

## MINUTES

### HAZLETON CITY COUNCIL

#### REGULAR MEETING

WEDNESDAY, DECEMBER 5, 2018

**Call to Order:** Council met in regular session on Wednesday, December 5, 2018 in Council Chambers. The meeting was called to order at 6:00 pm.

**Silent Meditation and Pledge of Allegiance:** A silent moment was taken. A silent moment was also taken for the recent passing of George H.W. Bush, 41<sup>st</sup> President of the United States. This was followed by the Pledge of Allegiance.

**Roll Call:** Barletta-present; Colombo-present; Mope-present; Perry-present; Gavio-present

**Minutes of Previous Meetings:** The minutes of the November 7, 2018 and November 14, 2018 Regular Meetings were approved unanimously.

**Presentations/Proclamations/Communications:** None

#### **Bid Opening:**

##### **1. 2019 Bid Proposal for Unleaded Gasoline and Diesel Fuel Contract-**

Russell Postupack Oil Co., LLC, McAdoo, PA- Item #1- 87 Octane- Unleaded Gasoline- BID- \$169,637 estimate, less the Federal Excise Tax. Item #2- Ultra-Low Sulphur Diesel Fuel- BID- \$163,020, estimate, less the Federal Excise Tax. BID BOND included.

##### **2. 2018-2019 Bid Proposal for Bulk Road Salt-**

Morton Salt, Inc., Chicago, IL- BID - **NO BID GIVEN.**

All bids were read by Atty. Sean Logsdon.

Mope said the City will need to re-advertise proposals for bids for the Bulk Road Salt contract.

#### **Courtesy of the Floor (ON AGENDA ITEMS ONLY):**

Antonio Rodriguez, 718 Muir Ave., Hazleton, spoke of the Hazleton City Council meeting agenda translated in Spanish. He objects to this. He said this is an insult to all the Spanish-speaking population. He said we need to invite them to learn the English language. He said he is not causing trouble.

He said many of them have learned to speak English to become a U.S. citizen.

Barletta said this translation was to be put on-hold. She said there was to be a certified translator utilized. Barletta stated Atty. Logsdon needed to look into this matter.

Police Chief Jerry Speziale spoke to clarify this situation. Speziale said prior to coming to work for the City of Hazleton, he said there was a Title 5 violation which is a civil rights violation. He stated this is why the Hazleton Police Department has all their forms in Spanish. He said this has to be done. He said the City of Hazleton would face a multi-million dollar fine if any form is not translated. He said the City is in negotiations with the Department of Justice for a language-access plan.

Barletta stated the translation needs to be done by a certified translator. Atty. Logsdon said no ordinance or resolution is being translated, just the agenda.

Mark Rabo, 1<sup>st</sup> Street, Hazleton, spoke of the Budget Ordinance. He asked if the funding for the Blighted Property Review Committee is in the 2019 budget. He spoke of the summary for the tax base for the City of Hazleton. Rabo said the City of Hazleton, two weeks ago, has lost \$6,777,000. He said this is an updated number according to the Luzerne County Tax Assessors Office.

He also spoke of the Resolutions for the LSA grants. He said the City Hall project is needed with the boiler project. He said regarding the park, this project has received millions of dollars, and now is on Phase II. He asked how much more money is needed for this. Rabo said the city streets need repairs. He asked about the \$290,000 that is owed to the City of Hazleton by Luzerne County. Rabo said the City needs to look into this matter again. Rabo said the \$290,000 by the mayor's predecessor was almost given away because of the Security Savings Building.

Grace Cuozzo, 948 James Street, Hazleton, spoke of Ordinance 2018-44. She said the Per Capita and Resident's Tax is projected at \$25,000 on the \$5.00 fee and \$100,000 on the \$10.00 fee.

She also spoke of Ordinance 2018-47. She said the City is looking into a tax increase. Cuozzo said the City needs to tighten its belt. She said the City needs to "cut back". She said the tax payers cannot be hit all the time.

