

SUNSHINE IN THE CITY: FISCAL TRANSPARENCY & COMMUNITY TRUST

Shayne Kavanagh, Senior Manager, Research, Government Finance
Officers Association

Paige Cagnetti, Mayor, Scranton, PA

Jessica Eskra, City Solicitor, Scranton, PA

Andrew Holland, Assistant Director of the Office of Performance
and Innovation, Durham, NC

Moderator: Miro Weinberger, Mayor, Burlington, VT

SUMMER
2023

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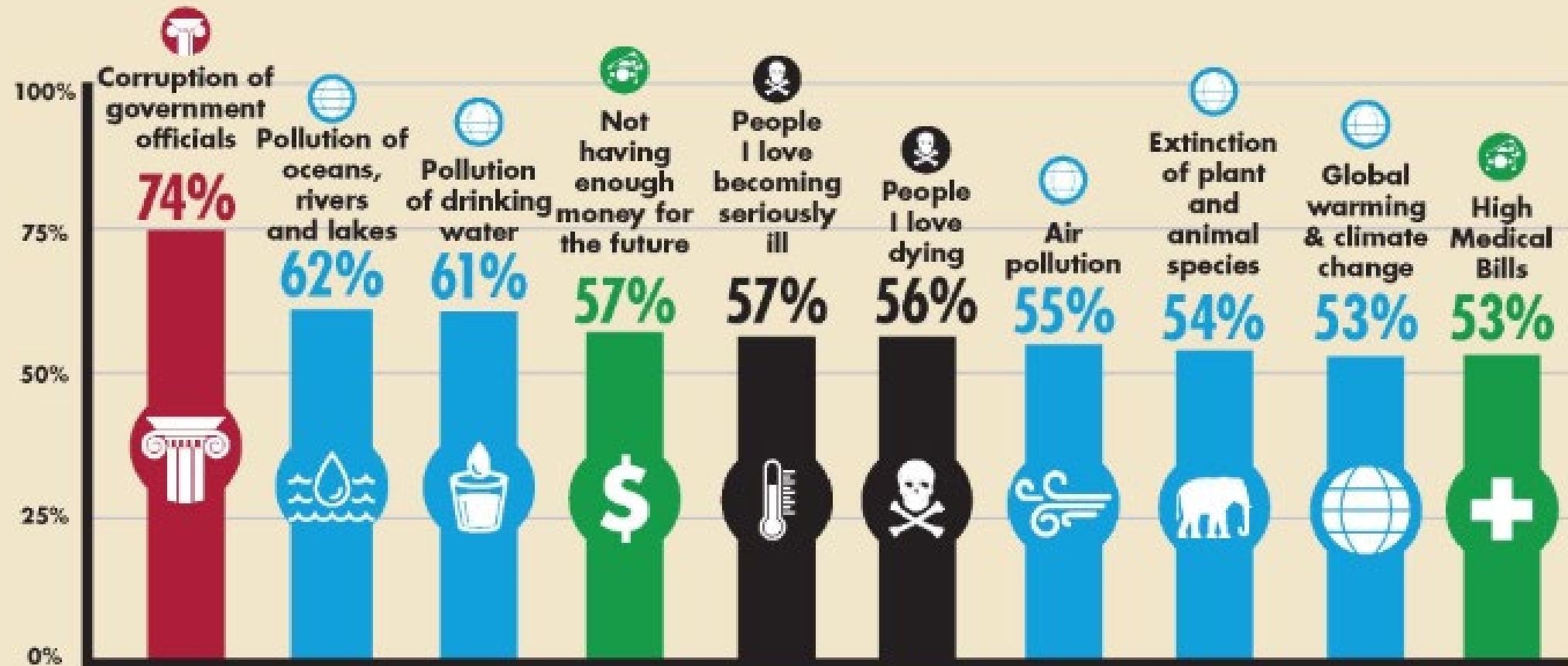
SUMMER
2023

TRANSPARENCY & TRUST

*Pillars to Financial Health and
a Thriving Community*



Top 10 Fears of 2018



Above are the 10 fears for which the highest percentage of Americans reported being *afraid* or *very afraid*.



