

## MINUTES

### HAZLETON CITY COUNCIL

#### REGULAR MEETING

WEDNESDAY, JANUARY 3, 2018

**Call to Order:** Council met for the Regular meeting on Wednesday, January 3, 2018 in Council Chambers. The meeting was called to order at 6:00 p.m. (This is a continuation of the January 2, 2018 meeting).

**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:** None.

**Proclamations/Communications:** None.

**Bid Opening:** None.

**Courtesy of the Floor (On Agenda Items Only):** Ann Marie Kaschak, Lincoln Street, Hazleton, asked why the city's labor attorney was present at the January 2, 2018 meeting. She said she is not certain if he is paid salary or at an hourly rate. Kaschak said if there were no labor issues on the agenda, she said he should have not been present. Mope said she should ask Mayor Cusat when he returns to the council meeting. Kaschak asked if he was paid for his time at the January 2, 2018 meeting.

Dee Deakos, 43 West Mine Street, Hazleton, spoke of Resolution 2018-3- Approving Bill of Sale the City of Hazleton and Professional Maintenance Service, Inc., and Alan Roman for Purchase of a Hangar at the Hazleton Regional Airport. She said with the city of Hazleton's current financial situation, under ACT 47, the city should not be incurring new debt. She said the resolution states there will be a 50% hangar grant. Deakos said the airport has, historically, been losing money each year. She said the city will be taking out a new loan. She asked if all the hangars are occupied. Deakos said the lease agreement will be terminated and the lease income will be lost. She suggested council table this resolution until more information is obtained. She said the city is in "trouble" and should not be doing this.

David Sosar, 338 West 2<sup>nd</sup> Street, Hazleton, spoke of Resolution 2018-3- Approving Bill of Sale the City of Hazleton and Professional Maintenance Service, Inc., and Alan Roman for Purchase of a Hangar at the Hazleton Regional Airport. He asked what the condition of the hangar. He asked if there is an appraisal. Sosar said DCED suggested for the city not to go deeper into debt.

Mark Rabo, 1<sup>st</sup> Street, Hazleton, spoke of Resolution 2018-3-Approving Bill of Sale the City of Hazleton and Professional Maintenance Service, Inc, and Alan Roman for Purchase of a Hangar at the Hazleton Regional Airport. Rabo stated, in 2017, there has been no update in the revenue and expenses at the Hazleton Municipal Airport. He asked what the hangar would cost if the deferment goes against the loan. He also spoke of Resolution 2018-4- Authorizing Transfer of Funds from Act 205 Account. He said this should be presented first to the Pension Board with the unions speaking on this matter. He said pension money should not be “tossed aside”. He said the unions should first give their input.

Ken Zipovsky, 3 El Camino Road, Hazleton, said he speaks as a citizen of Hazleton, He spoke of Resolution 2018-4- Authorizing Transfer of Funds from Act 205 Account. He said the administration is looking to transfer \$1,500,000 from the ACT 205 account, on a loan, and paying back by the end of December. He asked what the city is doing with this money. He said this is a 50% increase from 2017. He questioned why the administration is asking for approval now. He said council needs a legal opinion before approving this.

Gavio stated to Zipovsky that in the past, council has not been presented with transfers. He said now administration is bringing the transfers in front of council.

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**Old Business:**

**ORDINANCES**

None

**RESOLUTIONS**

None

**New Business:**

**ORDINANCES**

**Ordinance 2018-1** Amending Ordinance 2012-15, Regulating Parking within the City of Hazleton During the Snow Season for Snow Removal and/or Plowing and Establishing a Schedule of Fines for Violations Defined in the Various Classifications of Said Regulations (**1<sup>st</sup> READING**)

Presented by Gavio. Seconded by Perry.

**On the Question:**

Mope said there is currently a snow ban ordinance in effect. She said she has a problem with the signage. She said many residents are asking, in an odd year, if they switch sides in the middle of

the even year. Mope said the residents state it is very confusing. She said the universal sign, for winter, is a snowflake. She said this is on the sign. Mope said if it was for snow, there should be several snowflakes with drops. Mope said many seniors are puzzled. She said when there is a snow storm, she gets many calls from residents. Perry asked Mayor Cusat what the change is in the ordinance. Mayor Cusat said the old ordinance states residents can only park on the odd side. He said this ordinance says residents cannot park on the odd side. Mayor Cusat said the dates are changed. Mope said Mayor Cusat did a reversal of the years.