Cuozzo spoke of the projections for the unleaded diesel fuel bids. She asked where these projections are being made from. She suggested city council look at the numbers before approving this.

Amlicar Arroyo, Route 93, Browns Grove Road, Drums, said everyone is trying to put this community together. He said the City is trying to help the Spanish-speaking residents to learn English. Arroyo said it will come to pass that the first language for the City of Hazleton will be English. He said there is currently a bi-lingual talk show on Channel/News 13 with the Police Chief Jerry Speziale as the first guest. He said there are a lot of good sides in the City.

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**Old Business:**

**ORDINANCES**

None

**RESOLUTION**

None

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**New Business:**

## ORDINANCES

**Budget Ordinance 2018-43** An Ordinance Providing for the Appropriation of Specific Amounts Estimated as Required for the Various Departments of the Government of the City of Hazleton, Luzerne County, Pennsylvania for and during the Fiscal Year, Dating from January 1, 2019 and Ending December 31, 2019 (**BUDGET ORDINANCE**) (**1<sup>st</sup> READING**)

Presented by Gavio. Seconded by Perry.

### **On the Question:**

Gavio stated he is making a motion to amend the budget by increasing the revenue on Line 301-3100 by \$43,211, increasing Line 301-3300 (delinquent taxes) by \$25,000 to \$512,000, increasing the mercantile tax, Line 310-3810, to \$680,000, increasing building and alternation permits, Line 321-3000, by \$30,000 to \$220,000 and increasing occupation permits, Line 321-3788, by \$10,021 to \$50,021.

### **Motion to Amend**

Presented by Gavio. Seconded by Perry.

(**Roll Call: On Amendments**): Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

## **MOTION TO AMEND PASSES UNANIMOUSLY**

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### **Back on the Question:**

Barletta stated the whole budget process is broken with the current form of government. She said city council is expected to pass a \$13,000,000 budget without knowing what goes on day-to-day in the City of Hazleton and what expenses take place. She said city council only receives information after requesting it, and has to know exactly what to ask for. She said the only way to find out information is through the Standard Speaker. She said she does not know how council, a mayor, or an administrator can run a business or personal finances in this way. She said, before elected to council, she said she listened to the state's presentation on ACT 47. Barletta said she was under the assumption that someone would be at City Hall, with oversight, and look over the spending and day-to-day operations. She stated she was looking forward to working with council, administration and the state to turn the City around. She said she was misled by the information given, by the state, at this meeting. She said it is not the job of the state (PEL) to sit and operate the City of Hazleton. Barletta said PEL gives the City the tools to move forward and get out of the deficit. She said it is administration which does the day-to-day operations to watch the spending. Barletta said council was asked by administration to borrow \$1,000,000 on November 14, 2018, to pay bills, and then proposed a 5.6 EIT tax increase, and a 30% tax increase in 2017. She said administration is now planning an elaborate Christmas tree lighting event within the City. She said the City needs to cut back, and not on any employees. She said the City needs to look at any avenue to save money, and reduce man hours in the City. She said the City of Lewisburg city council sat down and apologized to their residents because they could not afford Christmas lights. She stated the residents and business owners came together to put up lights, with no cost to their City. She said these are "tough" decisions for the elected officials to make. Barletta said she will put in the time and effort to become fiscally responsible. She stated spending needs to be cut back, and exhausted every aspect of revenue. Barletta said when residents come to get their business licenses, they are not told everything they need. Barletta said she is "pro-business." She said there are a lot of illegal businesses operating in the City. Barletta said they are not paying their "fair share"- business and mercantile taxes. Barletta said she is "pro-business". Barletta said the City needs to bring in more businesses.

