

**WILKES-BARRE CITY
PENNSYLVANIA**

Anthony G. George
Mayor



40 East Market Street
Wilkes-Barre, PA 18711
Phone: (570) 208-4158
Fax: (570) 208-4101

Letter Addressing Wilkes-Barre's Debt Refinancing

As you are aware, the City of Wilkes-Barre is in dire straits financially. The City's Finance Officer, Brett Kittrick predicts an approximate \$1 to \$1.5 million deficit from 2016's budget. That figure is coupled with an increase in the City's debt service of over \$2.2 million and an estimated \$2.1 million increase in the Minimum Municipal Obligation (MMO) payments for 2018.

Wilkes-Barre is also in immediate need of \$5.5 million for the emergency replacement of Solomon Creek Wall, as sections along the wall have crumbled into the creek and two blocks are structurally unstable. In the event of more infrastructure emergencies, we need to have the financial means to react quickly to protect the safety and wellbeing of our residents.

My administration is attempting to follow the recommendations of PFM Financial Advisors LLC through refinancing long-term debt to make attainable payments. Now more than ever, refinancing needs to be expedited due to impending interest rate increases by the Federal Reserve, as reported in a New York Times article* this week.

As Mayor of the City of Wilkes-Barre it is my fiduciary responsibility to the tax payers of Wilkes-Barre to be accountable to the City's financial obligations, while providing the level of service expected by residents. Residents expect their taxes to be generally level and predictable from year to year.

My administration is attempting to refinance the City's current long-term debt, in order to provide financial stability on our debt service, and prepare for unexpected emergencies. My administration is seeking approval for initial long term debt-refinancing from City Council. As of yet, voting on the matter has been postponed and tabled.

Additionally, it is my duty to try to avoid being declared as an Act 47 financially distressed municipality. The residents of Wilkes-Barre deserve a financially healthy city, during my administration and in future administrations. We implore that you expedite any resources that would help prevent Wilkes-Barre from becoming an Act 47 municipality.

Sincerely,

A handwritten signature in cursive script, reading "Anthony George".

Mayor Anthony G. George

CC: Senator Casey, Senator Toomey, Congressman Cartwright, Governor Wolf, Senator Yudichak, Representative Pashinski, Wilkes-Barre City Council

* https://www.nytimes.com/2017/02/15/upshot/us-economy-shows-more-signs-of-heating-up.html?_r=0