Government



Environment



Economic



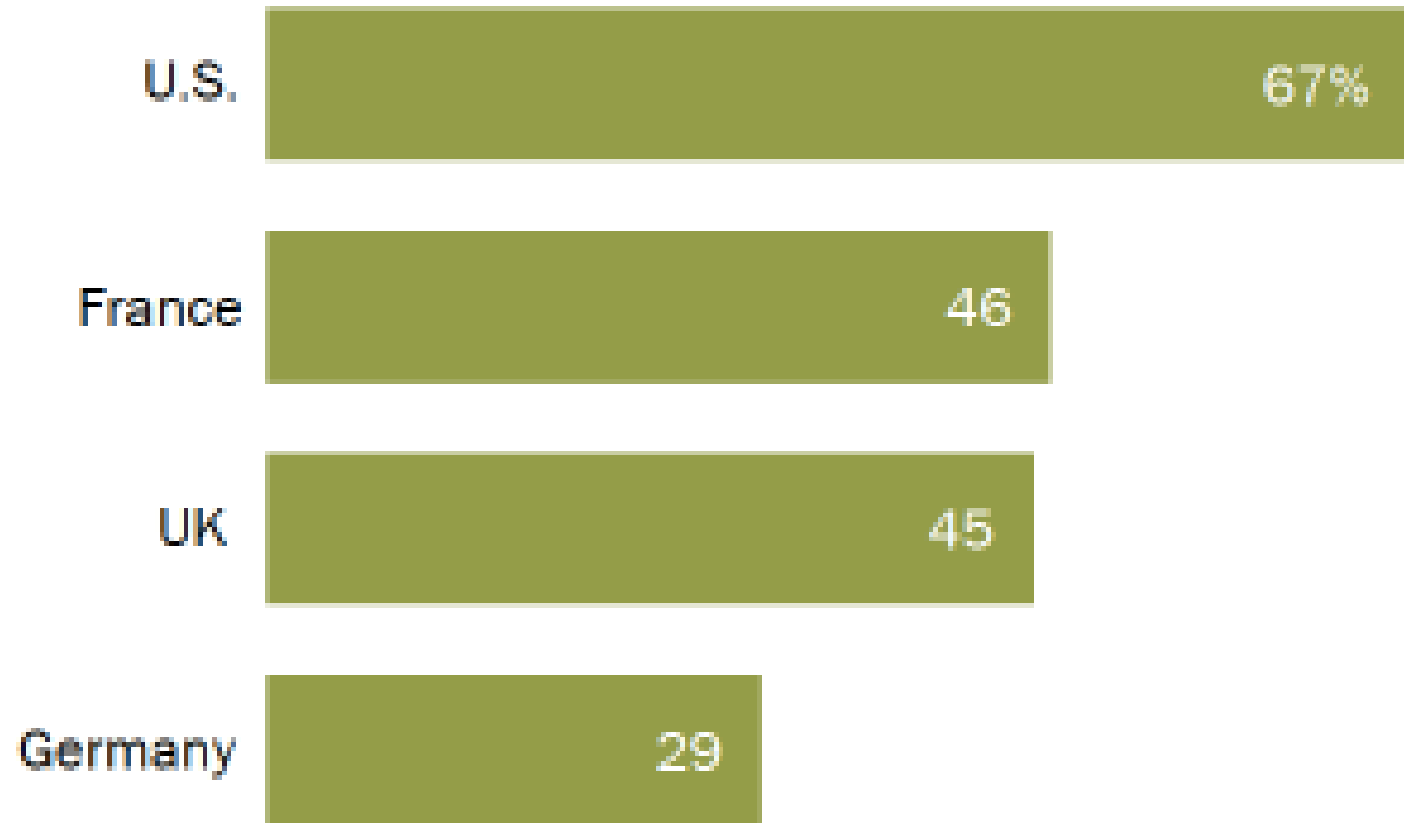
Illness and Death

Top Fear in 2019, 2020, 2021, & 2022?

Corruption of Government Officials

*Americans more
likely than others
to say most
politicians are
corrupt
(Pew Research Center)*

*% who say the statement "most politicians are corrupt"
describes their country well*



*“The rule of law depends on trust.
And if the rule of law cannot work,
Then our democracy and its
institutions are doomed.”*

*Rt. Hon. David Johnston,
Former Governor-General of Canada*



*Trust is Our Most
Valuable Asset*

TWO FACTORS FOR HOW PEOPLE GAUGE TRUST:

Competence

The ability of a person/institution to accomplish goals and perform tasks

Values

Values address underlying motives – and they speak to the emotions and moral intuition of the public.

COMMUNICATE SIMILARITIES IN VALUES



3 PRINCIPLES FOR CLOSING SCHOOL BUILDINGS IN TCAPS

- 1. Education priorities should drive the budget*
- 2. You can't be all things to all people*
- 3. Get the most bang for our buck*