Mope said she concurs with most of what Barletta stated. She said there is a time when everybody needs to cut back. She stated there are a few things in the budget that she does not agree with. She said she does not agree with the towing contract being “put-out” for a RFP. She said she is afraid for the five towing businesses, within the City, that may be put out of business. Mope said the City is still owed \$290,000 from the Downtown Exchange Building. Mope said the taxpayers are now paying higher EIT and property taxes. Mope stated the City is taking out a \$1,085,000 loan and a TAN Note. She said the expenses need to be addressed. Mope said the City’s department heads are also getting raises. She said there is not sufficient oversight. Mope said this money comes out of the pockets of the taxpayers. Mope stated a lot of City residents are moving out.

Perry said the job as legislators, of the City, is not to do day-to-day operations. He said this is the job of administrators. Perry commended Mr. Lynch for giving city council all the information. He said there has been an increase in expenses in the past four years. He said, without the loan, the City would have a 30% tax increase. He said the City is paying \$200,000 to a revenue shortfall every year. He said the City did not do what they were supposed to do. Perry stated that is why PEL is here. He said the yearly raises are at 2%. Perry said PEL is “looking over the City’s shoulder” to make sure everything is done correctly. Perry said the City’s options are taxing people, reducing employees, reduce salaries, or borrow money. He said the City cannot afford to do the same things that were done in the past. Perry said the City needs to borrow the money, at a minimal cost, over a ten-year period, and start with a balanced budget. Perry said no one is misusing money. He said the City is audited every year.

Colombo said Mr. Lynch is doing a great job. He said all City departments are down to the bear minimal employees. He said the City can look for other revenue, but asked where it will come from. He said towing will stay as is. Colombo said all department managers are doing a good job. He said city council does not want to raise taxes. He said council needs to make residents safe and secure.

Perry stated the towing, even though it is stated as a single tower, city council has not passed any ordinance yet. He said the ordinance the City enforces is the last one past by city council.

Gavio stated it is “pain-staking” raising taxes on anybody. He said he takes no joy in taking a dime out of someone’s pocket. He said he does not want the residents to incur a massive tax increase. He said the City is not overstaffed. He said city council works with PEL all the time. Gavio said Donald Leshko has brought in money and grants, into the City, for 2%, as a grant writer. Leshko said city council has mentioned his raise in the budget. He asked if city council wants to vote to hire a grant writer.

Gavio said he is trying to justify what the department managers are bringing into the City. He said if the City does not take out a loan, he said the tax increase, in 2019, will be \$8.24. He said council is working with PEL. He said raising taxes is not a popular thing to do. Gavio said the City is looking over purchasing with a new purchasing process. He said council is trying to help the senior citizens. Perry stated the EIT tax needs to be reduced once the City is out of ACT 47.

Lynch stated Line Item 301-3100 new amount is \$3,932,186. He said this represents a decrease from the budget submitted by administration, on November 14, 2018, but an increase to what 90% collection rate would be.

**Roll Call:** Barletta-no; Colombo-yes; Mope-no; Perry-yes; Gavio-yes.

**ORDINANCE PASSES, AS AMENDED, ON 1<sup>st</sup> READING**

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**Ordinance 2018-44** Re-Enacting Ordinances 1931, 1932, and 1933, which Continue in Force and Effect for the Period January 1, 2019 through December 31, 2019, Imposing the Real Estate Tax, Earned Income Tax, Per Capita Tax, and Resident Tax, Respectively (**1<sup>st</sup> READING**)

Presented by Barletta. Seconded by Mope.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

**ORDINANCE PASSES UNANIMOUSLY ON 1<sup>st</sup> READING**

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**Ordinance 2018-47** An Ordinance of the City of Hazleton Fixing the Tax Rate of Real Estate Located in the City of Hazleton, Pennsylvania, for All City Purposes for the Fiscal Year 2019, Beginning January 1, 2019 and Ending December 31, 2019 (**1<sup>st</sup> READING**)

Presented by Gavio. Seconded by Perry.

**On the Question:**

Atty. Logsdon stated the wording, in the ordinance, contains a typo. He said the numbers do not match the numerical wording. He said the written numbers need to match the numerical version.

**Motion to Amend**

Presented by Gavio. Seconded by Perry.

