

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

Call to Order: Council met in regular session on Wednesday, February 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 January 16, 2019 Regular Meeting & January 23, 2019 Special Meeting were approved unanimously.

Presentations/Proclamations/Communications: None

Bid Opening: None

Courtesy of the Floor (ON AGENDA ITEMS ONLY): Dee Deakos, 43 West Mine Street, Hazleton, Spoke of Resolution 2019-7- Appointment to the Health Services Authority. She stated there is “no point” in appointing anyone for this authority. Deakos said it is an inactive authority. She said the authority was used as a “flow-through” for bonds for Hazleton St. Joseph Medical Center and Hazleton General Hospital. She said since these two hospitals no longer exist, the bonds are no longer a “part of it”. She said this is a useless Resolution. Barletta stated the Health Services Authority meets once a year. Deakos asked who pays the attorney fee for the authority. She said there is no need for an appointment to this authority.

Mark Rabo, 1st Street, Hazleton, spoke of Resolution 2019-13- Approving an Intra-Departmental Transfer Of Line Items for Capital Purchases in the 2019 Budget. He stated his concern is if the Hazleton Police Department should need police cruisers or equipment. He stated there should be money left in their line item. Rabo said, in 2018’s budget, there was money in liquid fuels. He said the total allocation, from 2017 & 2018, was \$1,600,000. He knows this money was used for the DPW employee salaries, pothole patching, and street sweeping. Rabo stated with the recent purchase of new trucks for DPW that the purchase should have been staggered over two years. He said, then, the police department would have their money, in the line item, for any emergency. He asked administration if this purchase could be “put -off” until the end of next month (March) when PENN DOT gives the allocation for liquid fuels.

Dan Lynch, city administrator, stated the City would not be allowed any funds from the liquid fuels account for purchases. He said the lease payments for vehicles, made in 2018, is at the maximum of 15% for purchases for each year. Lynch said this funding would not be allowed to purchase this equipment. Lynch stated Police Chief Speziale does have access to additional funds if an emergency need of equipment arose. He said these funds (\$50,000) are for fleet management for police vehicles. The DPW’s roller “went” and they need a roller to do paving within the City.

Rabo said the money in liquid fuels in the police department line item should stay there for police purchases. He asked if the roller can be purchased under the same lease purchase agreement with the same vendor. Lynch said if the City would go “under” the same lease agreement could not be “tacked” on to the same time frame. He said, then, the lease would be extended out for multiple years. He said this would not be a good idea with interest rates being increased. Rabo said the advanced payment with the allocation of the liquid fuels, in March, can be made. Lynch stated this cannot be done. He stated the yearly payment on this loan to purchase the equipment is the maximum

equipment allocation from liquid fuels which is 15% in one year. Rabo asked if this includes purchasing the equipment through CoStars. Lynch said 15% is maximum for all purchases.

Old Business:

ORDINANCES

None

RESOLUTIONS

None

New Business:

ORDINANCES

Ordinance 2019-1

An Ordinance Authorizing the Vacation of the Remaining Portion of "C" Court, North of Berner Avenue, South of Carleton Avenue, East of Mill Street, and West of East Street, having a Width of Approximately 30 Linear Feet in the City of Hazleton (**1st READING**)

Presented by Barletta. Seconded by Mope.

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

ORDINANCE PASSES UNANIMOUSLY ON 1st READING

RESOLUTIONS

Nominations

Hazleton City Authority Vacant Seat (1)
(call for nomination(s); second(s))

Mope nominated Phil Andras.

Gavio nominated Michael DeCosmo, Jr. Mope seconded.

Resolution 2019-6

Appointment to the Hazleton City Authority- **Michael DeCosmo, Jr.**

On the Question:

Perry said 18 candidates applied for all three openings. He said there are so many good people who have applied. Perry said residents from all backgrounds applied- i.e.- engineers, residents with military experience, retired executives, construction workers and management. He said all these candidates “want” to be part of the City. He said all applications will be kept on file. Perry wished some of these candidates would run for office. He encouraged all to stay involved. Perry stated all resumes received were excellent. He said these are a great group of experienced people, both male and female. He said, in the future, there may be an interview process added.

