

**CITY OF WILKES-BARRE
PENNSYLVANIA**



CITY COUNCIL AGENDA

CITY COUNCIL

APRIL 20, 2017

PLEDGE OF ALLEGIANCE

ROLL CALL

ORDINANCES

PRESENTATIONS BY COUNCIL MEMBERS

PUBLIC DISCUSSION

ADJOURNMENT

CITY COUNCIL
APRIL 20, 2017

ORDINANCES

FILE OF COUNCIL NO. 6 OF 2017 – AN ORDINANCE AUTHORIZING THE INCURRENCE BY THE CITY OF WILKES-BARRE, LUZERNE COUNTY, PENNSYLVANIA OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS AND/OR NOTES (COLLECTIVELY, THE “BONDS”). (LONG TERM RESTRUCTURING OPTION). (FIRST READING)

FILE OF COUNCIL NO. 7 OF 2017 – AN ORDINANCE AUTHORIZING THE INCURRENCE BY THE CITY OF WILKES-BARRE, LUZERNE COUNTY, PENNSYLVANIA OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS AND/OR NOTES (COLLECTIVELY, THE “BONDS”) (TWO (2) YEAR SCOOP OPTION). (FIRST READING)

CITY COUNCIL

APRIL 20, 2017

The City Council of the City of Wilkes-Barre met in Regular Session on April 20, 2017 at 6:00 p.m., in City Council Chambers, City Hall, Wilkes-Barre, Pennsylvania for the purpose of general business.

The meeting was organized with Chairperson Beth Gilbert in the Chair.

The Pledge of Allegiance to the Flag was given.

Roll Call:

Barrett	- present
Belusko	- present
Merritt	- present
Brooks, Vice Chairperson	- present
Gilbert, Chairperson	- present

Also Present:

Darren Snyder, Controller
Ted Wampole, Administrator
Tim Henry, City Attorney
Cathy Payne, Assistant City Clerk
Jim Ryan, City Clerk
Lisa Sanfilippo, Administrative Assistant
Joyce Zaykowski, Capital Project Program Manager

City Clerk Jim Ryan read a statement relative to Council's Rules and Procedures.

Administrator Ted Wampole appeared before Council to give the following statement regarding the long-term refinancing proposal:

We initially presented this to you back in the beginning of the year and our reason for doing so has not changed. After must consultation with our financial advisor and early intervention program partner PFM, we have come to the conclusion that our best way forward is to structure our long-term debt in such a way that will allow us to achieve several goals. First, it provides us with much needed cash flow relief. Keep in mind that if nothing is done we face a two million dollar increase in our debt service payment beginning next year and that is unmanageable. Quite frankly, we can't afford to risk the financial implications to the city by not addressing this long-term albatross. Second, it provides for budget stability, since it levels the debt service payments going forward, helping us to do long-term budgeting and allowing us to more easily negotiate new collective bargaining agreements with out unions. Third, it allows us to begin the

process of finally, after almost twenty years, replacing the rapidly deteriorating Solomon's creek wall and provide more secure protection for our residents and businesses in that section of the city. It is important to note that we did not arrive at this request without much deliberation and consultation with many important participants, from Senator Yudichak and his office, Representative Pashinski and his office, to representative Marietta Kelly and Jim Rose from DCED and finally with the team from PFM. This was not and is not an easy decision. Make no mistake about that. It is a decision that is supported as well as it is criticized. I respect the opinions that would argue against our plan, but have not seen an alternative that provides us with the goals we previously mentioned. There is no winning here. This decision was arrived at after careful study and debate over the past several months, but in the end to us it is the only decision that makes sense and gives us our best path forward. Recently, I met individually with every member of Council and the City Controller. I explained the Administrations' reasoning and plans to put us back in solid financial footing. We discussed several of the options that we have discussed and are considering, but made it clear that we need Council's input and support to make it all work. A continuous and open dialogue where we will agree and disagree on options to be considered will be a staple of our long-term planning. Working together we can work better. Keep in mind that the long-term financing just gets us off of go. Once we have the stability of level debt payments going forward we can then address the other two heads of this financial monster, the impending 2.4 million dollar increase in our pension MMO and the structural issues of our budget; but make no mistake, without step one before you tonight we will be unable to address the other two just as important issue. In other words, to use one of my overused analogies, there is no point in worrying about paying the gas, water and electric bill if we can't make the mortgage payment to stay in our house. Through some of our discussions we have had several good exchanges of ideas of how to solve our financial dilemma. One of the ideas we agreed made sense was to operate under some of the guidelines of Act 47 without actually being in Act 47, such as using five year budget plans etc. Going forward we will have many difficult decisions ahead of us, look at monetizing certain city assets, such as our sewer lines, storm water management, parking etc. Working together, I believe we can come up with the answers and serve the best interest of our residents and businesses. I make this pledge to Council and to our residents that we as an Administration will continue to look for ways to make cuts in our expenditures where possible, to affect the least amount of services to the public and to continue to look for ways to maximize our revenue sources to make sure we receive every dollar that we are entitled to. So I ask Council tonight again, please support our long-term debt refinancing plan Ordinance. Give us the opportunity now to avoid Act 47. Let's get to work on improving our financial picture. Let's all work together to show the Commonwealth of Pennsylvania that this is how a community, a municipal government gets it done without having to work through an Act 47 filing.