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

## **ORDINANCE PASSES 4-1 ON 1<sup>st</sup> READING**

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### **RESOLUTIONS**

**Resolution 2018-3** Approving Bill of Sale the City of Hazleton and Professional Maintenance Service, Inc. and Alan Roman for Purchase of a Hangar at the Hazleton Regional Airport

Presented by Gavio. Seconded by Colombo.

#### **On the Question:**

Dominic Yannuzzi, city of Hazleton engineer with Alfred Benesch & Co., asked council what questions they have on this resolution. Barletta asked what hangar is being purchased. She said the airport has 17 hangars. Yannuzzi said it will be hangar #6, the former hangar owned by Alan Roman. He said this hangar could hold six airplanes used by private individuals. He said this hangar, along with two other hangars, could hold a jet with overnight stays. Mope asked if the city currently has a hangar that can accommodate a jet. Yannuzzi said yes, hangar #1, being rented out by Black Rock. He said it brings in a “set” monthly rent and fee, to the airport, for their gross revenues. Mope asked if there were any loans taken out for these hangars. Yannuzzi said there were loans taken out for the first two hangars. He said since 2011, the airport is self-sufficient and does not take any money out of the general fund for airport operations. Mope asked if the loans have been paid back. He said no. He said about \$80,000 is left in the PA Infrastructure bank loan.

He said the airport has been given a reimbursement back to the city, to the general fund, and helping the city. Mope asked if the city is “seeing” any rent from the hangars. He said hangars, that the city has purchased, are 100% full. He said hangar #1 is occupied by Black Rock, hangar #2 is occupied by Medi-Vac, hangar #3 is occupied by PA State Police. He said they have left, but there are currently three aircraft in this hangar; hangar #4 is fully rented with 3-4 aircraft, hangar #5 (garage-type hangar) is for equipment storage, hangar #6 could hold 6 aircraft. He said monthly revenue would be \$2,000/month. He said it would be a land-lease with rent at \$2,200-\$2,400/year.

He said there was a 50-% grant approved by the Bureau of Aviation and will do their final inspection of the hangar. He said the other money is coming from the airport fund, saved over time. He said the purpose of the PA Infrastructure bank loan is for the airport not to keep incurring debt. He said the revenue was increasing above the expenses. He said \$1,000/month is being paid back to the state for the first two hangars. He said every other hangar is paid in full.

Barletta asked where hangar #6 is. Yannuzzi said it is located next to the old fire station building. Barletta asked what the current condition of the hanger is. Yannuzzi said it needs work. He said the value of the hangar, agreed to purchase, is worth the money. Barletta asked why the gentleman is selling the hangar. Yannuzzi said the estate wants to sell and there was past litigation. Perry asked if the planes can go into the hangar without work being done to the hangar. Yannuzzi said there are currently planes in this hangar now. He said the main hangar has "some" roof leakage.

He said there would be an evaluation to see if a new roof needs to be placed. He said the city is "up" for another hangar grant. He said this money would be used for this purpose. He said the hangars are valued "higher" than what the city is paying for them. He said the city does not pay tax on the hangars. Barletta asked if there is an agreement. Yannuzzi said all agreements are done "up front". He said the purchasers agree prior to being brought to council. Mope asked how long ago the agreement was prepared. Yannuzzi said over a year. Mope asked when this was finalized. Yannuzzi said there was a legal issue, but was settled. He said the agreements were done after the case was settled. Mope said Yannuzzi should have notified council of this agreement. He said everything was reviewed by Atty. Logsdon. Atty. Logsdon said there is a lease that needs to be terminated. Atty. Logsdon said this resolution needs council's approval.

