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### **Confrontation possible over refinancing plan \*\* Allentown City Council is expected to consider issue tonight.**

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Full Text (1438 words)

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Mayor Ed Pawlowski says Allentown's pending bond refinancing, which would cost taxpayers \$48 million, is the last big step in reviving the city's finances.

A small group of vocal opponents says the transaction shows the mayor, like his predecessor, fails at basic math, which will result in Allentown wasting money.

The difference of opinion could reach a climax at 7:30 tonight when City Council gets a petition from residents demanding that the bond refinancing be reconsidered.

The point of debate is the accuracy of the figures Pawlowski used to sell the refinancing to council last month. They didn't add up.

The mayor said he simply put the wrong slide into his presentation, and it's no big deal. He said the numbers were from forecasts meant to show the big picture of Allentown's finances rebounding, not show to the dollar how much the city will have in the bank in six years.

"These guys are picking at straws instead of looking at the larger picture," said Pawlowski, a Democrat. "I think it's ridiculous for them to pick on these numbers."

His critics, many of them Republicans, are not convinced.

"Council and the public should know they're getting accurate numbers from the mayor," said Michael Schware, the Republican candidate for city controller.

He questioned why the mayor's answers to questions about his figures were not presented publicly at the council meeting when Schware and others challenged the numbers.

At Pawlowski's urging, council on Aug. 15 agreed to refinance up to \$35 million in bonds that were issued several years ago. By refinancing, the mayor said, the city could avoid making higher debt payments that were scheduled from 2009 to 2014, which the city could not afford to make without raising taxes or laying off workers.

The refinancing would be costly, requiring an additional \$48 million in interest over three decades.

But it would reduce debt payments to manageable amounts. It would create a uniform repayment schedule that would be easier to budget for. And maybe most important, it would help get the city out of what could be a future financial hole.

Before council's Aug. 15 vote, in private meetings and at a public council committee meeting, Pawlowski presented council figures showing how the refinancing, when coupled with new sources of revenue and spending cuts, would erase a projected deficit.

The bottom line, according to the mayor's figures: a projected \$5.1 million deficit in 2013 would become a \$4.6 million surplus.

Council approved the refinancing by a vote of 5-2.