

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
JUNE 16, 2016**

Public Safety Building – Room A-205
10 East Church Street
Bethlehem, PA 18018

MINUTES

The Board of the Redevelopment Authority of the City of Bethlehem met for a regular meeting on Thursday, June 16, 2016 at 4:00 P.M. in Room A-205 of the Public Safety Building of Bethlehem City Hall, 10 East Church Street, Bethlehem, PA. The place, the hour and the date duly noted for the holding of this meeting was publicized.

Chairman Jason Henninger called the meeting to order and the following members were present:

Earl Bethel
Ronald Heckman
Christopher Spadoni

The Chairman called a quorum present.

Also present were: Tony Hanna, Executive Director
Heather M. Bambu, Board Secretary
Michael E. Riskin, Esq., Solicitor

Guests present were: Tracey Rash, CPA of Maher Duessel, CPAs
Sarah Satullo, Reporter from The Express-Times

RDA Board Member Dennis Cunerd contacted the RDA office prior to the meeting and indicated that he was unable to attend.

APPROVAL OF MINUTES

Mr. Heckman made a motion to approve the minutes of the April 28, 2016 rescheduled, regular meeting of the Redevelopment Authority. The minutes were mailed earlier to each member of the Board. As there were no errors or changes reported, Mr. Bethel seconded the motion. The motion carried unanimously and the minutes of the April 28, 2016 rescheduled, regular meeting of the Redevelopment Authority were approved.

FINANCIAL REPORTS

The Financial Reports for the months ended March 31, 2016 and April 30, 2016 were mailed to the Redevelopment Authority Board members prior to the meeting. As there were no changes or errors noted in these reports, Mr. Heckman made a motion that the cash reports for the months ended March 31, 2016 and April 30, 2016 be accepted as presented. Mr. Bethel seconded the motion. Motion unanimously carried and the cash reports for the months ended March 31, 2016 and April 30, 2016 were accepted as presented.

COURTESY OF THE FLOOR

Since no guests were present at this meeting, Mr. Henninger noted there that the Courtesy of the Floor portion was not necessary at this time. He then proceeded to the next agenda item and continued the meeting.

PRESENTATION OF RDA DRAFT AUDIT REPORT

Mr. Henninger turned the meeting over to Mr. Hanna who introduced Ms. Tracy Rash from Maher Duessel, CPAs to present the draft audit report for the fiscal period ended June 30, 2015 to the RDA Board. Mr. Hanna reminded the Board that Ms. Rash attended the February 18, 2016 Board meeting and made a similar type of presentation to the Board regarding the audit for the fiscal period ended June 30, 2014.

Ms. Rash began her presentation by indicating that the draft audit being presented to the RDA Board at this time is similar to that which was previously presented for the RDA fiscal period ended June 30, 2014 since both audits were conducted at the time same.

Ms. Rash explained that while much of their work on the RDA audit had been completed for some time, Maher Duessel was waiting for certain financial information from the Pennsylvania Municipal Retirement System (PMRS) which pertains to the RDA pension plan for its employees. She further explained that new auditing requirements were implemented during this fiscal period which made this information from PMRS a necessity for the completion of the RDA audit. Ms. Rash added that upon receipt of this information from PMRS, Maher Duessel was able to finalize their draft audit report, which is being reviewed at this meeting.

Ms. Rash then proceeded to review the draft audit report with the RDA Board by highlighting some items contained in it.

1. She noted that the audit provides an unmodified opinion indicating that the financial statements are materially correct and noted that a part of the audit which was unaudited was the historic financial PMRS data.
2. Ms. Rash indicated that the RDA management portion of the audit was not included during this fiscal period but added that such an omission is acceptable. Mr. Hanna indicated that the RDA plans to include the management portion within its audit for the fiscal period ended June 30, 2016.
3. Ms. Rash highlighted items, such as the deferred outflows of resources for pension and the deferred inflows of resources for pension indicated on the Statement of Net Position, were new items contained within this audit report due to the new pension standards required to be implemented during this fiscal period. She continued to highlight the impact these new pension reporting requirements had on the RDA audit as such items arose during her presentation.
4. Ms. Rash indicated during her presentation the impact the Hoover-Mason Trestle and parking garage costs had upon the various RDA financial statements. She noted the increase in assets as a result of the Trestle, as well as noted the increase in liabilities due to the additional borrowing the RDA entered into during this fiscal period.
5. Ms. Rash stated that the notes to the financial statements have been expanded from the prior year's audit report due to the implementation of the new pension reporting standards. She highlighted areas which were added a result of these additional requirements as part of her presentation to the Board.
6. Ms. Rash indicated that many of the recommendation contained within these financial statements are the same as the notes contained in the audit report for the fiscal period ended June 30, 2014 since both audits were conducted simultaneously. Mr. Hanna and Ms. Bambu noted that items indicated within these notes as recommendations are being reviewed and modifications are being implemented since the receipt of this information during the prior audit review.

Mr. Hanna and the RDA Board thanked Ms. Rash for her presentation and Ms. Rash thanked the RDA staff for their cooperation during this audit process.