NAVIGATING VALUE CONFLICTS

Perspectives



COMMUNICATE CONCERN



PROCEDURAL JUSTICE

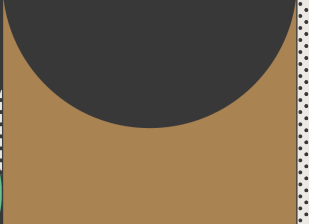
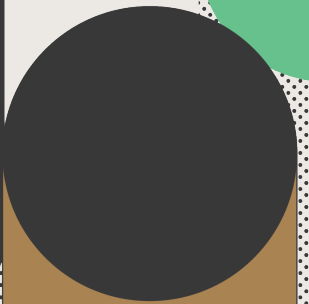
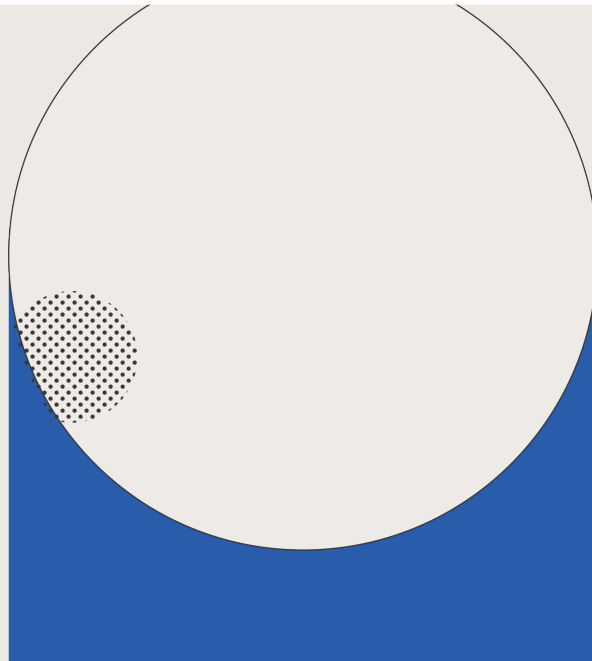
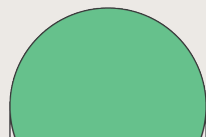
- Decisions are based on accurate information
- Transparent & consistent decision-making criteria applied equally
- Stakeholders given opportunity for input
- Mistakes are recognized & corrected



