and supplemented.

Section 26. The City hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the City in connection with the issuance of the Bonds and to facilitate the intent of this Ordinance.

Section 27. All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and the Mayor of the City is authorized to approve requests for payment of such expenses and to pay or direct the payment of such expenses.

Section 28. The Mayor, Controller and City Clerk of the City or other proper officers and officials of the City are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 29. The Mayor, Controller and City Clerk of the City or other proper officers of the City are hereby authorized, jointly and severally, to do any and all other things necessary to effectuate the issuance, execution, delivery and sale of the Bonds and the financing of the Project, including the execution and delivery of any and all additional documents, representations, declarations, loan agreements, reimbursement agreements, security agreements, promissory notes, intercreditor agreements, derivative and/or interest rate management agreements, derivative and/or interest rate management termination agreements, escrow agreements, assignments, financing statements, certificates, authorizations, contracts, agreements, insurance binders and other papers as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the City.

Section 30. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that the remainder of this Ordinance shall remain in full force and effect.

Section 31. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 32. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law," and any other applicable law arising under the laws of the Commonwealth of Pennsylvania.

Section 33. This Ordinance shall be effective in accordance with Section 8003 of the Act.

EXHIBIT A

MAXIMUM DEBT SERVICE SCHEDULE



**CITY OF SCRANTON**

**SERIES OF 2017                      MAXIMUM PARAMETERS**  
**REFUNDS THE SERIES B OF 2003**

*Settle*      8/31/2017  
*Dated*      8/31/2017

1	2	3	4	5	6
<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>
3/1/2018			1,236,833.33	1,236,833.33	
9/1/2018	2,990,000	6.000	1,230,000.00	4,220,000.00	5,456,833.33
3/1/2019			1,140,300.00	1,140,300.00	
9/1/2019	3,070,000	6.000	1,140,300.00	4,210,300.00	5,350,600.00
3/1/2020			1,048,200.00	1,048,200.00	
9/1/2020	3,155,000	6.000	1,048,200.00	4,203,200.00	5,251,400.00
3/1/2021			953,550.00	953,550.00	
9/1/2021	3,255,000	6.000	953,550.00	4,208,550.00	5,162,100.00
3/1/2022			855,900.00	855,900.00	
9/1/2022	3,345,000	6.000	855,900.00	4,200,900.00	5,056,800.00
3/1/2023			755,550.00	755,550.00	
9/1/2023	3,490,000	6.000	755,550.00	4,245,550.00	5,001,100.00
3/1/2024			650,850.00	650,850.00	
9/1/2024	2,760,000	6.000	650,850.00	3,410,850.00	4,061,700.00
3/1/2025			568,050.00	568,050.00	
9/1/2025	2,050,000	6.000	568,050.00	2,618,050.00	3,186,100.00
3/1/2026			506,550.00	506,550.00	
9/1/2026	2,110,000	6.000	506,550.00	2,616,550.00	3,123,100.00
3/1/2027			443,250.00	443,250.00	
9/1/2027	2,190,000	6.000	443,250.00	2,633,250.00	3,076,500.00
3/1/2028			377,550.00	377,550.00	
9/1/2028	3,375,000	6.000	377,550.00	3,752,550.00	4,130,100.00
3/1/2029			276,300.00	276,300.00	
9/1/2029	4,650,000	6.000	276,300.00	4,926,300.00	5,202,600.00
3/1/2030			136,800.00	136,800.00	
9/1/2030	3,690,000	6.000	136,800.00	3,826,800.00	3,963,600.00
3/1/2031			26,100.00	26,100.00	
9/1/2031	870,000	6.000	26,100.00	896,100.00	922,200.00
<b>TOTALS</b>	<b>41,000,000</b>		<b>17,944,733.33</b>	<b>58,944,733.33</b>	<b>58,944,733.33</b>

EXHIBIT B  
(FORM OF BOND)

REGISTERED  
NUMBER R-\_\_

REGISTERED  
\$\_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC"), a New York corporation, to the City or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA

GENERAL OBLIGATION BOND, SERIES [ ] OF 201[7]

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE OF SERIES</u>	<u>CUSIP</u>
	_____, _____	_____, 201[7]	
REGISTERED OWNER	CEDE & CO.		
PRINCIPAL AMOUNT	\$ _____		

KNOW ALL MEN BY THESE PRESENTS, that the City of Scranton, Lackawanna County, Pennsylvania (the "City"), a City existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of the Registered Owner hereof, or registered assigns, on the maturity date stated hereon (or upon prior redemption, as hereinafter provided), upon presentation and surrender hereof, the Principal Amount shown above and to pay semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year prior to maturity or redemption (each an "Interest Payment Date"), beginning on \_\_\_\_\_, \_\_\_\_\_, to the registered owner hereof, interest on such principal sum, at the rate per annum stated hereon, from the Interest Payment Date next preceding the date of registration and authentication of this City of Scranton, Lackawanna County, Pennsylvania, General Obligation Bond, Series [ ] of 201[7] (the "Bond"), unless (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date, or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) this Bond is registered and authenticated on or prior to the Record

Date preceding \_\_\_\_\_, \_\_\_\_\_, in which event such Bond shall bear interest from \_\_\_\_\_, 2017, or (d) as shown by the records of Community Bank, N.A., as paying agent, at its offices located in Scranton, Pennsylvania, or its successor (the "Paying Agent"), interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the City shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of Bonds (hereinafter defined) not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal, or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banks are authorized by law or executive order to remain closed, with the same force and effect as if made on the due date for payment of principal or interest or redemption price and no interest shall accrue thereon for any period after such due date.

This Bond is one of a series of bonds of the City known generally as "City of Scranton, Lackawanna County, Pennsylvania, General Obligation Bonds, Series [ ] of 201[7]," dated \_\_\_\_\_, 201[7] (the "Bonds"), issued by the City in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The Bonds are in fully registered form, without coupons, and have been authorized and issued in accordance with the Local Government Unit Debt Act of the Commonwealth (the "Act"), without the assent of the electors, pursuant to an ordinance (the "Ordinance") of the Council of the City duly enacted on July \_\_, 2017. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein. The Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof.

The City has covenanted in the Ordinance that it shall include in its budget the amount of the debt service for each fiscal year of the City in which principal and/or interest on the Bonds is payable, that it shall appropriate from its general revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due principal and interest on the Bonds.

In the Ordinance, the City has covenanted to and with registered owners of the Bonds that it will make no use of the proceeds of the Bonds, or do or suffer any other action,

which, if such use or action had been reasonably expected on the date of issuance of the Bonds, would cause the Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

The Bonds maturing on or after \_\_\_\_\_, \_\_\_\_\_, shall be subject to redemption, prior to maturity, at the option of the City, in whole or in part, in any order of maturities, at any time on or after \_\_\_\_\_, \_\_\_\_\_, at a price equal to 100% of the principal amount of the Bonds to be redeemed and accrued interest thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

The Bonds stated to mature on \_\_\_\_\_, \_\_\_\_\_, are subject to mandatory redemption prior to maturity on \_\_\_\_\_ of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest thereon to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

<u>Year</u>	<u>Principal Amount</u>
	\$

\*

\_\_\_\_\_  
\* at maturity

In lieu of such mandatory redemption, the Paying Agent, on behalf of the City, may purchase, from money in the Sinking Fund, or the City may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the

registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

This Bond may be transferred or exchanged by the registered owner hereof only upon surrender of this Bond to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and of authorized denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The City and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the registered owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the City upon the Bond as paid.

The City and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to

be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The City has caused CUSIP numbers to be printed on the Bonds as a convenience to bondholders. No representation is made as to the accuracy of such numbers as printed on the Bonds.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the City to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the City is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the City has established with the Paying Agent, as Sinking Fund Depositary, a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the City of Scranton, Lackawanna County, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the signatures of the Mayor and Controller of the City and its corporate seal to be hereunder affixed, duly attested by the signature of the City Clerk of the City, as of the \_\_\_\_\_ day of \_\_\_\_\_, 201[7].

