

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
APRIL 25, 2024**

Town Hall
Bethlehem City Hall
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, April 25, 2024 at 5:00 P.M. in Town Hall, at Bethlehem City Hall; 10 East Church Street, Bethlehem, Pennsylvania. The place, the hour and the date duly noted for the holding of this meeting was publicized.

Chairperson Tracy Oscavich called the meeting to order and the following members were present:

Tracy Samuelson
Christopher Spadoni

The Chairperson called a quorum present.

Also present were: Laura Collins, Director of Community and Economic Development
 Heather M. Bambu-Weiss, Board Secretary
 Michael E. Riskin, Esq., Solicitor

Guest present was: Jennifer CruverKibi, Maher Duessel, CPAs

RDA Board Member, Ronald Heckman, contacted the RDA office prior to the meeting to indicate he was unable to attend.

APPROVAL OF MINUTES

Ms. Samuelson made a motion to approve the minutes of the January 25, 2024 regular meeting of the Redevelopment Authority. The minutes were emailed earlier to each member of the Board. Mr. Spadoni seconded the motion. The motion carried unanimously and the minutes of the January 25, 2024 regular meeting of the Redevelopment Authority were approved.

Mr. Spadoni made a motion to approve the minutes of the March 13, 2024 special meeting of the Redevelopment Authority. The minutes were emailed earlier to each member of the Board. Ms. Samuelson seconded the motion. The motion carried unanimously and the minutes of the March 13, 2024 special meeting of the Redevelopment Authority were approved.

CASH REPORTS

Ms. Samuelson made a motion to approved the cash reports for the months ended December 31, 2023; January 31, 2024; and February 29, 2024. These cash reports were emailed earlier to each member of the Board. Mr. Spadoni seconded the motion. The motion carried unanimously and the cash reports for the months ended December 31, 2023; January 31, 2024; and February 29, 2024 were approved.

COURTESY OF THE FLOOR

Since there were no members of the public in attendance, there were no comments during the Courtesy of the Floor portion of this meeting.

RDA AUDIT – FISCAL PERIOD ENDED JUNE 30, 2023

Ms. Oscavich turned the meeting over to Ms. CruverKibi, who provided the RDA Board with a presentation of the RDA audit for the fiscal period ended June 30, 2022. Ms. CruverKibi provided the following highlights regarding the RDA audit:

- 1) The RDA financial statements were an unmodified opinion, which was explained to be the best opinion that the RDA could receive. It was noted that these financial statements were fairly presented, in all material aspects, according to accounting principles generally accepted in the United States and that all supplementary information, as required by the Government Accounting Standards Board, were included in these statements.
- 2) The Statement of Net Position reports all funds of the RDA on an accrual basis. The following items were noted:
 - a. Total Assets decreased by approximately \$1-million when compared to the 2021-2022 financial statements due to the annual depreciation expense of the capital assets.
 - b. Due to timing and reporting by the Pennsylvania Municipal Retirement System (PMRS), the RDA pension is reported as a Net Pension Asset during some audit periods, such as occurred in 2021-2022, and as a Net Pension Liability during other audit periods, such as occurred during the 2022-2023 period. Details regarding the market activity and other assumptions involving the classification of this item are further detailed in Note 6 to the financial statements.
 - c. The Net Position of the RDA was approximately \$804,000, representing a decrease from the 2021-2022 fiscal period. The Total Net Position of the RDA, at the end of the 2022-2023 fiscal period, was \$25.9-million, with approximately \$317,000 being unrestricted funds available for RDA expenditures.
- 3) The Management Letter indicated some material adjustments were required as part of the audit process. Recommendations to strengthen the control of funds received were also made, such as including a designated City of Bethlehem employee in the receipt, deposit and recording of such transactions.
- 4) Strengthening Information Technology control and establishing a disaster recovery plan were additional items noted in the Management Letter to the RDA. It was noted that these same items were included in the last audit of the City of Bethlehem. Because the City provides information technology services to the RDA, any improvements to the controls and establishment of a disaster recovery plan by the City of Bethlehem will also impact RDA operations.

Following this presentation, Mr. Spadoni asked if there were any significant deficiencies that the Board needed to be aware of concerning the operations of the RDA. Ms. CruverKibi indicated that the previously noted material adjustments were the most significant item. She noted those adjustments were included in the audit report and were provided to Ms. Bambu-Weiss so the journal entries could be made into the accounting records of the RDA.

Mr. Spadoni asked about implementing the recommendations to improve the segregation of duties when funds are received by the RDA. Ms. Bambu-Weiss stated that while the RDA does not often receive funds requiring such deposits, the audit recommendations will be implemented and utilized when such funds are received in the future.

Ms. Oscavich asked for clarification regarding the material adjustments and the recommendation for change in depositing funds received by the RDA. Ms. CruverKibi explained that the material adjustments she referred to were journal entries which were required to be recorded in QuickBooks by the RDA. She stated that was a separate item from the recommendation to improve the process for depositing and recording funds received by the RDA.

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Ms. Oscavich asked if there was any way the RDA could piggyback with the City of Bethlehem implementation of a disaster recovery plan and improvements to information technology controls. Ms. Collins explained that since the RDA utilizes the City of Bethlehem information technology resources, improvements to it will also impact the RDA. It was also noted that implementation of a disaster recovery plan by the City of Bethlehem will also impact the RDA due to this relationship.

Following the presentation by Ms. CruverKibi, and the discussion with the Board, Mr. Spadoni made a motion to accept, as presented, the RDA audit and financial statements for the fiscal period ended June 30, 2023. Ms. Samuelson seconded the motion. The motion was unanimously approved. As a result, the RD audit and financial statements for the fiscal period ended June 30, 2023 were accepted, as presented.

EXECUTIVE DIRECTOR REPORT

Ms. Oscavich turned the meeting over to Ms. Colins for her Executive Director Report. Ms. Collins provided the following updates to the Board:

- 1) **Pennsylvania Association of Housing & Redevelopment Agencies (PAHRA)** – Ms. Collins noted that PAHRA will be having its 2024 Spring Conference at Wind Creek from May 5 to 7, 2024. She noted that Ms. Bambu-Weiss has sent information regarding this event to the Board and added that if any Board members are interested in volunteering during the conference, they should contact Ms. Bambu-Weiss.
- 2) **Tunes at Twilight** – Ms. Collins indicated that the Tunes at Twilight will be returning to the Sun Inn Courtyard this summer from June 6 to July 8, 2024. She added that the Sun Inn will be working with the Downtown Business Association on this event. Because the event will be taking place in the Sun Inn Courtyard, and because the RDA owns property within that courtyard, the RDA may be asked to be a party to a Use Permit Agreement. She noted that this is similar to the agreements the RDA has entered into in the past for Musikfest and other such events.
- 3) **Moravian Conduit Financing** – Ms. Collins stated that settlement for the Moravian Conduit Financing, approved at the March 13, 2024 RDA special meeting, is in the process of being scheduled for the coming weeks.

ADJOURNMENT

As there was no further business, Mr. Spadoni made a motion to adjourn the April 25, 2024 RDA Board meeting. Ms. Samuelson seconded the motion and the motion was unanimously carried. As a result, the meeting adjourned at 5:15 P.M.

Submitted by,

Heather M. Bambu-Weiss
Board Secretary