A COUNTER-EXAMPLE



**ALLOW THE PUBLIC TO
SCRUTINIZE
GOVERNMENT WORK**



FISCAL FLUENCY MADE EASY

*Big Numbers are Abstract.
Make them personal.*



RETHINKING BUDGETING

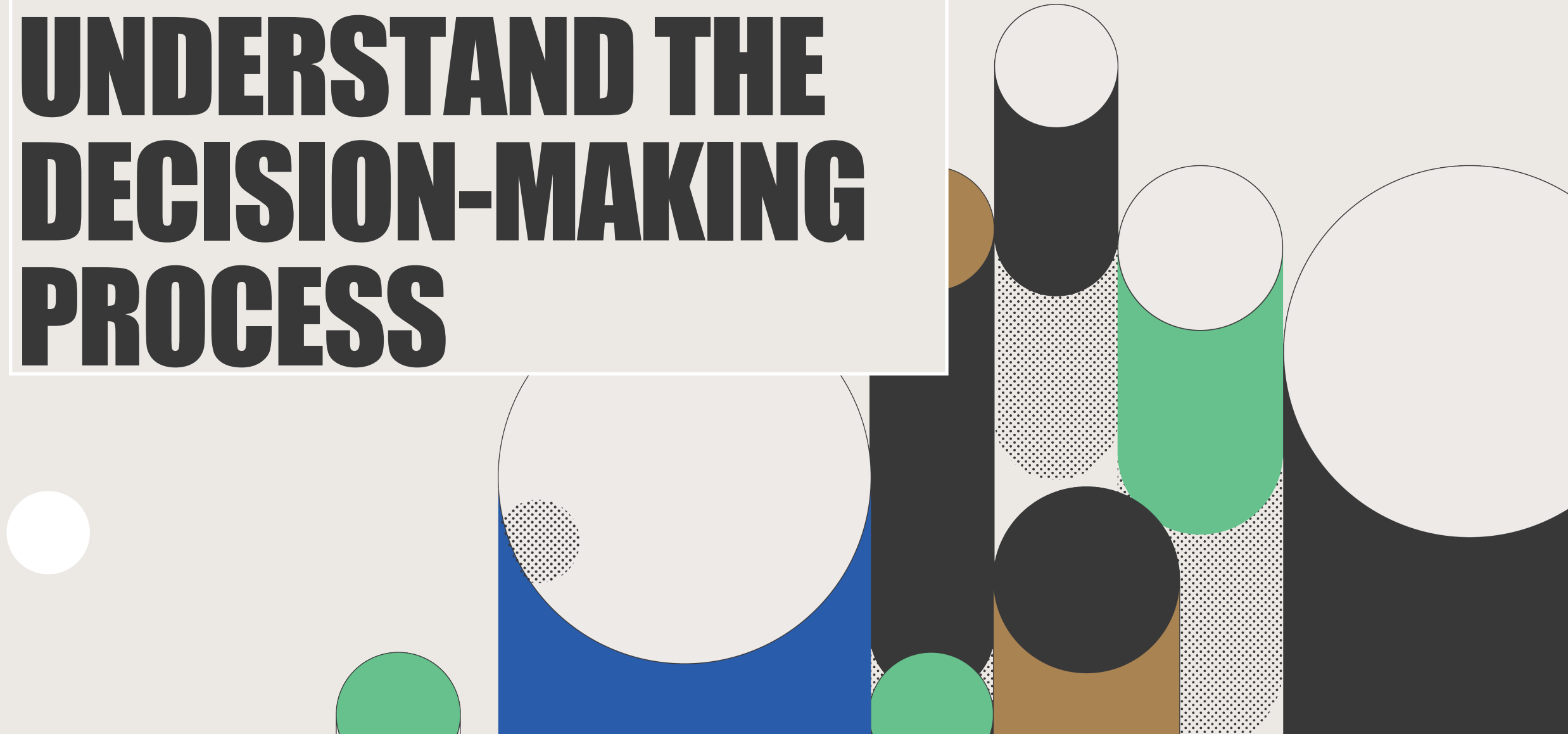
FISCAL FLUENCY MADE EASY

How finance officers can better communicate
numbers using insights from behavioral science



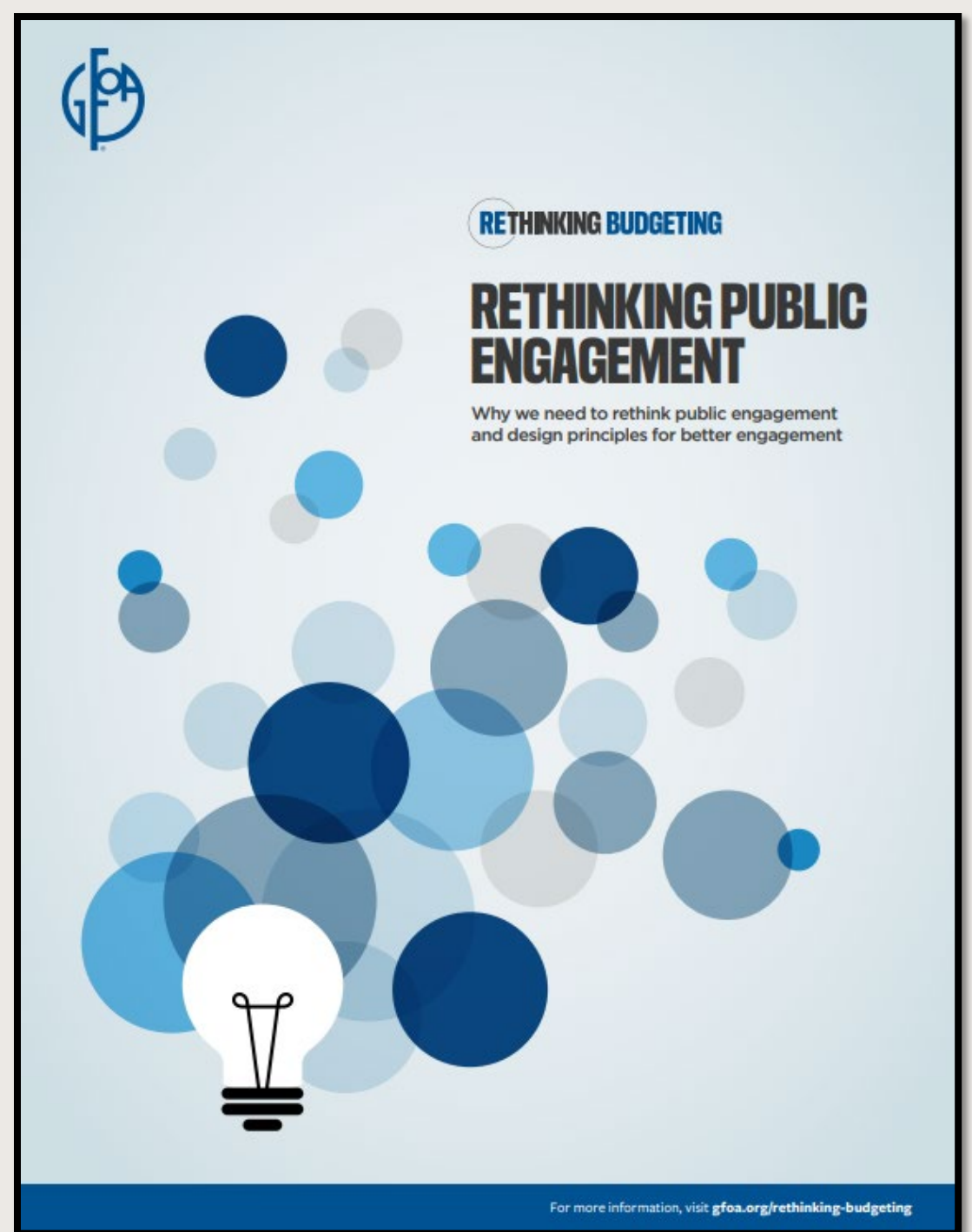
For more information, visit gfoa.org/rethinking-budgeting

HELP THE PUBLIC UNDERSTAND THE DECISION-MAKING PROCESS



RETHINKING PUBLIC ENGAGEMENT

- *(Re)establishing govt legitimacy*
- *Aligning public expectations with what govt can do*
- *Get feedback from a fractured public*
- *An alternative to the politics of cynicism*