CITY OF SCRANTON  
Lackawanna County, Pennsylvania

(SEAL)

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Controller

Attest: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Solicitor

## STATEMENT OF INSURANCE

[To come, if applicable]



## CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

It is certified that this Bond is a Bond issued under the provisions of the within-mentioned Ordinance.

COMMUNITY BANK, N.A., as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Transferror"), the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
Name (the "Transferee")

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security or  
Federal Employer Identification No.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

NOTICE: No transfer will be made in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust, and the name of the trustee should be supplied.

(END OF BOND FORM)





DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

June 27, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED  
JUN 28 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

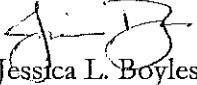
Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY-ONE MILLION DOLLARS (\$41,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE CITY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE CITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE CITY WHICH CONSISTS OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AND (2) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED REMAINING USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES AND REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE CITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT

AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY IN SUPPORT THEREOF; CREATING ONE OR MORE SINKING FUNDS IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF PROCEEDS OF THE BONDS AND THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE CITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE) AND SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENTS NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003, IF NECESSARY OR DESIRABLE; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; SETTING FORTH THE CITY'S INTENT TO PROVIDE FUNDS TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE CITY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE

REFUNDING OF THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF MONEYS WHICH WILL BE USED TO REFUND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION PENSION FUNDING BONDS, SERIES C OF 2003 AND THE CITY'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2003; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE REPEALING OF ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

**AN ORDINANCE**

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF THE PROCEEDS FROM THE SALE OF THE SCRANTON SEWER AUTHORITY TO REFUND AND REFINANCE THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2003; AND REFUND THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES C AND D OF 2003.**

**WHEREAS**, the City and Scranton Sewer Authority have sold certain sewer system assets to the Pennsylvania American Water Company; and

**WHEREAS**, the City seeks to apply an amount not to exceed \$ 19.8 Million of the City's portion of the proceeds to refund/ refinance certain general obligation debt (referred to as the City's 2003 General Obligation Bonds) potentially reducing the fixed cost of the General Fund by approximately \$ 2 Million per year as outlined in the Summary of Restructuring Scenario prepared by the City's Financial Advisor, PFM, attached hereto and marked as Exhibit "A."

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the Mayor and other appropriate city officials are authorized to reallocate a portion of the proceeds from the sale of the Scranton Sewer Authority to refund and refinance the City's General Obligation Bonds, Series B of 2003; and refund the City's outstanding General Obligation Bonds, Series C and D of 2003.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



**CITY OF SCRANTON  
SUMMARY OF RESTRUCTURING SCENARIO**

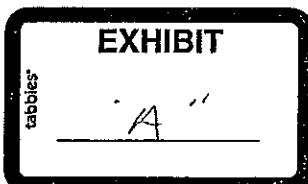
**Assumptions:**

1. City utilizes approximately \$19.8 million of cash to defease 2003 C & D bonds.
2. Refunding transaction estimated to close on 8/31/2017 & bonds are called 9/16/2017.
3. Defeasance escrow estimated to fund 7/14/2017 & bonds are called 8/13/2017.
4. Assumes debt portfolio gets 1 year shorter due to defeasance of 2003Cs & 2003Bs are being shortened by 1 year.
5. Assumes the City does not make a 9/1/2017 payment on the 2003 B, C, & D bonds.