Mope said Mayor Cusat stated he had trouble receiving candidates for the Authorities, Board, & Commission openings. She said there are opportunities, in other areas, to apply for. She said these applications can be forwarded to the mayor. She stated “the door is always open”.

Gavio stated there are many qualified people for this position. He commends all applicants for wanting to be involved in the City of Hazleton. He said these names can be forwarded to the mayor’s office. He stated the applicants are a “very impressive” group of people.

Barletta abstained due to her brother being employed at the Hazleton City Water Authority.

Roll Call (for Michael DeCosmo, Jr.): Barletta-abstain; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

RESOLUTION PASSES 4-0

Nominations

Health Services Authority Vacant Seat (1)
(call for all nomination(s); second(s))

Mope nominated Antonio Rodriguez. Barletta seconded.

Colombo nominated Ted Sherrock. Gavio seconded. Mr. Sherrock withdrew his application/nomination.

Presented by Gavio. Seconded by Mope.

Resolution 2019-7

Appointment to the Health Services Authority- **Antonio Rodriguez**

Roll Call (for Antonio Rodriquez) : Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

RESOLUTION PASSES UNANIMOUSLY

Nominations Sewer Authority Vacant Seat (1)
(call for all nomination(s); second(s))

Perry nominated John Sullivan. Gavio seconded.

Resolution 2019-8 Appointment to the Sewer Authority- **John Sullivan**

Roll Call (for John Sullivan): Barletta-yes; Colombo-yes; Mope-yes; Perry-yes; Gavio-yes.

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-9 Approving and Hiring Police Officer in Accordance with
Police Civil Service Rules- Brandon McGinnis

Presented by Mope. Seconded by Gavio.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-10 Approving and Hiring Police Officer in Accordance with
Police Civil Service Rules-Ladell Hannon

Presented by Mope. Seconded by Colombo.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-11 Approving and Hiring Police Officer in Accordance with
Police Civil Service Rules- Nicholas Cassalia

Presented by Barletta. Seconded by Mope.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-12

Approving and Hiring Police Officer in Accordance with
Police Civil Service Rules-Richard Mocofan

Presented by Barletta. Seconded by Mope.

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

RESOLUTION PASSES UNANIMOUSLY

Resolution 2019-13

Approving an Intra-Departmental Transfer of Line Items for Capital
Purchases in the 2019 Budget

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: Matthew Domines, Pennsylvania Economy League (PEL) representative & Gerald Cross, Executive Director, Pennsylvania Economy League (PEL) & ACT 47 coordinators for the City of Hazleton, gave a short presentation/review on the ACT 47 Plan to date, and goals for the next fiscal year. He gave a review of their role as ACT 47 coordinators, according to the statute of ACT 47.

Mr. Domines said their primary goal is to foster the fiscal integrity of the City of Hazleton. He said this includes four items in the statute:

1. To provide for the health, safety, and welfare of the citizens.
2. Pay the principal and interest on the debt obligations, on the City, when they are due.
3. Meet the financial obligations of the City's employees, vendors and suppliers.
4. Provide the proper financial accounting procedures and budgeting and taxing procedures.

Under the statute, the intent of the general assembly will be providing the fiscal integrity with the municipalities having the principal responsibility of governmental affairs. He said the City conducts its business "as it is". Mr. Domines said this includes priorities for expenditures and revenues.