City Controller Darren Snyder appeared before Council to make the following statement relative to the city refinancing:

I was asked to give a brief statement this evening on my thoughts regarding the debt refinancing. As I see it we have three options this evening. The first option is to

table this decision, to refuse any type of financing; however this option would prevent us from providing adequate flood protection to our citizens in South Wilkes-Barre. If it was my family living next to that wall, and if it was my children, I would find away to fix it; therefore, in my opinion, doing nothing is not an option. Second option is a long-term debt refinancing that brings our annual payments down to a manageable level; however this option will increase our outstanding debt to just over 37 million dollars. Option three, short-term refinancing package to help pay for the wall and give us some debt relief in the upcoming year; however this option, after the initial year, increases our annual payments to over 8 million dollars and then close to that amount for the next 10 years, which is unattainable. As much as it pains me to endorse our financial advisors recommendation of a long-term debt restructuring for our city, I believe it is the best option for stability. It is the best option for the foreseeable future that gives up the lowest debt payments. It is the most expensive option of 37 million dollars, if we stretch that out for the 20 years. So I would suggest that along with our continued negotiations with our unions that we look into the monetization of our city assets to try to pay down that debt as soon as possible so that the burden isn't on the tax payers. Thank you.

The City Clerk asked if there was anyone wishing to address Council on pending legislation.

Bob Kadluboski, Wilkes-Barre, PA appeared before Council relative to the refinancing Ordinances.

Sam Troy, Wilkes-Barre, PA appeared before Council relative to the refinancing Ordinances.

John Suchoski, Wilkes-Barre, PA appeared before Council relative to the refinancing Ordinances.

Jerry Lynott, reporter, Times Leader, appeared before Council relative to the refinancing Ordinances.

Dave Payne, PNC Bank, appeared before Council to answer questions relative to the refinancing ordinance.

Ms. Zaykowski answered questions about the price to repair the Solomon's Creek wall. She mentioned that originally, prior to the wall falling, they were going to narrow the channel, so they would build the wall inside and extend on the other side by taking over some homes or buying land. After the wall fell, right underneath the wall, they found several utility lines that have to be moved and because of this, the city would not have to obtain the homes or land, so it reduced the cost.

Mr. Barrett asked if moving the utility lines should be the responsibility of the utility companies themselves that own the lines.

Ms. Zaykowski responded that it is not their responsibility, but it is also not out of the question.

Mr. Snyder discussed the short term scoop option. He said if the city did a short-term refinancing, there would be no way the city could pay for the debt payment in 2019, so we would be forced to do another scoop, which would lower the debt payment and then raise it again. That continued refinancing would be more expensive than the one time refinancing. He said he reviewed the Standard & Poor document and it said further use of refunding to defer debt service could weaken the credit rating. Tackling them now and going forward seem to be the best option to preserve our credit rating.

Mr. Barrett said that the greatest concern to Council is the amount of interest that will accrue over the restructuring in the long term is significant.

