

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
APRIL 18, 2019**

Bethlehem City Hall – Room B-504
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 18, 2019 at 3:00 P.M. in Room B-504 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. The location of this meeting was posted in various locations at Bethlehem City Hall due to its change in location.

Vice-Chairman Ronald Heckman called the meeting to order and the following members were present:

Earl Bethel
Christopher Spadoni

The Chairman called a quorum present.

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

Guests present were: Eric Evans, Business Administrator for City of Bethlehem
 Tracey Rash, CPA, Maher Duessel CPAs
 Mark Sivak, Director of Financing for City of Bethlehem

RDA Board Members Dennis Cunerd and Jason Henninger contacted the RDA office prior to the meeting and indicated that they were unable to attend due to scheduling conflicts.

APPROVAL OF MINUTES

Mr. Spadoni made a motion to approve the minutes of the January 17, 2019 regular meeting of the Redevelopment Authority. The minutes were emailed 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 January 17, 2019 regular meeting of the Redevelopment Authority were approved.

APPROVAL OF CASH REPORTS

Mr. Spadoni made a motion to approve the cash reports for the months ended July 31, 2018 through December 31, 2018 as well as the months ended January 31, 2019 and February 28, 2019. These cash reports were emailed earlier to each member of the Board. As there were not errors or changes reports, Mr. Bethel seconded the motion. The motion carried unanimously and the cash reports for the months ended July 31, 2018 through December 31, 2018 as well as the reports for the months ended January 31, 2019 and February 28, 2019 were approved.

COURTESY OF THE FLOOR

No guests present at the meeting had anything to share as part of the Courtesy of the Floor portion of the meeting.

RDA AUDIT – FISCAL PERIOD ENDED JUNE 30, 2018

Mr. Heckman turned the meeting over to Mr. Hanna and Ms. Rash to discuss the RDA audit for the fiscal period ended June 30, 2018. Ms. Rash introduced herself to the Board and indicated that she and Maher Duessel conducted the audit for the RDA fiscal period ended June 30, 2018. Ms. Rash highlighted the following items from the RDA audit:

- 1) The historical financial details included in this audit are unaudited and the financial statements are considered materially correct.
- 2) The RDA assets decreased by \$1.2million when compared to the prior audit period. It was noted that this value is a combination of the Polk Street parking garage asset being transferred to the Bethlehem Parking Authority as well as the acquisition of the Bethlehem Armory and depreciation costs incurred by the RDA during this audited fiscal period. It was noted that the RDA financials reflect the Armory as ‘property held for sale’ since it was acquired during the fiscal period ended June 30, 2018 and disposed during the fiscal period that began July 1, 2018.
- 3) The RDA liabilities decreased by \$5.4million primarily due to debt principal payments made during the fiscal period being audited.
- 4) The RDA revenues increased by approximately \$250,000 during this fiscal period when compared with the prior audited fiscal period. This increase was identified to be primarily due to an increase in TIF collections revenue.
- 5) The RDA expenditures increased by approximately \$845,000 during this fiscal period when compared to the prior audited fiscal period. The increase in expenditures was due to the removal of the Polk Street parking garage costs as well as increase in debt service and additional funds drawn from the 2016 borrowing.

Ms. Rash highlighted some of the notes contained in the financial statements including a new accounting standard that will be implemented in the near future as well as the impact the market has upon the net pension liability valuation reported in the reports. She reminded the Board that this valuation is provided as of December 31, 2017, yet the RDA fiscal period ends June 30, 2018. She noted that this valuation is market driven.

Following this presentation by Ms. Rash, Mr. Bethel made a motion to approve and accept the RDA audit as presented and submitted to the RDA Board. Mr. Spadoni seconded the motion. The motion was unanimously approved. The RDA audit for the fiscal period ended June 30, 2018 was unanimously approved and accepted by the RDA Board.

EXECUTIVE DIRECTOR REPORT

Mr. Heckman turned the meeting over to Mr. Hanna for his Executive Director Report. Mr. Hanna presented a verbal report of events involving the RDA. He noted the following items:

- 1) **TIF Financing** – Mr. Hanna stated that with the existing TIF expiring in 2020, the RDA will begin discussion with the City regarding the assets owned by the RDA within the TIF District and the maintenance responsibilities and costs involved with these assets. He explained that during a meeting with Dr. Roy, Superintendent of the Bethlehem Area School District (BASD), they discussed the concept of establishing a maintenance account with TIF funds to be used toward future maintenance of these project sites. Mr. Hanna indicated that this idea was not favorably supported by the BASD and, as a result, alternative ways to address such a need are being explored. Mr. Hanna stated that he will continue to keep the RDA Board updated on the status of these discussions.

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- 2) **Skyline West** – Mr. Hanna stated that Attorney Riskin and the Skyline West partners have been working on resolving an issue at this project site involving PennDot and a right-of-way situation. He explained that there is a portion of land incorporated into the development plans for this project, which was discovered to be owned by PennDot. Mr. Hanna and Mr. Riskin explained that the RDA has been working with those involved resolving this matter.

Mr. Spadoni encouraged Mr. Hanna and Mr. Riskin to cooperate fully with resolving this matter because, in his opinion, this is a very favorable project for Downtown Bethlehem. Mr. Hanna and Mr. Riskin indicated they have been, and will continue to do as much as they can to help resolve this matter.

- 3) **Casino Sale** – Mr. Hanna stated that the sale of the Sands continues to progress. He indicated that from all he has learned the new owners have expressed a great interest in new development. Mr. Hanna stated that he wants to meet with the new owners after the sale is finalized.