EXECUTIVE DIRECTOR’S REPORT

Mr. Bethel turned the meeting over to Mr. Hanna for the presentation of his Executive Director’s report. Mr. Hanna did not provide the Board with a written report, but presented the following updated to the Board:

1. Hoover-Mason Trestle – Mr. Hanna stated that the Hoover-Mason Trestle received the Wilbur Rouse Award during this past year. He noted that this award was received by Steel Stacks when the Wilbur Rouse Award began three (3) years ago. He explained that this past year an independent jury was created from around the country to review the applicants. He noted that the lead juror who reviewed the Hoover-Mason Trestle was from Oakland California and was extremely impressed with the project. Mr. Hanna noted that that the Trestle also received a ‘Best of the Best’ award within the engineering field as well. The Board was expressed great satisfaction with the success of the project and the awards it has received to date.
2. Levitt Pavilion – Mr. Hanna stated that the Levitt Pavilion will be celebrating its fifth anniversary in 2016 and that a reception has been planned to occur on July 2, 2016 prior to the concert that evening. Mr. Hanna extended an invitation to attend this event to the entire RDA Board and Staff.
3. Blighted Properties – Mr. Hanna stated that the RDA office has been busy with addressing issues of blight elimination in the City of Bethlehem. He indicated that the Blighted Property Review Committee (BPRC) has been actively meeting and reviewing the status of properties within the City. He also noted the aggressive nature the City administration has been attacking this issue and added that, as a result, the RDA will be hearing more regarding some blighted properties within the next few months.
4. Bethlehem Armory – Mr. Hanna stated that the discussion regarding the Bethlehem Armory project will take place at the next regular meeting of the RDA. He noted that this meeting is scheduled for Thursday, July 21, 2016.

APPROVAL OF INVOICES – JUNE 2016

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval the invoices as outlined on the June 2016 invoice summary. He noted that costs incurred for the Bethlehem Works / TIF District project during June 2016 are included on this summary.

Mr. Bethel made a motion to approve the invoices as outlined on the June 2016 invoice summary for those costs incurred for the Bethlehem Works / TIF District project. Mr. Cunerd seconded the motion. The motion was unanimously approved and the following payments were authorized to occur:

- 1) \$2,653.25 represents costs associated with On-Going and Maintenance Costs associated with the TIF District projects with payment of such costs to be made immediately from the RDA TIF Authority Fund.
- 2) \$343,571.11 represents costs associated with Phase II project costs / Hoover-Mason Trestle with payment of such costs to be made immediately from the RDA TIF Authority Fund.
- 3) \$2,755.62 represents costs associated with Phase III project costs / Parking Garage with payment of such costs to be made immediately from the RDA TIF Authority Fund.
- 4) \$3,975.53 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs associated with the overall Bethlehem Works / TIF District project. The amount being paid is the balance available for such reimbursements to the RDA from the 2015-2016 allocation to this Administrative Expense Fund account.
- 5) \$14,316.10 represents reimbursement to the RDA from the Authority Fund account for administrative costs associated with Phase III of the Bethlehem Works / TIF District project.
- 6) \$65,542.59 represents reimbursement to the RDA from the TIF Authority Fund for administrative and other various costs associated with the overall Bethlehem Works / TIF District project.

2016-2017 ANNUAL ADMINISTRATIVE BUDGET

Mr. Henninger asked that the next item of business for the RDA Board would be to review and consider for approval the proposed 2016-2017 Annual Administrative Budget for the period of July 1, 2016 through June 30, 2017. He added that approval of this budget can be done via motion as has been done in the past.

Mr. Hanna noted that this budget is similar to the 2015-2016 budget approved last year by the RDA Board. He noted that the Personal Services category did increase in this budget being proposed since it took into account a projected 3% salary increase for RDA staff. Mr. Hanna reminded the Board that increases in salaries are done to correspond to increases the City of Bethlehem TAMS positions receive annually and noted that the 3% increase is the anticipated proposed increase for these equivalent employees.

Mr. Heckman made a motion to approve the 2016-2017 Annual Administrative Budget as submitted. Mr. Bethel seconded the motion. The 2016-2017 Annual Administrative Budget was unanimously approved by the RDA Board as submitted.

AUDIT FOR FISCAL PERIOD ENDED JUNE 30, 2015

Mr. Henninger asked that the next item of business for the RDA Board would be to consider the approval of the RDA audit, as presented in draft form earlier in this meeting, and upon receipt of the final report from Maher Duessel, for the fiscal period ended June 30, 2015. Mr. Henninger reminded the Board that approval of this report should be done via motion as has been done in the past.

Mr. Bethel made a motion to approve the RDA audit as presented in draft form earlier in this meeting and upon receipt of the final report from Maher Duessel for the fiscal period ended June 30, 2015. Mr. Heckman then seconded the motion. The motion was unanimously approved. The RDA audit for the fiscal period ended June 30, 2015 was unanimously approved as presented in draft form earlier in this meeting and upon receipt of the final report from Maher Duessel.

AUDIT FOR FISCAL PERIOD ENDED JUNE 30, 2016

Mr. Henninger stated that the RDA has received a proposal from Maher Duessel to conduct an audit for the RDA fiscal period ended June 30, 2016. He noted that a copy of this proposal was forwarded to all Board members prior to the meeting. Mr. Henninger asked the RDA to review and consider for approval the proposal from Maher Duessel to conduct the RDA audit for the fiscal period ended June 30, 2016. He added that approval of this proposal should be done via motion.

Mr. Heckman made a motion to accept the proposal from Maher Duessel to conduct the RDA audit for the fiscal period ended June 30, 2016. Mr. Bethel seconded the motion. The motion was unanimously approved and the proposal from Maher Duessel to conduct the RDA audit for the fiscal period ended June 30, 2016 was unanimously approved.

ADJOURNMENT

As there was no further business, Mr. Spadoni made a motion to adjourn the meeting of the RDA. Mr. Heckman seconded the motion. The motion was unanimously approved and the meeting of the Bethlehem RDA was adjourned at 4:45 P.M.

Submitted by,

Heather M. Bambu
Board Secretary