

**MINUTES
HAZLETON CITY COUNCIL
REGULAR MEETING
WEDNESDAY, NOVEMBER 13, 2019**

Call to Order: Council met in regular session on Wednesday, November 13, 2019 in Council Chambers. The meeting was called to order at 6:00 pm.

Silent Meditation and Pledge of Allegiance: A silent moment was taken 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 6, 2019 Regular Meeting were approved unanimously.

Presentations/Proclamations/Communications: Dan Lynch, City Administrator, presented the 2020 City of Hazleton's budget proposal.

Mr. Lynch stated on behalf of Mayor Cusat, he would like to give a short presentation/report on the draft budget which was submitted to city council today and in accordance with the budget calendar.

SUMMARY: He said the initial draft budget, for the City of Hazleton, for the 2020 budget year, seeks to remain compliant with the City's ACT 47 Plan and continues to focus on the goals of that plan. This budget seeks to continue to establish financial stability, for the City, while maintaining operations at a level necessary for the safety and welfare of City residents. The basic structure, of this budget, is modeled very closely after the 2019 budget. In fact, excluding some additional grant related revenues and expenses, in the 2020 budget, the total increase between the 2019 and the 2020 budget is a mere \$4,874 or 0.04% increase in the total budget. However, due to losses of various revenue sources and a return to a base of our collection rate, the budget recommends an increase to real estate taxes of 0.3% mills which would constitute an increase of 5% in total millage. In the following sections, we will outline the relative changes to revenue and expense as well as provide some additional information for council and the public, at large. The Recreation Fund and Debt Service Fund are proposed to be the same at 0.09 and 1.41 mills respectively.

REVENUES: In order to offset other decreases in revenue, the budget proposes an increase to the general fund real estate millage to 4.76 mills. Additionally, the budget lowers the expected collection rate to 90% and estimates a 1% loss in total assessable real estate, both are in line with historical norms. A 0.3 mills, in 2020, represents an increase which is approximately 33% of projected real estate tax increases as per the ACT 47 plan (as found on pages 11-14).

Projections for delinquent taxes are increased by \$30,000 due to having a second year of delinquent collections based on the higher tax rate instituted in 2018. The total increase in projected revenue in real estate taxes including delinquent taxes for 2020 is \$206,874 or an increase of 5%. A home with the median assessed value in the City of \$75,000 would see an overall increase in real estate taxes of \$22.50.

Special taxes projects a decrease of \$157,000 or 5%. The majority of this decrease is driven by mercantile tax projections which did produce the amount of revenue projected in 2019. He said the City brought in the "normal amount" for the mercantile tax but budgeted higher due to the audit that was

performed. Lynch stated the audit did not bring in what the City was “hoping”. He said the normal amount has come in. He said the City is returning the budget to more historical numbers for the 2020 budget.

The licenses and permits projects a 5% decrease in collected revenues. He said one of the items, in the 2019 budget, was the potential RFP for towing services. Lynch said this was conducted, but it was not awarded. He said this is still being considered and reviewed, potentially, to be awarded at a later date. Lynch said this is not part of this budget. The fines and forfeits projects a decrease based on what has been coming in revenue.

The revenue received by the fire department SAFR Grant is projected at \$146,194 and provides additional fire personnel which is reflected in the expenses of that department. The Public Safety revenue sees two major drops as the City reaches the end of the COPS grant funding, lowering the expected amount to be received by \$118,000 and no longer participating with an officer assigned as Anti-Auto Theft from the PSP; a decrease in \$128,000. Though no officer is currently performing that role, department size is still the same as in 2019.

The budget projects a sizable increase in miscellaneous revenue derived mostly from reimbursement of premium from our healthcare provider. This is currently projected to be in excess of \$300,000. The budget for miscellaneous income increases that line by \$256,000. The total revenues projected for the general fund in this budget are \$13,892,817. Considering the budgeted transfer to the ACT 205 fund, in the budget, the general fund operating revenues are \$10,927,073.

EXPENSES: Overall operational expenses, for the City, are projected to remain stable in 2020. As mentioned previously, projected overall expense increase, not including grant-related expenses, is only 0.04% or \$4,874. The City expenditures, in this budget, are over \$500,000 less than projected in the City's ACT 47 Plan.

The council and executive related expenses will remain relatively flat with a marginal 2% cost increase in executive due to normal cost increases. The financial administration sees a substantial increase in budgeted expenses. These are driven by adding the position per the ACT 47 grant which is planned to be called Director of Personnel. This salary is offset with grant funding. Additionally, contracted services are budgeted here including the City's IT contract for maintenance with Innotek. The budget increase for financial administration is \$124,379 or 47%.