Barletta asked if the city is waiting for the inspection. Yannuzzi said he did the inspection. He said the final inspection, conducted by the Bureau of Aviation, will do their final "walk through" and close the grant. He said they approved the draw down for the remaining funds for the hangars. He said the draw down was done in three phases: Phase 1- Hangar #1- & #2. Phase 2- Hangar # 3 & #4, Phase 3- Hangar #5 & #6. He said after each phase, there is an inspection done. Mope asked if the money is in the airport fund. Yannuzzi said yes. He stated no money will come out of the general fund. Mope asked if he will come back to city council for more money. He said no. Colombo asked if hangar #3 was occupied by the PA State Police. Yannuzzi said the hangar portion has three aircraft there. He said the city is actively looking for a tenant. Yannuzzi said the helicopter left in April, 2017, when their leased expired. Mope asked how the airport's fuel sales are. Yannuzzi said there are two type of fuels at the Hazleton Airport. He said one is Avgas which goes in the small, single-propelled planes. He said the sales are steady. He said the jet fuel sales were "off" in 2017, about 25% from the previous year. He said that was due to the runway rehabilitation project. Mope asked if he has money that is "working capital". Yannuzzi said it will not expend all the funds for the airport. Perry said looking at the airport fund revenue, he stated the airport is doing better than the city.

Mayor Cusat said the grant for the runway reflects the \$1,000,000 surplus. Yannuzzi said the city received a \$1,300,000 grant for the runway extension project. He said the city needs to come up with 5% of the grant. He said the airport can do this with the current airport surplus. Perry asked Yannuzzi if the Hazleton Airport is in "good" standing with the Federal

Aviation Administration. Yannuzzi said yes. He said the airport is also in “good” standing with the Bureau of Aviation. He said they are looking to give more grants to the airport for improvements. Barletta asked Yannuzzi to forward to council any information on the airport.

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

### **RESOLUTION PASSES 3-2**

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#### **Resolution 2018-4 Authorizing Transfer of Funds from Act 205 Account**

Presented by Gavio. Seconded by Perry.

#### **On the Question:**

Barletta said it was a good point brought up, by a resident, about the 50% increase. She asked Mayor Cusat what the money will be used for. Mayor Cusat it is “start-up money”. He said, generally, there is no money received in January. He said the money starts coming in with the residents tax payments. He said this is 90 days after the residents are billed. He said the city spends \$800,000/month. He said when the budget is passed and the tax rates are set, the tax bills go out by February 2. He said the city is very behind on invoices and some vendors are “turned off”. He said the city needs to get “caught up” on some bills. He said the first week of the month, the health insurance bill is due. He said the cost of the health insurance is \$300,000/month. He said the general liability insurance has increased. Barletta said because the money is coming out of the pension fund, the council needs, in writing, to have a legal opinion to do this. Atty. Logsdon said he can approve this. Perry asked Mayor Cusat if it was done more than once. Mayor Cusat it has been done twice in the past. Mope said the ACT 205 account is a bank account. She said when the EIT is paid into the city, it has been at 100%. She said 75% is used towards the EIT tax and the extra 25% went into a bank account. She said this extra money should have been either returned to the residents or used to draw down the pension fund debt. Mope said when the pension payment is made in November of each year, since 2013, it is used as a “side” bank account. Mope said she does not feel comfortable with this account. She said this is the employee’s money. Mope said the residents could have used this towards their rent or food bill. Mope said if this money cannot be paid back, then what is going to happen.

Gavio said the legal opinion will be obtained from Atty. Logsdon. Mayor Cusat said the residents always pay 100% of the MMO. He said it is not extra money taken off the residents. He said the discounted rate of 75% was given to the city used to alleviate pressure to make the match, in bad times. He said using the money will save the city approximately \$80,000 in interest and closing costs on the TAN note. Mayor Cusat said the city would pay it back once the first tax payments are received. Mayor Cusat said, in 2017, there was no bank willing to give the city a loan. Mayor Cusat said, by law, the money has to be returned by December 31<sup>st</sup>.

Mope said Mayor Cusat is using this as “start-up” money. She said the reason council wanted to sell the delinquent taxes was to receive \$700,000, in “start-up” money. Mayor Cusat disagreed.