Mr. Domines said Hazleton City Council, on June 13th, 2018, unanimously adopted the Recovery Plan. He said the “lynch pin” of the Recovery Plan was the earned income tax increase. The court hearing was held in August, 2018, but a delay in getting the court order. In October, 2018, the order was approved by the Court of Common Pleas. In November, city council and Mayor Cusat approved the earned income tax increase. Also, in December, DCED approved the ACT 47 grant. The total approved grant, for the City of Hazleton, was a \$280,000 no-match grant. In November, 2018, PEL assisted the City of Hazleton with a budget schedule. The City adopted their budget before the December, 31st, statutory deadline. Also, in December, the City satisfied its \$5,900,000 MMO payment. He said the state watches ACT 47 municipalities as some “tip” into the ACT 47 Plan when this large payment is missed. Mr. Domines said the City closed on a \$1,100,000 lease revenue. He said the proceeds, from this money, was used to pay for outstanding bills with an acute cash flow crisis. He said the City was in jeopardy of paying the City employees and vendors due to the City not having cash at this time. These were approved by city council and Mayor Cusat. Mr. Domines stated the City received a \$1,000,000 TRAN note in the beginning of 2019. He said when the City received the TRAN, in 2019, the City did not have to take any money to pay any 2018 bills. The City, in the past, received their borrowing from ACT 205 which was substituted for a TRAN note. He said half of this money would go towards 2018 bills. Mr. Domines said this would start to show in the last quarter of the year when the City would run out of cash. He said if this happens, PEL was able to monitor this situation.

Mr. Domines said centralized purchasing was another issue addressed by the ACT 47 Financial Recovery Plan. He said Mr. Lynch worked with PEL and Accufund representatives to implement a new procedure. He said all departmental spending is channeled through the Department of Administration. He said the departments would hold their bills until the end of the year and do their own purchasing. He said this would exacerbate the City’s cash crisis at the end of the year. Mr. Domines said the new purchasing process has begun on January 1st, 2019.

Mr. Domines stated, in the 2019, PEL wants to build upon what was accomplished in 2018. He said this starts with continuing to monitor the City’s monthly budget performance, revenues versus expenditures. He said after the first quarter and going into the second quarter, there are trends to watch for. He said there are already changes in the 2019 being done. Mr. Domines said another item to watch is cash flow. He said the City will need to petition the Luzerne County Court of Common Pleas again for the earned income tax increase. He said this will need to be renewed before June 1st, and will be done in March, 2019. He said there needs to be a timely completion of the City’s yearly audit. To date, the audit for year 2017 has not been completed. Mr. Domines said this is way too long for the audit not being done. He said this needs to be rectified with the 2018 audit being done in a timely manner. Mr. Domines said administration and PEL representatives will continue to meet on a weekly basis. He said Mayor Cusat, city administrator, and two city council members meet every week. Mr. Domines said these meetings are very helpful in the Recovery Plan.

He said another issue is reviewing the Code Enforcement staff and policies. He said there are a lot of issues with part-time employees. He also said there are a lot of older buildings within the City and is considered an older municipality. Mr. Domines said this is a vibrant city. He said Code Enforcement is very important to the safety of the City’s residents.

Mr. Domines said the final item is to review the Hazleton City Authority agreement. He stated this is one of the issues in the Recovery Plan. He said there may be some benefits the City can derive from this agreement.

Mr. Domines said PEL’s main goal was to “watch” the City, under the Recovery Plan, and to provide fiscal integrity and provide for the health and safety of the City’s citizens. He said the DPW equipment purchase, as mentioned by Mr. Rabo, could have been staggered. He said there is a lot more equipment to be purchased that will need to be staggered out. The City also received a \$150,000 LSA grant for police department vehicles. Also, a \$360,000 SAFER grant was obtained by Police Chief Speziale. He said this is another benefit for the City that protects the citizens.

The City has engaged Innotek Computer Consulting to upgrade and integrate their computer system. He said this is one of the ACT 47 Recovery Plan's initiatives as PEL had identified. He stated the computer system is obsolete. He said \$135,000 of the \$280,000 grant will be going towards upgrading the computer system. Mr. Domines said the City needs to upgrade their software. He said this will put the City of Hazleton "up there" at the technological level.