The legal, city clerk, payroll, and engineering departments are all budgeted to remain, at roughly, the same levels with only normal cost increases of 2-3%.

The buildings and grounds budget will be budgeted lower due to one salary being moved to the Public Works Department as well as the related cost of those healthcare benefits. The overall cost of buildings and grounds is budgeted to be \$19,197 less than in 2019, about 5% less.

The police department budget is about 2% lower at a savings of \$72,578. This is accomplished through retirements lowering the cost of longevity, keeping the overall wages relatively the same as well as lowering some of the healthcare costs as younger officers are not needing family coverage. Also, the department has been very disciplined on overtime and, thus, this figure is lower.

The fire department costs are projected to increase 3% which is primarily due to the SAFR grant which includes funding for additional salaries. When weighing the SAFR grant revenue against the actual projected department's cost increases, the real cost projection is, in fact, lower as the revenue is over \$146,000 while the expenses are only projected to increase \$67,163. The increased personnel,

in 2019, has allowed the fire department to decrease it's overtime by over \$100,000. Lynch stated they have been very disciplined on their overtime.

The parking department budget is roughly the same, but projects, slightly, lower due to lowering the attributed budget on workers compensation. The code and licensing department increases by \$64,011 or 19% due to anticipated increased wages and an increase in the budget for contracted services due to 2019 performance. The planning and zoning departments are the same while a dedicated health officer remains unfunded.

The public works budget increases \$117,260 or 8%. This is due to moving a salary from buildings and grounds as well recognizing the salary of an employee who was being recorded as health officer. Additionally, amounts were increased for the various budget lines that were over in 2019. Another item the City would like to note is that the estimates for cost associated to stormwater are reflected in the budget. He said there are no additional fees or additional taxes, in the budget, for stormwater. He said the City only wants to get a sense of time the public works spends, on time, engaged in these types of activities. The public works garage budget is decreased \$60,036 or 20% mainly due to a decrease in personnel costs.

The budget also, still, maintains a sizable transfer back to the City's ACT 205 account in order to ensure that the 2020 MMO is paid on time and in full. That amount remains the same as 2019 at \$2,965,744 and taking this into consideration, the City's actual operating expenses, projected for 2020, are \$10,927,073. This is an increase in \$4,874.

ADDITIONAL INFORMATION: The city council, unanimously, adopted the ACT 47 Plan in June of 2018. In this plan, as located on page 11-14 of the plan, are projections for potential operating deficits that the City would face based on the cost increase projections as well as general revenue and expense projections. The plan, in turn, projects real estate revenue increases to ensure that the City does not experience a deficit. The needed projected additional revenue, for 2019, was \$282,929 and an additional \$564,657 was projected in 2020. These figures would translate to approximately .3 and .6 mill increase in real estate taxes, respectfully. This budget recommends a mill tax increase of .3 mills of real estate taxes, and thus, for general fund purposes only 33% of the projected tax increases in the ACT 47 plan projections in 2020. Though these tax increases are not considered mandatory by the plan, this represents a significant achievement in cost control for the City.

There is roughly 89% of the City's expenses that are direct personnel expenses. The material expenses are at a minimum.

If the City's OPEB costs and MMO were reflected into the actual budget, they would account for 38.2% of all expense alone.

A median assessed valued home, in the City, is approximately \$75,000. Therefore, the median real estate tax bill, in the City, as projected in 2020, would be \$496.50. Of this amount,

1. \$75.12 goes to the Debt Service
2. \$6.57 goes to recreation
3. \$387.81 goes to the General Fund
 - a. \$164.04 to Police
 - b. \$82.60 to Fire
 - c. \$72.13 to Public Works
 - d. \$23.27 to Code Enforcement

- e. \$45.77 to all other expenses (building, executive, administration, insurance, etc.)

EXPENSES BY DEPARTMENT

1. Council, Council Clerk, Executive- 2.3%
2. Financial Administration and Payroll- 3.9%
3. Legal and Engineering- 2.3%
4. Building and Grounds- 2.1%
5. Police- 42.3%
6. Fire- 21.3%
7. Parking and Code- 6%
8. Public Works and Garage- 18.6%

MAJOR REVENUE SOURCES

1. Real Estate Taxes- 42.6%
2. EIT (Non Act 47)- 17.8%
3. Other Special Taxes- 12.1%
4. Licenses and Permits- 6.2%
5. Fines- 5.2%
6. Parking- 2.5%
7. Miscellaneous Revenue- 7.7%

Mr. Lynch stated this is a short summary of the initial 2020 budget report.