**Roll Call:** Barletta-no; Colombo-yes; Mope-no; Perry-yes; Gavio-yes.

**MOTION TO AMEND PASSES 3-2**

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**Roll Call (As Amended):**

**Roll Call:** Barletta-no; Colombo; yes; Mope-no; Perry-yes; Gavio-yes.

**ORDINANCE PASSES, AS AMENDED, ON 1<sup>st</sup> READING**

**RESOLUTIONS**

**Resolution 2018-76** Awarding a Contract to Furnish and Deliver Unleaded Gasoline and Diesel Fuel

Presented by Gavio. Seconded by Barletta.

**On the Question:**

Mope asked if there is money, in the budget, for this. Mayor Cusat said yes. Atty. Logsdon stated an amendment to be made would be to award the contract to Russell Postupack, Oil Co. LLC., and Item #1 87 Octane Gasoline RAC +22, and Item #2 RAC +21.

**Motion to Amend**

Presented by Gavio. Seconded by Colombo.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

**MOTION TO AMEND PASSES**

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**Roll Call (As Amended)**

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

**RESOLUTOIN PASSES AS AMENDED**

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**Resolution 2018-77** Contract for Road Materials 2018-2019

**NO MOTION TO REMOVE FROM TABLE- RESOLUTION DIES**

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**Resolution 2018-79** A Resolution Authorizing the City of Hazleton to apply for a Luzerne County Local Share Account Grant on behalf of the Alice Wiltsie Performing Arts Center, Inc.

Presented by Mope. Seconded by Gavio.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

**RESOLUTION PASSES UNANIMOUSLY**

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**Resolution 2018-80** A Resolution Requesting Luzerne Local Share Account (LSA) Funds for the City of Hazleton's Center City Park Phase II

Presented by Gavio. Seconded by Barletta.

**On the Question:**

Krista Schneider spoke regarding the park project. She stated the design was originally from 2015. She said the budget is from 2015, and has taken the last three years to raise \$500,000. She said there has been a cost of increase since then. She said the construction budget total is \$430,000 based on the current engineering estimate. Schneider said they are close to going out to bid. She said they are short \$150,000. Schneider said they need additional money. She said without the extra money, they would need to scale back. Mope asked for the plans. Schneider provided city council with a copy of the plans.

Schneider commented on other grants given to the downtown in the past. She said she has raised money to bring more businesses into the downtown. She said she has done a lot with the money that has been raised. Schneider said there will be two new restaurants. She said one blighted property taken off the market is now a Chinese restaurant. Schneider is working with the Art League to open a new Arts Center. She stated she is working with Penn State and brought in a new incubator, and this is ready to go out for bid. She said money for all the grant money raised, there is \$4,00 of grant money brought in, either through private money and vested in real estate or private contributions. She said she wants to make the downtown the best it can be.

Schneider said the perimeter around the park (paving) is what they can afford to update with the \$430,000. Schneider stated CAN DO is willing to maintain the park.

Barletta asked when the new Art League Center will open. Schneider stated she received their Certificate of Occupancy in October, 2018. She said this will open this Friday on First Friday.

Schneider said Phase 1 is completed with \$1,200,000 in renovations. She said she raised another \$1,200,000 in private money. She is waiting on grant reimbursement from Phase I to start Phase II. She stated this will be a six month construction period and will start in 2019. She said the Art League has listed their property for sale, and has signed a lease with the Downtown Alliance for Progress.

Mope asked if the second floor is done. Schneider said all the floors are up to code. She said the Historic lobby (gallery) needs new windows and flooring. She said it is 90% complete. Mope asked if this phase will just be for sidewalks. Schneider said the money they have now would be to put in a pavement. Perry asked if Schneider will proceed even if the money is not received. Schneider stated it would be a couple years to make this into a park. Perry asked if the Art League is ready to move into their new building. Schneider said they will be moving into the building within 6-8 months. Perry commended Schneider on all the work she does for the downtown. Gavio commented on the First Friday events. He stated these are all nice events for the community.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

#### **RESOLUTON PASSES UNANIMOUSLY**

**Resolution 2018-81** Awarding Contract for 2018-2019 Winter Emergency Snow Removal Equipment

Presented by Barletta. Seconded by Gavio .