SUNSHINE IN THE CITY: FISCAL TRANSPARENCY & COMMUNITY TRUST

Jessica Eskra, City Solicitor, Scranton, PA

Paige Cognetti, Mayor, Scranton, PA

SUMMER
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City of Scranton Transparency in Government

Jessica Eskra, Esquire
City Solicitor

Image from VisitNEPA.org





Distressed Scranton

- Scranton was first dubbed "distressed" on January 10, 1992, after a vote from city council. Gerald Cross from the Pennsylvania Economy League was tasked with looking over Scranton's finances.
- City of Scranton was in financial distress for over 30 years thereafter.
- Political infighting during the city's first two decades under Act 47 hindered the process.
- Scranton is one of only 16 Pennsylvania municipalities to exit Act 47 successfully.
- Only a handful have been distressed longer than 30 years.
- Scranton faced many obstacles during its distressed status.

Impacts of Distress

Ran out of money, often during the summer

Accrued interest and penalties due to inability to make/meet MMO Payments

Forced to engage in predatory lending practices due to last-minute financing

Paid employees the minimum wage in 2012

Over 10% reduction in staff, including key positions, from 2009 – 2014

2015	Resolved the Backpay Award with a \$30 million debt issuance
2016	Executed a Lease Concession Agreement for Parking Facilities with the Scranton Parking Authority and a nonprofit, NDC, removing the City's financial obligations for this debt Closed sale of assets by the Scranton Sewer Authority and Pennsylvania American Water Company, which netted the City approximately \$69 million
2017	Utilized proceeds from these transactions to rebuild after years of dysfunction in relevant areas, such as defeasing high interest and variable rate debt, decreasing the City's debt service by \$48 million and its annual debt payments by approximately \$7 million
2018	Executed a Trust Agreement to contribute \$22.9 million to its pension fund to avoid insolvency in connection with implementing Disability Pension Reform
2020 - 2021	Mayor Cagnetti was elected to fill the vacancy created by the former Mayor's resignation following his guilty plea and immediately had to navigate the widespread impacts of the COVID-19 pandemic - the City's Act 47 exit was planned for 2021 but was extended at the request of the City
2022	The City finally exited Act 47 Distressed Status
2023	The City finally has its credit rating restored to investment grade by S&P.

Road to Recovery

In 2014, to avoid filing for Bankruptcy, the City crafted an ambitious and comprehensive plan to develop an exit ramp from distressed status and stuck to it.



-
- A cultural shift would be needed to right the ship.
 - *Image from WNYC Studios*



Even if you are on the right track,
you'll get run over if you just sit there.

Will Rogers

On the heels of monetizing available assets and utilizing proceeds to reinvest in the City, and against the backdrop of historic financial mismanagement and corruption, Mayor Cignetti and her team set to work to frame out good government for the City, in order to prevent the mistakes from the past occurring again and to rebuild trust, both internally and externally.



Preventing the Past: Building Good Government

Picture from palmjays.com

The City's framework included the following:

Policy Update

Pop-Up City
Halls

Social Media

Updated
Procurement

Legislation +

Annual Budget
Presentations

OpenGov

Reclaiming
“SOTC”
Address

ARPA public
input



Sunshine in the City: Fiscal Transparency & Community Trust

City of Scranton

Release from Act 47 Distressed Status

After a span of three decades, the City of Scranton shed its “distressed municipality” classification on January 25, 2022.



Credit to the [Scranton Times - Tribune](#) for Pictures



S&P Bond Rating

- Credit rating agency S&P Global announced that for the first time in 12 years, the City of Scranton's credit rating has been raised to investment grade. The City's rating went from 'BB+' to 'BBB-/Positive.' The City has not had an investment grade rating since September 30, 2011. For a period of almost five years, from October 2011 to June 2016, the City had no credit rating.
 - Highlighted in its report, S&P noted continued improvement in its liquidity position and balanced financial operations without reliance on federal stimulus money, general fund surpluses in the last three audited years due to conservative budgeting and cost reductions, and the City's reduction of its annual Tax and Revenue Anticipation Notes from \$10 million in 2022 to \$4.9 million in 2023.
-

Transition to Open Data and Data-Driven Records and Permitting

OpenGov

- A government technology company that offers cloud software for public sector accounting, planning, budgeting, citizen services, and procurement.

Neighborly Software

- A cloud-based technology platform that manages software for programs such as housing, economic development, and grants.

Tolemi

- A smart city technology product company that provides governing intelligence technology solutions.
 - Slate: Rental Licensing and Inspection Workflow Management Software
 - BuildingBlocks: Data Integration and Analytics Software



Launching Online Permitting & Licensing Portal Powered by OpenGov

When the City of Scranton decided to make the transition to online permitting, its primary goal was to move away from a long-standing paper-based process. Along with streamlining internal processes, residents will experience convenient self-service, the ability to track, manage, and converse about applications in a single portal, and conditional forms that will improve application accuracy and reduce application time. Applicants will be able to print their permits and licenses from home and receive email notifications updating them when there are changes to their applications.