Mr. Snyder said it is significant if the city continues to stretch that out of 20 years. Part of the financial plan for the city is monetization of the city's assets, so that would entail selling and/or long-term leasing of the city's assets (sewer lines, parking, housing authority etc.).

Mr. Barrett pointed out that there are two Ordinances before Council tonight. Is it possible for both of them to move on for Second Reading?

Attorney Henry explained that if the first one was to pass, the proper course of action would be to remove the second Ordinance from the agenda.

Mr. Ryan asked if the state limits the number of 2 year scoops a municipality can do.

Mr. Snyder said if the city would do the short-term financing now they would still have to do the long-term financing down the road, which would end up being more expensive.

Alan Rosenbann, Wilkes-Barre, PA appeared before Council relative to closing the Kistler Pool and discontinue the park program.

Mr. Rosenbann was told that his topic wasn't pending legislation and he would have to come back and speak during Public Discussion.

ORDINANCES

FILE OF COUNCIL NO. 6 OF 2017 – AN ORDINANCE AUTHORIZING THE INCURRENCE BY THE CITY OF WILKES-BARRE, LUZERNE COUNTY, PENNSYLVANIA OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS AND/OR NOTES (COLLECTIVELY, THE “BOND”). (LONG TERM RESTRUCTURING OPTION). (FIRST READING)

Mr. Belusko moved to adopt the Ordinance.

The motion was seconded by Mr. Brooks and adopted by the following yeas and nays vote:

Yeas Barrett, Belusko and Brooks – 3 – being a majority of the members elected to City Council.

Mr. Brooks made the following statement regarding his yes vote:

I have to believe that everyone is telling us the truth. The compromise that makes our government go is a financial stability and a certainty that we need to have. I agree with our Controller about the monetization of the city assets and the expenditure cuts that Sam Troy is looking for – new revenues you are looking for too Sam, and a five year plan like we are acting under financial distress of Act 47. So I am voting yes on long-term and my reasons are that the long-term gives us the financial stability and the certainty, the two year scoop is too expensive and in my opinion I feel I would be advocating responsibility in doing nothing. So they are my reasons, so it is yes.

Nays Merritt and Gilbert (Chairperson) – 2.

Ms. Gilbert made the following statement clarifying her no vote:

I believe that before we could vote on any sort of refinancing that we should make sure that every revenue stream is being explored first by the Administration and that any necessary cuts and modifications of budgetary items are made as well before any refinancing. And just to clarify, down the road, if I felt comfortable that all of these things were being explored I wouldn't be opposed to refinancing. And I also believe that if long-term refinancing was the option I think that it would have been done back in 2004 when PFM was here prior and gave the same recommendation. I'm in favor of currently refinancing only repairs for Solomon's Creek, and with that I will be voting no on the long-term refinancing.

FILE OF COUNCIL NO. 7 OF 2017 – AN ORDINANCE AUTHORIZING THE INCURRENCE BY THE CITY OF WILKES-BARRE, LUZERNE COUNTY, PENNSYLVANIA OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS AND/OR NOTES (COLLECTIVELY, THE “BONDS”) (TWO (2) YEAR SCOOP OPTION). (FIRST READING)

Mr. Ryan said that since the vote on File of Council No. 6 of 2017 passed, voting on File of Council No. 7 of 2017 is unnecessary. So with no objections from Council, by unanimous consent File of Council No. 7 of 2017 was removed from the agenda.

COUNCIL PRESENTATIONS

Mr. Belusko asked the Administration if they could send someone down to clean up Miner Park (parking lot). The snow was dumped there after the last storm and now that it is melting there is a lot of debris there. He added that the parking lot was also torn up and needs to be repaired.

Mr. Belusko reported high grass and weeds at 427 – 429 South River Street. He said there is also a home behind it (on Race Street) that is vacant. He said that vagrants are living in there and it needs to be boarded up. He also asked that the Race Street home be put on the city's demolition list.

Mr. Merritt told Mr. Wampole if the city puts together a committee to look at expenses he would like to be part of it.