		1	2	3
		<b>Defeasance</b>	<b>Refunding</b>	<b>Total</b>
<b>Principal</b>		NA	\$26,195,000	\$26,195,000
<b>Cash</b>		\$19,883,226	\$0	\$19,883,226
<b>Purpose</b>		Payoff 2003C & D	Cur Ref 2003B	NA
<b>Tax Status</b>		NA	Tax Exempt	NA

4	5	6	7	8
<b>Fiscal Year Ending</b>	<b>Existing Debt Service</b>	<b>Est Debt Service Cost/(Savings)</b>	<b>Est Debt Service Cost/(Savings)</b>	<b>Proposed Debt Service</b>
12/31/2017	9,608,784	(1,776,363)	(1,613,234)	6,219,187
12/31/2018	12,164,603	(2,305,970)	639,980	10,498,612
12/31/2019	12,165,218	(2,306,240)	640,185	10,499,163
12/31/2020	12,166,916	(2,305,890)	636,382	10,497,408
12/31/2021	12,157,310	(2,301,415)	641,646	10,497,541
12/31/2022	12,173,746	(2,307,815)	630,653	10,496,584
12/31/2023	12,164,352	(2,304,265)	638,072	10,498,159
12/31/2024	12,027,054	(1,231,040)	(297,226)	10,498,789
12/31/2025	13,451,799	(1,226,000)	(1,730,133)	10,495,666
12/31/2026	13,451,770	(1,229,000)	(1,727,278)	10,495,493
12/31/2027	13,449,865	(1,224,480)	(1,726,677)	10,498,714
12/31/2028	10,553,961	(1,227,720)	1,172,103	10,498,343
12/31/2029	9,408,885	(1,228,160)	2,319,047	10,499,772
12/31/2030	9,409,575	(1,225,800)	(514,857)	7,668,918
12/31/2031	8,305,715	(1,230,640)	(768,075)	6,307,000
12/31/2032	3,143,120	(1,232,120)		1,911,000
12/31/2033	1,230,240	(1,230,240)		
12/31/2034				
12/31/2035				
12/31/2036				
12/31/2037				
12/31/2038				
12/31/2039				
12/31/2040				
<b>TOTAL</b>	<b>177,032,913</b>	<b>(27,393,158)</b>	<b>(1,059,406)</b>	<b>148,080,349</b>





DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

June 27, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED  
JUN 28 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND  
OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF  
THE PROCEEDS FROM THE SALE OF THE SCRANTON SEWER AUTHORITY  
TO REFUND AND REFINANCE THE CITY'S OUTSTANDING GENERAL  
OBLIGATION BONDS, SERIES B OF 2003; AND REFUND THE CITY'S  
OUTSTANDING GENERAL OBLIGATION BONDS, SERIES C AND D OF 2003.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl

RESOLUTION NO. \_\_\_\_\_

2017

**APPOINTMENT OF AJA E. WENTUM, 711 HARRISON AVENUE, SCRANTON, PENNSYLVANIA, 18510 AS A MEMBER OF THE HUMAN RELATIONS COMMISSION, EFFECTIVE JUNE 23, 2017. MR. WENTUM WILL BE REPLACING SUSAN BLUM CONNORS WHO RESIGNED ON JUNE 12, 2017. MR. WENTUM WILL FILL THE UNEXPIRED TERM OF SUSAN BLUM CONNORS WHICH IS SCHEDULED TO EXPIRE ON AUGUST 24, 2018.**

**WHEREAS**, Susan Blum Connors resigned from the Human Relations Commission effective June 12, 2017 a copy of which is attached hereto as Exhibit "A"; and

**WHEREAS**, the Mayor of the City of Scranton desires to appoint Aja E. Wentum as a member of the Human Relations Commission effective June 23, 2017. Mr. Wentum will fill the unexpired term of Susan Blum Connors, who resigned June 12, 2017, and whose term is scheduled to expire August 24, 2018.

**WHEREAS**, Aja E. Wentum has the requisite experience, education and training necessary to serve as a member of the Human Relations Commission.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON** that Aja E. Wentum, 711 Harrison Avenue, Scranton, Pennsylvania is hereby appointed to the Human Relations Commission effective June 23, 2017. Mr. Wentum will fill the unexpired term of Susan Blum Connors, who resigned effective June 12, 2017 and whose term is scheduled to expire August 24, 2018.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

June 23, 2017

Honorable Council of the City of Scranton  
340 N. Washington Avenue  
Scranton, Pa. 18503

RE: Human Relations Commission Appointment

Dear Council Members:

Please be advised that I am appointing Aja E. Wentum, 711 Harrison Avenue, Scranton, PA 18510, as a member of the Human Relations Commission effective June 23, 2017.