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

#### **RESOLUTION PASSES UNANIMOUSLY**

**Resolution 2018-82** Authorizing the Issuance of a Tax and Revenue Anticipation Note, Series of 2019 in the Principal Amount not to Exceed \$1,000,000; Providing for the Dated Date, Interest Rate, Maturity Date, Redemption Provisions, Payment and Place of Payment in Respect of the Note; Accepting the Proposal Attached Hereto as Exhibit "B" From the Financial Institution Named Therein for the Purchase of the Note; Naming a Sinking Fund Depository/Paying Agent; Authorizing the Proper Officers Of the City to Execute and Deliver the Note and Certain Other Documents and Certificates in Connection Therewith; Authorizing and Directing the Officers of the City To Execute and Deliver the Note and Preparation, Certification and Filing of the Necessary Documents with the Department of the Commonwealth of Pennsylvania; Setting Forth a Form of the Note

Presented by Gavio. Seconded by Colombo.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-no; Perry-yes; Gavio-yes.

**RESOLUTION PASSES 4-1**

**Resolution 2018-83** A Resolution Requesting Local Share Account Funds for City Hall Improvements

Presented by Perry. Seconded by Barletta.

**On the Question:**

Mope asked if she needs to abstain on this vote. Atty. Logsdon stated if Mope thinks that her husband's company is bidding on this then she should abstain. Mope said she thought the controls for the boiler were already in. Atty. Logsdon suggested Mope abstain.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-abstain; Perry-yes; Gavio-yes.

**RESOLUTION PASSES 4-0**

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**Resolution 2018-84** A Resolution Authorizing the City of Hazleton to apply for a Luzerne County Local Share Account Grant on behalf of the Hazleton Area Recreation Project (HARP)

Presented by Mope. Seconded by Colombo.

**Roll Call:** Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

**RESOLUTION PASSES UNANIMOUSLY**

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**Comments from the Audience:** Dee Deakos, 43 West Mine Street, spoke of the discussion of the city council agenda being translated in Spanish. She stated the Spanish translated agenda should be on the City of Hazleton's website and a translation program to accommodate the tax paying residents. Deakos said the residents do not know what items will be on the agenda to be voted on.

She also spoke of the financial side of the City's deficit problem. She said the last few years, the City has not been doing any transfers. She said the director of administrator's have not been doing their job. She stated transfers are to be done according to the Third Class City Code. She said the City's audit has not been done for 2017, and asked how the budget can be voted on. She said this is poor, fiscal management. She said when city council voted on amendments on the budget, council did not include Mr. Lynch's comments.

Mark Rabo, 1<sup>st</sup> Street, Hazleton, commended the Hazleton Police Department in the recent drug bust in the City of Hazleton. He also spoke of the 2019 budget. Rabo stated the City needs to cut what is spent, seek revenue through taxes, or sell assets. He said there is a fourth option. Rab said the City needs to collect on money that is owed. He said Luzerne County has \$5,800,000 in reserve. He said the City of Hazleton is owed \$290,000 from Luzerne County. He also said the bank owned properties and absentee landlords is revenue to be sought out. He said there are 53 Third Class Cities in Pennsylvania. He said there are 4 Third Class Cities in Luzerne County. Rabo has asked for funding for the Blighted Property Committee. He said other cities have the Blighted Property Committee's. He said this also reduces



crime, and improves quality of life. He said this is funded by itself due to the Code Department doing their job.

Antonio Rodriguez, 718 Muir Ave., Hazleton, said he supports Mayor Cusat 100%. He said he loves the American Flag. He said he spent 22 years defending the United States of America. He said he speaks English, Spanish and French. He said he has no qualms with foreign languages. Rodriguez said he is proud defending the American Flag. He said he served with the U.S. Army. He said he is proud to be an American. He said he welcomes all types of people to obey the laws.