Bid Opening: 1. 2019 Bid Proposal for Snowplow Truck and Driver

1. Franzosa Trucking Co., Inc., Hazleton, PA. **Items 1,2,3- TRUCK with 10-foot, 2-way plow with cellular phone and operator.** Item #1- International 2500, Year -1996, 2 axle, @\$110.00/hr. Item #2- International 2500, Year- 2004, 2 axle @ \$110.00/hr. Item #3- NO BID. **Items 4,5,6- LOADER, rubber tire mounted, articulated, with 2 C.Y. bucket operator and cellular phone.** Item #4- CAT IT-28, Year – 2002, @ \$120.00/hr. Item #5- Volvo 90E, Year – 2000, @ \$120.00/hr. Item #6- CAT – IT-28, Year-2001, @ \$120.00/hr. Also, Item #4 -Bobcat 650S, Year- 2015, @ \$150.00/hr.
2. M&J Excavation, Inc., Bloomsburg, PA. **Items 1,2,3- TRUCK with 10-foot, 2-way plow with cellular phone and operator.** - Item #1- Year- 1999, Mack RD688 @ \$95.00/hr. Item #2- 3 axle GMC 7500, Year- 2003, @\$95.00/hr. Item #3- 2 axle Sterling, Year- 2003, @ \$95.00/hr. **Items 4,5,6- LOADER, rubber tire mounted, articulated, with 2 C.Y. bucket operator and cellular phone.** Item #4- Dousan DL250, Year- 2013, @ \$150.00/hr. Item #5 Case 580, Year- 2008, @ \$110.00/hr. Item #6- NO BID. Certificate of Liability is included. NO BID BOND required.

2. Bids for the Demolition of 321-323 Carleton Avenue

1. M&J Excavation, Inc., Bloomsburg, PA. Base BID- \$30,000. BID BOND included.
2. Brdaric Excavating, Inc. Luzerne, PA. Base BID- \$21,300. BID BOND included.
3. Lycoming Supply, Williamsport, PA. Base BID- \$24,794. BID BOND included.
4. Northeast Industrial Services Corp., Shamokin, PA. Base BID- \$23,454. BID BOND included.
5. Luzerne County Site Contractors, LLC, Hazleton, PA. Base BID - \$21,640. BID BOND included.
6. Franzosa Trucking Co., Inc., Hazleton, PA. Base BID- \$47,452. BID BOND included.

All bids were given to Tim Sissock, Barry Isett and Associates employee, to review.

Courtesy of the Floor (ON AGENDA ITEMS ONLY): Dee Deakos, 43 West Mine Street, Hazleton, thanked city council for putting Ordinance 2019-17- An Ordinance Prohibiting the Disruption of Lawful Activities of Commercial or Retail Establishments, on the meeting agenda. She asked if there is a current ordinance stating if any multi-unit buildings, used as rentals, are required to have insurance. Atty. Logsdon stated there is no mandatory insurance requirement. Deakos asked why the property owner is not paying for the demolition. Atty. Logsdon said there is no insurance to cover it. Deakos stated the building is a hazard. Perry stated one half had insurance, and the other half did not. Atty. Logsdon said the City will have a municipal lien put on the property.

Deakos stated she reviewed the numbers on the budget. She said \$496.00 is incorrect. The correct amount is \$469.00

Mark Rabo, 1st Street, Hazleton, spoke of the 2020 budget presentation. He asked about the pension board meetings and the returns on the pension fund manager. He stated there was no pension board meeting in 2019. Rabo asked what the percentage number is on the return for 2019. Rabo spoke of the Code Enforcement department. He quoted the figure of \$23.24 in property taxes for the year, in the 2020 budget proposal. He said he once proposed a \$4.00 add on charge for a code enforcement citation with code enforcement officers leaving their position. He said the City pays for their certifications and this can save the taxpayer this cost.

Rabo stated when he was on the Blighted Property Committee, there was an idea of charging a fee for a satellite dish not being utilized on a vacant or abandon building. He stated the City of Easton has implemented this fee, \$30.00 per satellite, on the property owner, and it has been successful.

Mope stated she does not know how the City would determine which satellites were not used. Rabo stated the vacant property, with satellite dishes, are not being used. Mope agreed, but stated there is no way of knowing on an occupied property. Rabo said this would be for vacant or bank-owned properties. He said this can be a good source of recurring revenue.