Citizens Services Portal

The Citizen Services module has allowed the City to move over 100 application processes to an online platform which is now public facing.

Discover Online Services

Choose below to browse services by department



Scranton 311

Scranton 3-1-1: Request City Services, DPW Concerns

[Explore](#)

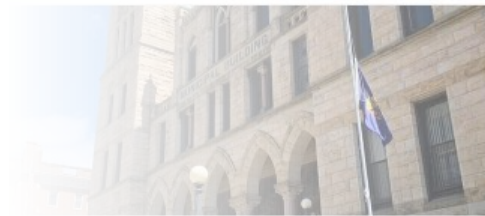
Code Enforcement

Building Permit, Electrical Permit + 23 more

[Explore](#)

City Planning and Zoning

Zoning Hearing Board Application, Certificate of Appropriateness (HARB) + 4 more

[Explore](#)

Business Administration

Boards, Commissions, and Authorities Application, Right-to-Know Request

[Explore](#)

Economic and Community Development

Special Event/Street Closure Application, Tree Removal Assistance + 5 more

[Explore](#)

Public Works

Street Excavation Permit, Banner Hanging Request Form + 1 more

[Explore](#)

American Rescue Plan

Following the spending plan approved by Council in May 2022, the City used final guidance to invest in infrastructure projects and redistribute funds to the community.

Two full-time ARPA contractors and a third-party consultant group were hired to facilitate programs.

AMERICAN
RESCUE PLAN



ARPA Reporting

Dozens of nonprofits benefit
from \$1M in city ARPA grants



\$950K to benefit Scranton programs

Funds target wellness,
overdose prevention
and behavioral health

CITY BUSINESS RECEIVES HELP TO BOOST SALARIES

Program meant to raise wages
at Scranton businesses awards
\$50K to lampshade maker.

BY JIM LOCKWOOD

STAFF WRITER

SCRANTON — The city announced its first “wage boost” grant of \$50,000 from federal American Rescue Plan Act funds earlier this week, marking a long-time lampshade manufacturer in Pine Brook.

Penn Shadecrafters, 943 Sanderson Ave., a small, second-generation lampshade manufacturer established in 1974, will be able to obtain up to \$50,000 from the city over the next two years to go toward raising employee salaries.

Please see **WAGES**, Page A12



Natali Sánchez trims lampshades Tuesday at Penn Shadecrafters in Scranton. The business, which employs 10 people at its Sanderson Avenue factory, will be able to obtain up to \$50,000 from the city over the next two years to put toward raising employee salaries.



Scranton Mayor Paige Gebhardt Cognetti steps out of a new Chevrolet electric vehicle on Thursday at Nay Aug Park that will be used by the city Code Enforcement Office.

ELECTRIC CITY GETS FIRST EVs



Matthew Yurechko, 5, plays with a train set in the Y Pals program classroom at the Greater Scranton YMCA in Dunmore.

CHILD CARE SERVICES GET A NEEDED BOOST WITH CASH INFUSION

Scranton awards ARPA grants for programs, providers.



Avery Pinto, 5, plays with a puzzle in the Y Pals program classroom at the Greater Scranton YMCA in Dunmore.

affordable child care programs and providers. The grants aid six organizations providing invaluable services, as affordable child care is critical for many families and the local economy. Cognetti said, “Our workforce, our economy, cannot operate without child care,” she said. “We have so many job openings in our whole region. We need that economy to work. We need that engine of growth broadly and families need

Please see **MONEY**, Page A9

Residents’ stormwater feedback to guide work

Firm that will study East Mountain
hears from people who live
there about problems they face.

Dozens of nonprofits benefit
from \$1M in city ARPA grants

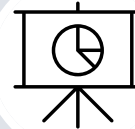
Scranton offers grants for homebuyers, home rehab



Grant Award Announcements



Press Conferences and Media Events



Compliance Consultants (Anser Advisory)
and Informational Webinars



Monthly Reports to Council: Updating
Elected Officials and Making Information
Public Record



ARPA Budget Survey

ARPA Webpage

- Webpage dedicated entirely to ARPA programs
- Live and on-demand webinars on grant applications
- More than 20 media events created
 - Promoting available grants and award recipients
- Utilize city website and social to promote transparency

Obtaining ARPA Funds

Click on the images below to find out more information about Scranton's ARPA Program and how it may benefit you.

- [To review all eligibility requirements, click here.](#)
- [For additional resources, click here.](#)
- [Review our Frequently Asked Questions.](#)

ARPA Topic Areas



SUNSHINE IN THE CITY: FISCAL TRANSPARENCY & COMMUNITY TRUST

Andrew Holland, Assistant Director of the Office of
Performance and Innovation

SUMMER
2023



Participatory Budgeting: Humanizing the Budget Process

Durham, NC



Agenda

- What is Participatory Budgeting?
- Community Outreach and Engagement Approach
- Let's Go Down Memory Lane
- PB's Impact
- Insights
- Questions

What is Participatory Budgeting?