Daniel Lynch, city administrator, spoke of transfers. He said for the City to do transfers properly under the Recovery Plan, the purchasing process needs to be centralized. He said when the purchase orders go out, and exceed line items in the budget, then these items are brought before city council. He said the transfers will be done through a centralized purchasing system. Lynch said this gives council control for any transfers that are requested. He said the transfers will be brought before council starting in the next fiscal year. Mope asked when this will start. Lynch stated this will begin in January, 2019. Lynch said the City adopted the ACT 47 Plan on June 13, 2018. The plan calls for maintaining current staff levels, and maintaining a hiring freeze absent of specific increased revenue. The plan makes baseline projections for both expenditures and revenues through the year 2022. The projected Plan expenses for 2019 were \$11,130,547. Lynch said the actual expenses, in the budget, factoring out the ACT 205 transfer, is \$10,736,005. He said the expenses are lower than what the Plan had projected. Lynch stated after accounting for the health insurance costs, the overall cost is 2.2%. He said according to the ACT 47 Plan, \$800,000 over a five-year period was reduced in non-employee expenditures. Lynch said the Plan projects a general fund cumulative deficit, by 2022, of \$6,076,969. He said, by 2022, there will be a deficit of \$6,000,000 with current level of services and current level of revenue in the City. He said the Plan clearly states that it will not be able to maintain the level of services, it currently provides, without the revenue increases and expenditure controls and restructuring the delivery of essential City services.

Lynch spoke of the Revenue Initiative 9 projections. He said this is to increase real estate taxes, as necessary, to insure a balanced budget. He stated the City does not have to raise taxes, but it gives projections based on the projected cost increases. The 2019 projected revenue increase in real estate taxes, in the Plan, is \$282,929 or .32 mills. The 2020 projection is 564,657 or .65 mills. The 2021 projection is \$ 288,955 or .33 mills. The 2021 projection is \$390,904 or .45 mills. He stated this is 1.75 mills over a four-year period that are projected tax increases, as necessary, to balance the general fund budget. Lynch said he sees nothing but increases in services. He said the ACT 47 Plan is publically available. He said salary and health insurance costs are considered a natural cost growth.

Lynch said the City needs to work towards developing a fund balance for the general fund and a capital fund. He said the City needs an adequate fund balance. He said, through the borrowing, the City is trying to wipe-out the running deficit. He said the City's adopted budget is subject to Plan compliance review by the coordinators. He said the City has received a Plan compliance review letter for the budget submitted on November 14, 2018. He said the Plan does not call for service reductions. Lynch stated the Plan is in the "realm" of being realistic.

He said the EIT tax increase has no effect on the City's operations of the general fund. The EIT tax increase is to close a structural deficit in the pension fund budget. He said the City, for a few years, has taken a deferment of 25% on its amortization on the MMO. He said the EIT increase is to "close" the gap.

**Comments from Mayor:** None.

**Comments from Council:** Perry asked if the \$50,000 received for the pilot program received, in lieu of taxes, is included in the budget. Mayor Cusat said it is included in the budget. He said the amount received is almost \$51,000. Mayor Cusat said he "hopes" this is received every year.

Perry thanked Police Chief Speziale and Fire Chief Leshko for all the grants they work on. He said they save the City a lot of money with these grants. He also commended Frank Vito and all his donations. Perry commended Mayor Cusat for the Christmas lighting event. He thanked Jim Rose, DCED, for providing the City of Hazleton with the grant money.

Colombo thanked Junior Council members for attending the meeting. He commended the Hazleton Fire Department for all their work. He also commended the Hazleton Police Department for the recent drug bust in the City. He wished all a Merry Christmas and Happy New Year.

Gavio wished everyone a Merry Christmas.

Mope wished Mayor Cusat a Happy Birthday.

**Comments from Junior Council:** None.

**Adjournment:** Gavio motioned to adjourn the meeting. Meeting adjourned.