Rabo spoke of Ordinance 2019-17-An Ordinance Prohibiting the Disruption of Lawful Activities of Commercial or Retail Establishments. He asked Atty. Logsdon to add this ordinance wording onto the

Zoning Ordinance. Rabo stated the Zoning Ordinance needs to be amended. He said if there is a business affected, in the City, the Zoning Ordinance needs to be modified. He said the magistrate or county courthouse will ask if this is reflected in the Zoning Ordinance. Atty. Logsdon said he will take a look at this.

Rabo stated he is in "full support" for the LSA grant for the Hazleton Fire Department for their equipment. He spoke of the LSA grant for the Downtown Alliance. Rabo said there needs to be transparency on the return on the investment on these grants. He said they were established seven years ago with a promise that private business would pay for this. He said there are more and more state grants requested by them.

Old Business:

ORDINANCES

None

RESOLUTIONS

None

New Business:

ORDINANCES

Ordinance 2019-17

An Ordinance Prohibiting the Disruption of Lawful Activities of Commercial or Retail Establishments (**1st READING**)

Presented by Mope. Seconded by Barletta.

On the Question:

Perry thanked Police Chief Jerry Speziale for working on this ordinance and Dee Deakos for bringing this problem to the attention of city council.

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

ORDINANCE PASSES UNANIMOUSLY ON 1st READING

RESOLUTIONS

Resolution 2019-43

A Resolution Awarding the Contract for as needed 2019 Snowplow Truck, Equipment and Operator work

Presented by Barletta. Seconded by Gavio.

On the Question:

Mayor Cusat said it will be awarded to the lowest bidder on each piece of equipment. He said some are loaders, backhoes, and plows. Items #1, 2, 3 & 5- M&J Excavation, Inc., Bloomsburg, Pa was awarded the contract for these items. Items #4 & 6- Franzosa Trucking Co. Inc., Hazle Township, PA was awarded the contract for these items.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-46

A Resolution Permitting the City of Hazleton to Apply for a Luzerne Local Share Account (LSA) Grant on Behalf of the Downtown Hazleton Alliance for Progress

NO MOTION TO REMOVE FROM TABLE- RESOLUTION DIES

Resolution 2019-47

Awarding Contract for Demolition of 321-323 Carleton Avenue

Presented by Barletta. Seconded by Gavio.

On the Question:

Barletta stated she is happy that this property is coming down. She said this property is an "eyesore" and hazards for residents in this area. Mope said this has been a shelter for animals, especially skunks. Perry stated residents need to appreciate the process of this. He said it has taken three years for this. Tim Sissock, Barry Isett & Associates employee, stated Brdaric Excavating, Inc., Luzerne, PA is the lowest bidder with their bid of \$21,300.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-48

A Resolution Requesting Local Share Account Funds for the
City of Hazleton's Fire Department Turnout Gear Upgrade Project

Presented by Gavio. Seconded by Mope.

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

RESOLUTION PASSES UNANIMOUSLY

Comments from the Audience: Mark Rabo, 1st Street, Hazleton, stated he hopes the City, during the budget process, considers "all avenues", not just reoccurring revenue but also money owed to the City. He said the City needs to go after the money that is owed to the City. He said every "little bit" counts. Rabo stated \$290,000 is owed from Luzerne County. Rabo also stated that there is a \$5.00 vehicle registration fee collected. He said the City does not receive any of this money. He said it is the state's fault and needs to be addressed.

Rabo spoke of the Blighted Property Review Committee. He said the St. Joseph building and Altamont buildings have been sitting without anything being done. Mope said another building is the Beltway Diner. He said if the City had a Blighted Property Committee to "stay on top of this", and with the state's blight laws, the City has one year to do something. Rabo said the buildings cannot linger with "decay" happening. He said the new city council members need to know this. He said there needs to be a positive impact.

Rabo wished everyone a Happy Thanksgiving. All council members wished Rabo a Happy Birthday.

Jerry Speziale, Hazleton Police Chief, stated the men and women of the police department have worked in conjunction with the New York City fugitive task force, U.S. Marshalls Task force, in North Carolina, New York, and Scranton. He stated Detective Lieutenant William Gallagher and Dave Roddick are on their way to New York City. Speziale said the homicide that occurred at the Lucky Charms Bar; the individual has been captured.