Mr. Domines said the City of Hazleton will be outsourcing for their pension payments which will begin in March, 2019. He said this will take the work-load off the girls in the Administration office.

He stated Administration has saved \$13,000 on worker's compensation insurance in 2019 with a new carrier for 2019. Mr. Domines stated there was a favorable pension arbitration award received in January, 2019. He said this is a long-term benefit. He said this was due to interpretation of language in the police contract. He said it was due to how calculations were determined.

Mr. Domines said administration has hired an auditor to collect business privilege and delinquent mercantile taxes. He said they will audit which municipalities are applicable to paying this tax. He said if there are any delinquents, the auditor will take their money out of this money received. He said there will be no money coming out of the 2019 City of Hazleton budget for this.

Mr. Domines said Mr. Lynch's 2018 preliminary budget performance numbers are showing revenues slightly higher than expenditures. He said this is a good trend to help set the 2019 budget.

Gerald Cross, Executive Director of the Pennsylvania Economy League (PEL), said the City has made progress on the essential elements under the ACT 47 Financial Recovery Plan. Mr. Cross stated PEL works with the Commonwealth of PA and gets reviewed yearly. Mr. Cross said PEL's performance was judged satisfactory which means the City of Hazleton's performance, under ACT 47, was judged satisfactory. He stated the first six months of the Recovery Plan has done okay. He said the main focus is a stable budget and no cash crisis.

Mr. Domines said the City is moving forward. He said PEL will see what the end-of-year numbers will be. He said the 2019 budget performance will be watched. He said he does not predict an "acute crisis" as the City experienced in 2018.

Mr. Cross said there is not a lot of money left over. He said it will be stable.

Perry asked Mr. Domines if the City is "on-track". Mr. Domines said yes. Mr. Cross said not only does PEL agree, but the state agrees the City is "on-track".

Mr. Cross said the City needs to change their practices that got the City of Hazleton to where they were. He said it does not help if the City raises taxes, gets a grant and loan, and does the same dynamics. Mr. Cross said he sees a change in the dynamics to the good side. He said there is a lot of "give-and take".

Mr. Domines said living in the City brings a difference of opinions. He said ACT 47 was designed in 1987 to help the municipalities that were experiencing the sudden shock of the loss of the steel or coal industry, and was appropriate for the time. He stated it was not an economic shock or a weather catastrophe, but has become a political gridlock that the City experiences financial distress. He said the City needs to work together.

Mr. Domines said the City needs to focus on setting up a fund balance.

Ted Sherrock, 443 East Carleton Ave., Hazleton, thanked prior boards and any present member of the boards responsible for his appointment to the Health Services Authority. He said he had a "good run" the past 15 years. Mr. Sherrock said it is a good board. He stated lobbying with administrators went well in

keeping Hazleton General Hospital in Hazleton city proper. He considers it an honor being replaced with Mr. Antonio Rodriguez. He wished him well in his endeavor. He said with the expansion of Lehigh Valley Hospital in Hazleton that they may come to Hazleton and use the authority.

Mr. Sherrock stated the Greater Hazleton Joint Sewer Authority is currently undergoing a big project as he is the current chairman. He said he understands Mr. John Sullivan has a good background and is a good choice. He said he should "hit the ground running". Mr. Sherrock said he is happy to see City administration and city council working in harmony and unity. He said he hopes to see this continue.

Dee Deakos, 43 West Mine Street, Hazleton, said city council recently approved a liquor license transfer to 116 West Broad Street, Hazleton. She said there was a lot of information that city council was not made aware of. Miss Deakos said Maria Medina, who applied for the transfer, was involved with the Mambo Café, 501 South Church Street, Hazleton. She said this facility had people beyond their capacity. She also stated there was a shooting at this café. She stated John Pujols was involved with the Mambo Café license. She said he has a criminal record as he was the shooter at Club 40. She said he was convicted of involuntary manslaughter. Miss Deakos stated residents are allowed to appeal to the Liquor Control Board (LCB) within 30 days of a fine. Deakos stated city council should be appealing this liquor transfer. Deakos said the Zoning Hearing Board can also appeal this decision. She said the City does not need an establishment of this caliber. She said everyone is working to keep the City of Hazleton safe. She said she spoke with representatives from Luzerne County Community College located on Broad Street. She said LCC is very unhappy with this bar being established so close to their college. Miss Deakos said the representatives are concerned with their students "walking into a fight." Miss Deakos said it is sad to lose a college to have a bar.