Mope stated the city would have received an “up-front” payment from the Hazleton Water Department. She said this money would not have to be repaid. Mope said the pension fund money needs to be repaid. Mayor Cusat said the selling of delinquent taxes “makes no sense”. Mope said council received a recommendation from the city administrator, Mr. Pribula and Mr. Hahn. She said they stated Mayor Cusat’s approach would be fine if the city had a good bank account. Mope said the mayor’s method brings the money “in dribbles and drabs”. Mope said it came in increments. She said the city was facing, every few months, employee layoffs. Mayor Cusat said if this is not approved, the city will not be able to make the insurance payment. Barletta and Collombo voted yes with the stipulation that council receives legal opinion from the city solicitor’s office, Atty. Donald Karpowich.

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

#### **RESOLUTION PASSES 4-1**

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**Resolution 2018-5** Council Meeting Schedule for 2018 (MAYOR’S)

Presented by Gavio. Seconded by Mope.

**On the Question:**

Gavio said council sat down and agreed on the meeting dates. Mayor Cusat said he just saw it.

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

#### **RESOLUTION FAILS**

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**Resolution 2018-6** Council Meeting Schedule for 2018 (COUNCIL’S)

Presented by Barletta. Seconded by Mope.

**On the Question:**

Gavio asked Mayor Cusat if he looked at the schedule. Mayor Cusat asked what the changes are. Barletta said the meetings are now on Wednesday evenings. Mayor Cusat said the schedule is not okay with him, but council will have legal representation at the meetings. Mayor Cusat said he is an invited guest and will come.

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

#### **RESOLUTION PASSES UNANIMOUSLY**

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**Comment from Audience:** Dee Deakos, 43 West Mine Street, Hazleton, said someone represented themselves as the city engineer at the meeting. She said he was not hired, by council, as the city engineer. She said the city administrator, by law, needs to attend city council meetings. Deakos said the administrator needs to give the actual numbers.

Joseph Stanavage, 216 West Birch Street, Hazleton, said he is happy to see the young people of the city attending the meetings. He said he has been a resident of the city of Hazleton for 68 years. He said James Perry is a good friend. He said he trusts all the city residents. He said the young people are our future. He thanked Anthony Colombo for his dedication on Veteran's Day. He said Hazleton is a good city.

Ann Marie Kaschak, Lincoln Street, Hazleton, asked Mayor Cusat if the labor attorney is paid salary or hourly. She said she has 30 years' experience with labor attorneys. She said there was no reason Atty. Dean was here yesterday. Mayor Cusat said he is paid hourly. Mayor Cusat said he was here for another reason and stayed for the city council meeting. He said he does not charge for travel time.

Mark Rabo, 1<sup>st</sup> Street, Hazleton, spoke of Ordinance 2018-1 Amending Ordinance 2012-15, Regulating Parking within the City of Hazleton During the Snow Season for Snow Removal and/or Plowing and Establishing a Schedule of Fines for Violations Defined in the Various Classifications of Said Regulations. Rabo stated for the 2<sup>nd</sup> & 3<sup>rd</sup> readings, the city cannot enforce the snow ban ordinance for 2018. He said it would become effective in the 2018/2019 snow season. Rabo also spoke of Resolution 2018-3. Approving Bill of Sale the City of Hazleton and Professional Maintenance Service, Inc. and Alan Roman for Purchase of a Hangar at the Hazleton Regional Airport. He said the hangar appraisal should have been discussed. He stated the pre-fabricated steel hangar, depending on the dimensions, would cost between \$225,000- \$325,000 including the concrete foundation. He said it would cost more if there is any customization. He asked how much work the hangar really needs. He asked Gavio if he received a legal opinion regarding the delinquent tax claims. Gavio said he received Atty. Sean Logsdon's legal opinion and this was confirmed with Atty. Donald Karpowich. Rabo reminded Atty. Sean Logsdon to "choose" his words correctly for his legal opinion on borrowing money from ACT 205. He said it would not be in conflict with current case law.

**Comments from Mayor:** Mayor Cusat thanked everyone for coming.

**Comments from Junior Council:** None.

**Comments from Council:** Gavio thanked all new junior council members for attending. He thanked all council members for working together on preparing the city council meeting dates. Mope thanked everyone for attending.

**Adjournment:** Gavio motioned to adjourn the meeting. Mope seconded.