

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM  
DECEMBER 27, 2024**

Virtual Meeting via Zoom  
Onsite Location  
DCED Conference Room – A100  
Public Safety Building  
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 special meeting on Friday, December 7, 2024 at 3:00 PM. The purpose of this meeting is to consider a resolution authorizing the amortization of an unfunded liability associated with the Redevelopment Authority pension plan.

This special meeting occurred virtually via Zoom with an onsite location being the DCED Conference Room (A100) within the Public Safety Building 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:

Ronald Heckman  
Ali McDaniel  
Tracy Samuelson  
Christopher Spadoni

The Chairperson called a quorum present.

Also present were: Sean Ziller, Executive Director  
Michael E. Riskin, Esq., Solicitor  
Alex Miller, Economic Development Coordinator / City of Bethlehem

RDA Board Secretary, Heather M. Bambu, was unable to attend the meeting due to a conflict with her schedule.

**WELCOME NEW BOARD MEMBER**

Ms. Oscavich welcomed Ms. McDaniel to the RDA Board as did all the other Board members in attendance. Ms. McDaniel provided some background information and expressed her excitement to be a member of the RDA.

**RESOLUTION NUMBER 1516**

Ms. Oscavich thanked the Board members for being available to participate in this meeting and noted the importance of the topic. She indicated that the RDA Board has been asked to review and consider Resolution Number 1516, which authorizes the RDA to utilize a 10-year amortization process for the payment of an unfunded liability to the Pennsylvania Municipal Retirement System (PMRS) as part of the RDA pension plan requirements.

Mr. Ziller provided background information regarding the RDA and its pension plan. He indicated that even though the RDA no longer has employees, its pension plan provides benefits to four (4) former and retired RDA employees and will provide benefits to Ms. Bambu, who is currently vested in the plan, when she is eligible for such benefits.

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Mr. Ziller indicated that when the RDA was notified of the 2025 Minimum Municipal Obligation (MMO) amount, questions were raised regarding the amount charged for Unfunded Liability. Mr. Ziller explained that the RDA staff did research regarding this MMO, especially the Unfunded Liability amount, and learned this amount was impacted by the RDA no longer having employees. Mr. Ziller added that since the RDA was not eligible to pay this MMO on installments, the PMRS presented the option of a 10-year amortization of the unfunded liability amount.

Mr. Spadoni asked about the 10-year amortization, the amount of the payments and if an interest rate was being charged as part of this financing. Mr. Ziller indicated that, based upon his estimates, each payment would be approximately \$13,100. He also stated that he did not know of any interest rate being applied towards this amortization.

Ms. McDaniel asked Mr. Spadoni about his questions since she had similar questions. Mr. Spadoni indicated that without interest this would be considered a payment plan, rather than amortizing this liability. He also noted that knowledge of the interest rate would help to evaluate the repayment terms and the impact such repayment would have upon the RDA.

Mr. Spadoni expressed concern that by extending the payment of this amount into the future, issues, which should be addressed at this time, are being delayed into the future.

Ms. Oscavich expressed concerns regarding the irrevocable nature of this financing, as indicated in the resolution, and the impact that would have if the RDA wanted to pay-off this liability earlier over 10-years. Mr. Ziller indicated that he did not have information to address this question at this time.

Mr. Heckman asked about the impact this unfunded liability amount would have, if any, upon the current retirees and their pension payments. Mr. Ziller indicated that the payout to the current retirees is not impacted by this situation.

RDA Board members, Mr. Ziller and Mr. Riskin discussed the 2021 Intergovernmental Agreement between the RDA and City of Bethlehem and the obligations of each party as identified within the agreement. Discussion occurred regarding this pension liability and if an obligation to the City of Bethlehem exists as a result of this agreement.

Additional discussion occurred regarding the financial limitations of the RDA and the role of the City of Bethlehem in assisting the RDA when needs, such as this pension liability, exist. The Board expressed concern regarding the financial position of the RDA and requested additional information be provided regarding anticipated revenue sources and a projection of costs for RDA operations.