RESOLUTION NUMBER 1459

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval Resolution Number 1459, which authorizes repair work to be done on the Hoover-Mason Trestle elevator by Integrity Mechanical, Inc.

Mr. Heckman asked if the weather has been an impact to this elevator. Mr. Hanna explained that while this was constructed as an outdoor elevator the weather has had an impact on it. He added that the original heating system did not work well since installation and noted that repairs were continually made to it. Mr. Hanna added that the issue has finally been identified and since the warranty on it expired quotes were received to repair it. Mr. Hanna indicated that Integrity Mechanical, Inc. had the best cost to repair the elevator.

Mr. Spadoni presented the following resolution to the Board and moved for its adoption by the Board.

WHEREAS, the **Redevelopment Authority of the City of Bethlehem**, 10 East Church Street, Bethlehem, PA 18018 (“Authority”) constructed the Hoover-Mason Trestle and incorporated an elevator into the development for accessibility to the walkway; and

WHEREAS, the Authority has retained Otis Elevator to maintain and repair the single cab elevator and associated equipment; and

WHEREAS, the Unit Heater in the elevator began to malfunction causing the elevator to be placed out-of-service on several occasions from late 2018 to early 2019; and

WHEREAS, Otis recommended that the heater be replaced since it was no longer under warranty and repairs would no longer be covered under the service contract; and

WHEREAS, Otis estimated the cost of replacement to be no more than \$5,000; and

WHEREAS, a second estimate was requested from Integrity Mechanical, Inc., the mechanical maintenance contractor for the Stock House Visitor Center; and

WHEREAS, Integrity Mechanical estimated the cost to be no more than \$2,500;

NOW, THEREFORE, BE IT RESOLVED THAT, Integrity Mechanical’s proposal was accepted and the work completed for \$2,233.44.

BE IT FURTHER RESOLVED THAT, Integrity Mechanical, Inc’s invoice for payment is approved and payment is authorized.

(Resolution Number 1459)

Mr. Bethel seconded the motion. The motion was unanimously approved. As a result, Resolution Number 1459 was unanimously adopted by the RDA Board.

REAFFIRM APPROVAL OF INVOICES – FEBRUARY 2019

Mr. Heckman stated that the RDA Board has been asked to reaffirm its email vote for the approval of the invoices / reimbursements as outlined on the February 2019 invoice summary. He noted that the approval of these invoices was originally done via email voting due to the February 2019 RDA meeting being cancelled.

Mr. Bethel made a motion to reaffirm the approval of the payments / invoices as outlined on the February 2019 invoice summary. Mr. Spadoni seconded the motion. The motion was unanimously approved and the following payments were approved:

- 1) \$5,062.25 represents costs associated with On-Going and Maintenance Costs and payment of such costs to be made from the Authority Fund account.
- 2) \$7,625.31 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs related to the overall Bethlehem Works / TIF District.
- 3) \$475.50 represents reimbursement to the RDA from the Authority Fund account for various costs related to the Bethlehem Works / TIF District.

REAFFIRM APPROVAL OF INVOICES – MARCH 2019

Mr. Heckman stated that the RDA Board has been asked to reaffirm its email vote for the approval of the invoices / reimbursements as outlined on the March 2019 invoice summary. He noted that the approval of these invoices was originally done via email voting due to the March 2019 RDA meeting being cancelled.

Mr. Bethel made a motion to reaffirm the approval of the payments / invoices as outlined on the March 2019 invoice summary. Mr. Spadoni seconded the motion. The motion was unanimously approved and the following payments were approved:

- 1) \$2,846.25 represents costs associated with On-Going and Maintenance Costs and payment of such costs to be made from the Authority Fund account.
- 2) \$12,441.51 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs related to the overall Bethlehem Works / TIF District.
- 3) \$421.16 represents reimbursement to the RDA from the Authority Fund account for various costs related to the Bethlehem Works / TIF District.

APPROVAL OF INVOICES – APRIL 2019

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval the invoices / reimbursements as outlined on the April 2019 invoice summary.

Mr. Bethel made a motion to approve of the payments / invoices as outlined on the April 2019 invoice summary. Mr. Spadoni seconded the motion. The motion was unanimously approved and the following payments were approved:

- 1) \$10,602.30 represents costs associated with On-Going and Maintenance Costs and payment of such costs to be made from the Authority Fund account.
- 2) \$12,069.98 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs related to the overall Bethlehem Works / TIF District.
- 3) \$1,600.72 represents reimbursement to the RDA from the Authority Fund account for various costs related to the Bethlehem Works / TIF District.

GENERAL DISCUSSION

RDA BOARD MEMBERS – Mr. Hanna provided the Board members present with an update on the status of current RDA Board members and their participation with the RDA. Mr. Hanna stated that the term for Mr. Henninger expired in March 2019 and added that, unfortunately, Mr. Henninger has asked not to be reappointed to the RDA Board. The Board members present indicated a desire to thank you for his years of service to the RDA. Mr. Hanna also indicated that he spoke with Mr. Cunerd and Mr. Cunerd indicated a desire to continue being an active RDA Board member and explained that with changes at his job he anticipates being able to attend more meetings in the future.

ADJOURNMENT

As there was no further business, Mr. Spadoni a motion to adjourn the meeting of the RDA. Mr. Bethel seconded the motion. The motion was unanimously approved and the meeting of the Bethlehem RDA was adjourned at 4:05 P.M.

Submitted by,

Heather M. Bambu-Weiss
Board Secretary