Dee Deakos, 43 West Mine Street, Hazleton, said one thing that is missing from the budget are the mine lands that is supposed to be an amphitheater. She said the City needs to get a construction permit from them. Deakos said all the dumping is supposed to be providing a base for the amphitheater. She said the City is not seeing any taxes from this or fees. She said any other municipality having this construction being done are receiving the fees. She said this is wrong. Deakos said not only are they not paying fees, but they are making money on this construction project. Deakos said this is a significant amount of income that the City can receive. She said the whole point of the mine lands was to construct an amphitheater. She stated this was ten years ago. She asked how long it takes to level out the land for an amphitheater. Deakos said they "went in" with "false intentions". She said it is a landfill; call it what it is. Deakos said there should be a construction fee that goes with this and should be part of the City of Hazleton's budget.

Comments from Mayor: Mayor Cusat stated the pension meeting is scheduled for November 14th, 2019. He said administration is meeting with the investment guys tomorrow. Mayor Cusat said the annual City of Hazleton tree lighting event is scheduled for December 1st, 2019. He wished everyone a Happy Thanksgiving.

Mope said there was a very interesting letter, in the Standard Speaker, regarding pensions. She said it was about combining them under “one roof”. She said then only one fee is paid out instead of individual fees. She said if there are multiple investment firms, Mayor Cusat needs to look into this article.

Comments from City Administrator: Dan Lynch stated on the last page of the budget report, Deakos was correct with the amount of \$496.50 being incorrect. He said it should be \$469.00. He thanked Deakos for “catching this”. Lynch said he copied down the number incorrectly. Mope told Lynch to send this to the city council members in an email. Lynch said this does not change the breakdown in the budget. Lynch said in regards in to what Rabo said about the pension breakdowns, he stated, periodically, the fund managers brief members of the pension board and Lynch on performance. Lynch stated he does not have these numbers “on hand” but can bring this to the next city council meeting and report these to council.

Atty. Sean Logsdon said the LSA application deadline is December 31st, 2019. He said there are only two or three meetings left, in 2019, for city council. Logsdon stated if there are any other LSA grants to be presented to council, to get them in on time. Barletta stated the city clerk can send out an email to all department managers regarding this.

Comments from Council: Perry said there will be appointments made, in 2020, for the sewer and water departments. Perry urged residents to submit their applications for these positions. He said if anyone filled out an application, they do not have to submit another one. He said these appointments will be made at the second city council meeting in January, 2020. Perry said the only requirements, for these positions, is to be a resident and own property in the City. Perry said city council will review all applications and then place their vote. He said he wants this open to all. Perry said city council has not gotten to the “point” of modeling the Luzerne County Council. Perry said city council has not gotten to the point of interviewing residents. He stated residents can contact the city clerk to submit their application, or if a resident wants their application removed, whether it is for the water or sewer department. He advised residents no phone calls.

Ted Sherrock asked if he needs to resubmit his application. Perry said no. Perry said if his application is there from the previous time, then he does not have to send another one. He said he can resubmit, electronically, if he wished, to the city clerk.

Colombo thanked everyone for coming to the city council meeting. He commended the fire, police, and streets departments for their outstanding jobs.

Mope thanked everyone for coming to the meeting and for their input. She said junior council members are free and welcome to speak their minds with any suggestions. She said they can send an email to the city clerk and then can be forwarded to the city council members. Mope said they can ask city council questions, back and forth, regarding the option plan or the third-class city code. She said they can feel free to come up and make a statement. She wished everyone a Happy Thanksgiving.

Barletta thanked Lynch for the 2020 budget. She asked about the pension board meeting. Mayor Cusat stated the investors are coming to talk to the pension board. Barletta asked Mayor Cusat if the president of city council is usually on the board. Gavio stated he had “no idea” there was a pension meeting. Lynch stated it is only an informational meeting. Barletta asked what is “going on” with the Beltway Diner. Mayor Cusat said there are different insurance companies between the property owner and the business owner. He said one wants to rebuild, and the “other doesn’t”. Mope asked about the Blue Comet Diner property. Mayor Cusat stated this is owned by the same family and is still “up for sale”. She wished everyone a Happy Thanksgiving.

Gavio asked Sam Galski, reporter for the Standard Speaker, if he can publish the openings for the sewer and water departments. Gavio said this will make the public aware. He said the current authority board members vacate their seats at the beginning of 2020. He wished everyone a Happy Thanksgiving.

Comments from Junior Council: Maxwell Schwabe stated the City needs to keep working on the blighted properties and run-down homes, in the City, and to work on loitering which can affect local businesses in our area.

Adjournment: Gavio motioned to adjourn the meeting. Meeting adjourned at 6:50 p.m.