Jerry Speziale, City of Hazleton Police Chief, stated the Hazleton Police Department has obtained a \$20,000 LCB grant with two extra police officers focusing "just on bars", on Thursday, Friday, and Saturday nights, through June 30th, 2019. Speziale said he is applying for an additional \$40,000 to take the Hazleton Police Department to the next calendar year.

Mark Rabo, 1st Street, Hazleton, congratulated the four new Hazleton Police Department officers. He told them, "to stay safe on their new journey". Rabo spoke of the transfer for the new DPW roller. He thanked city administration for "putting through" a transfer and following the city code. He said there is also a provision regarding transfers for contracts. He said there are contracts for delinquent tax claims. Rabo said he had presented, at a previous meeting, the contract with Luzerne County and the tax claims bureau that handles delinquent taxes for Luzerne County. He said they do not handle municipal tax claims. He said Mayor Cusat stated, "they will handle the municipal tax claims if the City does not go through MRS". Rabo stated city council puts this "up for bid" for a professional service over \$20,000. He said, for two years, there is no contract between this company and the City. He said he would like to challenge where this contract is. Rabo stated there is no contract. Rabo said this is for \$1,600,000.

Rabo thanked PEL for their work with the City in getting them "back on their feet". He said he made suggestions, along the way, that were not followed, such as the position budget. Rabo said with vacant and foreclosed registrations, the City of Bethlehem has received \$300,000 in earnings from this collection. He stated code enforcement needs to be a priority. Rabo also stated the Blighted Property Committee needs to be re-established, with the funding being "pulled". He said this would help the City immensely.

Comments from Mayor: Mayor Cusat congratulated the four new Hazleton police officers. He stated the Hazleton Police force has changed over the past few years. Mayor Cusat said he has hired 22 new officers, along with Chief Jerry Speziale. He said the City now has a new, young police force.

He wished everyone a Happy Valentine's Day.

Dan Lynch, city administrator, stated Luzerne County collects delinquent taxes. He said they do not have the capacity for collecting their own taxes, but the county is outsourcing their job to affirm Northeast Revenue. Lynch said if MRS is used to collect taxes, they do not collect taxes, but give the City a “payday” loan. He said the City is at an adequate rate for collecting delinquent taxes. Lynch stated the rate of collection was 75%, for the first year cycle, for 2017 taxes. He said, over time, this is at a rate of 95-96%.

Comments from Council: Mope congratulated the four new Hazleton Police Department officers. She told them to come visit city council. She thanked everyone for coming.

She wished everyone a Happy Valentine’s Day.

Colombo also congratulated the four new police officers. He told them they are joining an outstanding police force and leadership. He thanked DPW, police and fire employees for all their work in keeping the City’s citizens safe this past week with the inclement weather.

He wished everyone a Happy Valentine’s Day.

Perry also congratulated the new police officers. He stated Police Chief Speziale is a wonderful leader with all his experience. He also thanked the police and fire chiefs in obtaining all their grant money. He said these funds, millions of dollars, will only benefit the City.

He also thanked Mayor Cusat and Dan Lynch for balancing the City’s budget. Perry stated the City is currently running under budget. He said transparency is what is needed. He stated Mr. Lynch’s door “is always open”.

Gavio thanked PEL for all their work for the City.

Gavio also extended his best wishes to the city clerk’s sister-in-law on her recent work-related accident.

Comments from Junior Council: None.

Adjournment: Gavio motioned to adjourn the meeting. Meeting adjourned