Ms. Oscavich stated a desire to clarify the role of the RDA and its actions at this meeting. She indicated that while discussions at this meeting have involved many questions about the RDA and City of Bethlehem and the roles and responsibilities of each, the resolution being presented for consideration addresses *how* the RDA is going to pay the unfunded liability amount. Ms. Oscavich asked Mr. Riskin to review the Intergovernmental Agreement as it pertains to this pension liability.

Mr. Ziller noted that prior to presenting the current resolution to the Board, RDA staff did extensive research about the RDA pension plan and had numerous communications with PMRS to obtain additional information. These discussions with PMRS resulted in the understanding of the reason for the unfunded liability amount and the proposed 10-year amortization payment of the liability, which were presented at this meeting.

Mr. Ziller also indicated that additional discussions are needed, and will be had, between the RDA and City of Bethlehem regarding the financial operations of the RDA and the involvement of the City with those operations. He added that he is also planning an evaluation of the RDA asset portfolio with respect to the costs these assets are putting upon the finances of the RDA.

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Mr. Spadoni expressed concern about future impact this unfunded liability matter will have upon future years of the RDA. Mr. Ziller indicated that he had similar questions and concerns. He added that he explained these concerns to Ms. Bambu who clarified with PMRS that the large MMO for 2025 was not something to be expected for 2026.

After the presentation and various discussions regarding this matter, Mr. Spadoni presented the following resolution to the Board and moved for its adoption by the Board.

**A RESOLUTION OF BETHLEHEM CITY REDEVELOPMENT AUTHORITY,  
NORTHAMPTON COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO  
AMORTIZE, OVER A TEN (10) YEAR PERIOD, AN UNFUNDED LIABILITY IN THE  
REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM PENSION PLAN  
WITH THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) AND  
AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL  
RETIREMENT LAW AS AMENDED AND APPLICABLE TO MEMBER  
MUNICIPALITIES.**

WHEREAS, the Bethlehem City Redevelopment Authority (the Authority) agreed that the Pennsylvania Municipal Retirement System (PMRS) would administer the pension plan for the RDA effective March 1, 1969 and as restated effective September 1, 2020; and

WHEREAS, the Authority entered into an Intergovernmental Agreement, dated August 19, 2021, with the City of Bethlehem (City) in which the Authority was reorganized and as a result ceased independent and active employees as of August 25, 2020; and

WHEREAS, all past and present Authority employees were classified as retired and/or vested in the Authority pension plan with PMRS; and

WHEREAS, such change in the organization of the Authority had a direct impact upon the funding of the Authority pension plan with the Authority being notified by PMRS of an unfunded liability for the Authority Pension Plan in the amount of \$131,148; and

WHEREAS, due to the financial burden to pay this unfunded liability in one sum payment, under Act 205 as set forth in the Municipal Pension Handbook, the Authority has elected to take a one-time option to make an irrevocable election to amortize the entire balance of the unfunded liability for the Authority Pension Plan over a ten (10) year period.

NOW, THEREFORE, BE IT RESOLVED, the Bethlehem City Redevelopment Authority, being a member municipality of the Pennsylvania Municipal Retirement System, hereby agrees to the following:

- 1) The Bethlehem City Redevelopment Authority agrees to a one-time irrevocable election to amortize the entire balance of the unfunded liability for the RDA Pension Fund calculated at \$131,148 over a ten (10) year period.
- 2) The Chairman and/or Vice-Chairman is authorized to sign any and all documents consistent with this Resolution, with same to be attested to by the Secretary.
- 3) All other terms and conditions of the Authority Pension Plan shall remain in full force and effect as previously authorized and approved.
- 4) The provisions of this Resolution shall become effective upon approval at a duly called, advertised and lawful meeting of the Redevelopment Authority of the City of Bethlehem.

(Resolution Number 1516)

Mr. Heckman seconded the motion. The motion was unanimously passed. As a result, Resolution Number 1516 was unanimously adopted by the RDA.

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**ADJOURNMENT**

As there was no further business, Mr. Heckman made a motion to adjourn the December 27, 2024 RDA special meeting. Mr. Spadoni seconded the motion and the motion was unanimously carried. As a result, the meeting adjourned at 3:55 P.M.

Submitted by,

Heather M. Bambu-Weiss  
Board Secretary

*As prepared based upon viewing Zoom  
recording of meeting*