Mr. Brooks reported the following from the Rolling Mill Hill meeting:

1. An RV on Bruce Lane that has electricity going to it.
2. Pigeons in the double block at 101-103 Jones Street.

Ms. Gilbert asked for an update on the following:

1. Park Place Building on East South Street and Park Avenue.
2. Triple block on East Northampton Street (going down the hill near the corner of Park Avenue).

PUBLIC DISCUSSION

Fred Schwalbach, Wilkes-Barre, PA appeared before Council to ask the city to remove the lien on 39 Oak Street (vacant lot).

Attorney Henry explained that the lot is not currently owned by the City of Wilkes-Barre. It is owned by a gentleman (Thomas Jenkins) who was the owner at the time of the fire, when the city demolished it. He apparently stopped paying taxes on it about 10 years ago. The city lien was put on in 2008. Attorney Henry added that this went to the free and clear sale, and when that happened any liens on the property should have been removed; however the city lien wasn't removed because we weren't given notice that the lien was part of what was going to be forgiven.

Mr. Belusko asked Mr. Schwalbach what his plans are for the property.

Mr. Schwalbach replied it will be used for off-street parking and maybe a garage someday.

John Nargoski, Wilkes-Barre, PA appeared before Council relative to closing Kistler Pool (problem with fights, foul language, stealing and smoking marijuana over the last few years) (Adult supervision needed).

Mr. Barrett said he was recently in Florida and visited a water park in the county. He was told it is much easier to take care of then a pool. He asked that Mr. Barry look into a recreation grant and maybe the city could use it to do something similar.

Mr. Wampole added that in addition to the problems at Kistler Pool, the city had a hard time finding lifeguards to staff the pool. He mentioned that the Administration is looking for grants that could be used for a water park.

Ms. Gilbert asked if the problems that are happening at Kistler pool could be addressed by having a police officer present.

Mr. Wampole said it would be an additional detail and an additional cost to the city. He also said that he is not sure it will solve the problem outside the pool.

Dave Nargoski, Wilkes-Barre, PA appeared before Council relative to closing Kistler Pool (kids littering and smoking marijuana).

Judi Comisky, Wilkes-Barre, PA appeared before Council to invite them to a vigil for her brother Donald Bachman on Public Square on April 30, 2017 at 5:00 p.m. and closing Kistler Pool.

Jim Walsh, Wilkes-Barre, PA appeared before Council relative to increasing the speakers time at Council meetings, the city debt, Mayor not attending Council meetings and snow removal after the last storm.

Angel Jirau, Wilkes-Barre, PA appeared before Council to speak out against closing Kistler Pool.

John Suchoski, Wilkes-Barre, PA appeared before Council to ask them to explain their vote on the refinancing Ordinance, closing Kistler pool and discontinuing the park program.

Mr. Barrett said he had mixed feelings on the refinancing. He said he listened to what Mr. Wampole and Mr. Snyder had to say. He said he was a component of the short scoop right up to the vote, but when you look at what is going to happen in a year and half, the city will be facing this all over again, along with rising health care costs, union contracts and the MMO for the pension funds jumping dramatically. He said he does not want to go distressed or bankrupt. We want to be able to control our city the way it is supposed to be controlled and not have someone come in and tell us what we are going to do.

John Rushton, Wilkes-Barre, PA appeared before Council relative to the need for a flashing red light on North Main Street (North End Section).

Bob Kadluboski, Wilkes-Barre, PA appeared before Council relative to PFM Group and closing Kistler Pool.

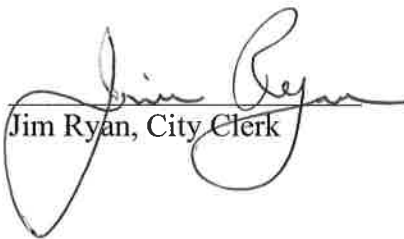
Tony Mathis, Wilkes-Barre, PA appeared before Council relative to closing Kistler pool (adult lifeguards, community activities to supplement the closing) and the Mayor's attendance at City Council meetings.

Mr. Wampole said that the Administration has reached out to the YMCA and CEO and we do have some options relative to community activities when the pool closes.

There being no further business to discuss the meeting adjourned at 7:41 p.m.


Beth Gilbert, Chairperson

ATTEST:


Jim Ryan, City Clerk