- Residents directly deciding how to spend part of the public budget
- Promotes a bottom-up approach and empowers the most marginalized communities
- Originated in Brazil in 1989
- 3,000+ PB programs worldwide



Participatory Budgeting Structure

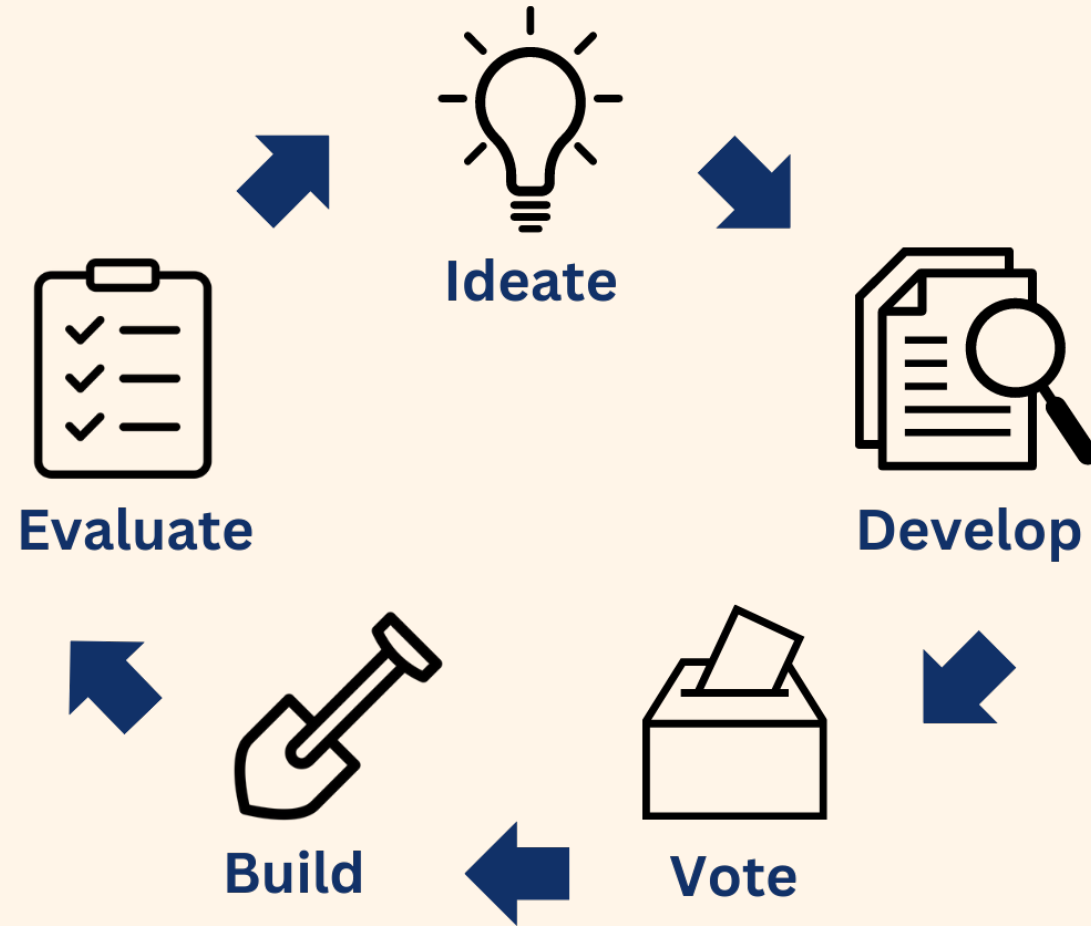
City Council	Steering Committee	Budget Dept	Internal Depts	Budget Delegates	Residents
• Approves scope, budget and projects	• Resident volunteers appointed by City Council • Create PB goals and approves staff recommendations • Adopts PB guidelines and shapes the vision	• Facilitate PB process through PB staff • Collaborate with residents, delegates, steering committee, technical staff	• Evaluate project feasibility, provide SMEs • Educate delegates on departmental processes	• Resident volunteers • Develop projects to proposals • Engage community	• Submit ideas for projects • Provide feedback on proposals • Vote!