Mr. Wentum will be replacing Susan Blum Connors who resigned on June 12, 2017. Mr. Wentum will fulfill the unexpired term of Mrs. Connors which is scheduled to expire on August 24, 2018.

I respectfully request City Council's concurrence in this appointment.

Sincerely,

William L. Courtright

WLC/kg

CC: Jessica Boyles, Esq., City Solicitor  
David Bulzoni, Business Administrator  
Human Relations Commission  
Aja E. Wentum

Susan Blum Connors  
2630 Birney Avenue  
Scranton, Pennsylvania 18505

RECEIVED  
JUN 14/17

[REDACTED]  
[REDACTED]  
[REDACTED]

June 12, 2017

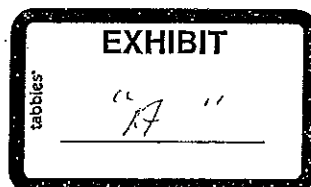
Dear Mayor Courtright,

Thank you for the honor and opportunity to serve on the Human Relations Commission. Due to family obligations and time constraints, I find it necessary to resign from the Commission effective immediately.

Sincerely,

*Susan Blum Connors*

Susan Blum Connors



August 4, 2015

Mayor Bill Courtright  
340 N. Washington Avenue  
Scranton, PA 18503

Dear Mayor Courtright,

**Re: Human Relations Commission Vacancies**

I first heard of the human relations committee opportunity through a friend, Jane Rise, who encouraged me to apply. After careful reflection on my experiences, values and faith, I am excited to add my name to the pool and to be considered for this wonderful opportunity.

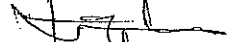
I am an African American male and a Scranton resident. I was born in Ghana and came to the United States in 1993 to attend high school. I became a Scranton resident in February 2005 and attended the University of Scranton, where I became involved both on campus and the community. On campus, I was an active member of United Colors – a multi-cultural club, as well as a member and advisor to international students of the International Club. I also volunteered as a youth soccer coach for Scranton Youth Soccer. In graduate school, I had the opportunity to serve as graduate student government president, and with the help of my officials, I connected graduates students with one another as well as the university community to make them feel welcomed.

During my term as president, I resolved a bullying incident between a Caucasian and a Saudi student. The Caucasian student called his Saudi classmate names such as terrorist on Facebook. With the current polarized environment in the United States, I politely reached out privately to appeal to our Jesuit education and to have the posts taken down. After many tries, the many posts were taken down. It was a very proud moment for the student community and me. Currently, I use my MBA degree to provide consulting services for startups and small businesses. I'm on a path of setting up a full service business consulting firm and a clothing line.

I am a strong believer in civic engagement and with my experiences; I believe that I am qualified for the Scranton Human Relations Commission. I hope that you will appoint me to the Commission.

Thank you.

Yours truly,



Aja E. Wentum

[www.linkedin.com/in/ajawentum](http://www.linkedin.com/in/ajawentum)



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263


June 29, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING APPOINTMENT OF AJA E. WENTUM, 711 HARRISON AVENUE, SCRANTON, PENNSYLVANIA, 18510 AS A MEMBER OF THE HUMAN RELATIONS COMMISSION, EFFECTIVE JUNE 23, 2017. MR. WENTUM WILL BE REPLACING SUSAN BLUM CONNORS WHO RESIGNED ON JUNE 12, 2017. MR. WENTUM WILL FILL THE UNEXPIRED TERM OF SUSAN BLUM CONNORS WHICH IS SCHEDULED TO EXPIRE ON AUGUST 24, 2018.

Respectfully,

  
Jessica L. Boyles, Esquire  
City Solicitor

JLB/sl