PB Durham Goals



- Engage diverse populations
- Implement projects that serve the most underserved and marginalized communities
- Increase community engagement in the decision-making process

PB Durham



Community Engagement Approach

- Meet People Where They Are
 - Local service providers, places of worship, barbershops/salons, neighborhoods
 - Listen more than you talk
 - Canvass marginalized neighborhoods
- Acknowledge Past Harms and Build Relationships
 - Ongoing dialogue with key stakeholders (non-profits, clergy, community leaders)
 - Empower stakeholders to deliver our message
- Leverage Data
 - Outreach informed by data (Neighborhood Compass)

PB Cycle I Scope

\$2.4 million - Ward based system

- Adopted 2018
- Each ward received \$800K
- One-time capital projects
- Open to residents ages 13+
- Two-year Cycle

PB Cycle II Scope

\$1 million in grant funding for nonprofits

- Durham-connected organizations serving residents impacted by COVID-19
- Up to \$50,000 per applicant
- Open to residents ages 13+
- Two-year Cycle

PB Cycle 1: Down Memory Lane



Over 500 Ideas



Over Half of submitters POC



Over 100 Budget Delegate



Provided Need Based Stipends,
Free Bus Passes, and Childcare

PB Cycle 1: Down Memory Lane



Meet People Where They Are-
Pop Up Events



Justice Involved
Participation



10,000 Goal

PB Cycle I: Down Memory Lane



Planted over 1,500 street trees in 8 underserved neighborhoods



Drew Granby Park Upgrades- ADA playground equipment



15 bus shelters installed with art celebrating Durham's rich history

PB Cycle 2: Down Memory Lane



Meet people where they are: 200+ residents ranked COVID needs and completed survey, majority POC



Approximately 40 budget delegates vetted and scored grant proposals, provided need-based stipends



Majority POC, and over 22 non-profits awarded PB funding

PB Cycle III

- \$2.4 million - citywide (Ward-based system was less equitable)
- Longer proposal development phase
- Voting in the Fall instead of Spring
- Larger emphasis placed on concept development and human-centered design to increase transparency and improve public communication
- 700+ ideas collected in Fall 2022



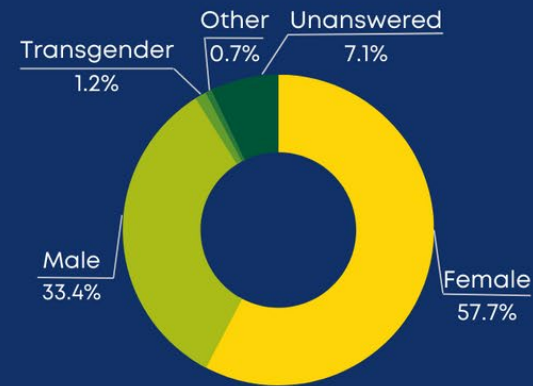
Durham Participatory Budgeting Cycle 3

Demographics

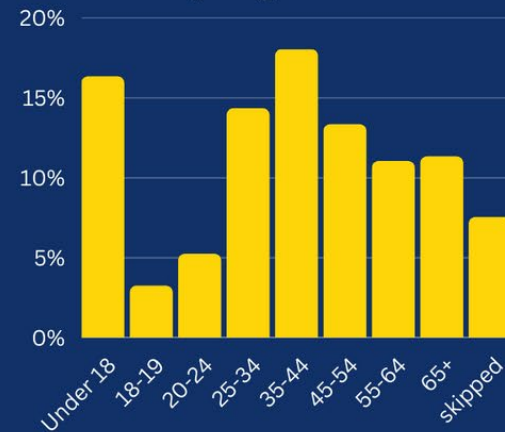
By Race + Ethnicity:

- 46.1%** identify as Black or African American
- 20.5%** identify as White
- 19.7%** identify as Hispanic or Latino/a
- 2.5%** identify as Asian
- 2.2%** identify as Other
- 1.7%** identify as American Indian or Alaska Native
- 0.3%** identify as Native Hawaiian or Pacific Islander
- 6.9%** of respondents left it blank

By Gender:



By Age:



By Household Income:



PB Cycle III Proposals



Playground at
Southern
Boundaries Park



Carroll St Park
Improvements



PB's Impact

- Need-Based Stipends are now offered to all Boards and Commissions.
- Budget Delegates have now served on CIP Committee and assisted with engagements other City departments and programs (ARPA), etc.
- ARPA grant process similar to PB Cycle 2 grant process
- Equity Tool created to score CIP projects and a focus on disinvested areas
- PB staff conducted community engagement for the Strategic Plan Refresh
- Research around PB Cycle 3 voter turnout and upcoming local elections turnout

Insights

Relationships

- PB is an opportunity to engage residents in civic life
- Build relationships and trust between the city and community

Sufficient Resources

- Full-time staff are necessary to carry out the PB process
- City Management support
- Elected Official Champion

Follow through

- Clearly communicating expectations and outcomes
- Poor execution erodes trust and harms relationships

Imperfect

- PB can't solve systemic issues, but it's a step in the right direction

Durham's PB Staff



Andrew Holland
Assistant Budget Director



Carmen Ortiz
Sr. Community Development Manager



Fallon Thompson
Sr. Budget Engagement Analyst



Samantha Pace
Strategy and Performance Intern



Melissa Amoabeng
Designer



Matthew Kehn
Designer

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