**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM**
**FEBRUARY 27, 2025**

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, February 27, 2025 at 5:00 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.

Because some Board members were unable to attend the meeting in person, a virtual option (Zoom) was provided for attending this meeting.

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: Sean Ziller, Executive Director
Chris Betley, Auditor from Buckno Lisicky & Company
Heather M. Bambu-Weiss, Board Secretary
Michael E. Riskin, Esq., Solicitor

RDA Board member, Ronald Heckman, contacted the RDA office prior to the meeting and indicated he had a scheduling conflict and was unable to attend the meeting.

## APPROVAL OF MINUTES

Mr. Spadoni made a motion to approve the minutes of the January 23, 2025 regular meeting of the Redevelopment Authority. These minutes were emailed earlier to each member of the Board. Ms. Samuelson seconded the motion. The motion carried unanimously and the minutes of the September 26, 2024 regular meeting and the December 27, 2024 special meeting of the Redevelopment Authority were approved.

## CASH REPORTS

Ms. Samuelson made a motion to approved the cash report for the month ended January 31, 2025. This cash report was emailed to each member of the Board. Mr. Spadoni seconded the motion. The motion carried unanimously and the cash report for the month ended January 31, 2025 were approved.

## COURTESY OF THE FLOOR

There were no comments during the Courtesy of the Floor portion of this meeting.

**RDA AUDIT – 2023-2024 FISCAL PERIOD**

Ms. Oscavich turned the meeting over to Mr. Ziller who introduced Chris Betley, the auditor from Buckno Lisicky & Company who completed the RDA audit for the 2032-2024 fiscal period.

Mr. Betley began by indicating this was the first year that Buckno Lisicky conducted the RDA audit. He then reviewed the audit report with the Board and highlighted the following:

1) The RDA financial statements were an unmodified / clean opinion, which was explained to be the best opinion the RDA could receive.
2) The audit was conducted to obtain reasonable assurance about the RDA financial statements. It was noted that while reasonable assurance provided an extremely high level of assurance it was not a guarantee.
3) The supplementary information provided as part of the RDA audit includes required pension schedules. Mr. Betley explained that this data is presented as it has been received from the pension actuarial and the audit does not include any opinion on it.
4) The financial statements have been prepared on a modified accrual basis.
5) Grant funds received by the RDA are recognized as funds are expended and are classified as unearned revenues on the Balance Sheet contained within the audit report.
6) The Bethlehem Works Fund accounts were closed during the audit period. Any balance in these accounts were transferred to the RDA General Fund as reimbursement for TIF related administrative costs incurred by the RDA.
7) According to the pension plan portion of the Supplementary Notes, the ending balance of the 2024 Net Pension Liability balance represents the 12/31/2023 balance as provided to the RDA from the pension plan. The 10-year amortized unfunded liability amount, due to the pension plan from the RDA, has been included in the audit report as an additional note in this report.
8) While a first-year audit with a new entity can often be challenging, the RDA audit went smoothly and the auditors received all that was requested in a cooperative and timely manner during the audit process.

Mr. Betley concluded the audit presentation by discussing deficiencies identified in the 2022-2023 audit and their status as of the conclusion of the 2023-2024 audit. Mr. Betley noted the following:

- Segregation of Duties – With modifications to the process used by the RDA to receive and deposit RDA revenue, the segregation of duties has improved for the RDA during the current audit period. As a result, this item has been removed as a deficiency from the current audit.

- IT Disaster Recovery Plan – Because the RDA is dependent upon the City of Bethlehem information technology, the RDA is also dependent upon any plans imposed by the City of Bethlehem related to technology. As a result, the RDA would be required to comply with any IT disaster recovery plan enacted by the City of Bethlehem. Therefore, Mr. Betley indicated that identifying the lack of such an IT disaster recovery plan by the RDA has been removed based upon the professional opinion of Buckno Lisicky.

- Improvements to Financial Reporting – Mr. Betley explained that numerous journal entries were required to be incorporated into the RDA records from the prior audit period as part of the current process. He noted that the working papers from the prior RDA auditors did not indicate the posting of such journal entries by either these prior auditors or conveyed to the RDA staff for posting. Mr. Betley stated that the RDA staff has been provided with journal entries to streamline the RDA financial records and to update things for this post-audit period. Mr. Betley added that although this is a current deficiency in the 2023-2024 audit report, he anticipates this deficiency will be removed when the next audit is conducted.

The Board members asked Mr. Betley for clarification about the amount of depreciation identified in the RDA audit report. Mr. Betley indicated that the depreciation expense identified in the RDA audit represents the expense attributed to the RDA capital assets over the useful life of those assets calculated using straight line depreciation method. A discussion occurred regarding the difference between the appreciation of assets from a market value perspective compared to the depreciation of assets from an accounting and auditing perspective.

Following this presentation and Board discussion, Ms. Samuelson made a motion to approve and accept the RDA audit for the fiscal period ended June 30, 2024 as presented. Mr. Spadoni seconded the motion. The motion was unanimously approved. As a result, the RDA audit, for the fiscal period ended June 30, 2024, was approved and accepted by the RDA Board.

## EXECUTIVE DIRECTOR REPORT

Ms. Oscavich turned the meeting over to Mr. Ziller who provided an Executive Director Report. Mr. Ziller noted the following items during his report:

- **Use Permit Agreement –** Mr. Ziller stated earlier today the RDA office received a request to review and consider a Use Permit Agreement for an upcoming event to be located on a portion of land the RDA owns in the Sun Inn Courtyard. Mr. Ziller noted that due to the receipt of this request, this item will be included as an agenda item for RDA action in April.

- **RDA Finances –** Mr. Ziller reminded the Board that he had previously indicated the City of Bethlehem Business Administrator, Eric Evans, will be attending an RDA Board meeting to discuss the RDA as it relates to City activities and finances. Mr. Ziller noted that Mr. Evans is expecting to be available to attend the RDA meeting in May to discuss things with the Board.

- **ArtsQuest –** Mr. Ziller noted that at an upcoming RDA meeting, representatives from ArtsQuest will be attending to discuss some their project plans with the RDA, including some modifications to the plaza area outside of Bethlehem Landing Visitor Center.

- **Federal Government Operations –** Mr. Ziller stated that the City of Bethlehem continues to monitor the situation involving the federal government, including the freezing of federal funds. He added that if actions taken involve the RDA and/or finances involving RDA projects he will update the RDA Board.

## ADJOURNMENT

As there was no further business, Mr. Spadoni made a motion to adjourn the February 27, 2025 RDA Board meeting. Ms. Samuelson seconded the motion and the motion was unanimously carried. As a result, the meeting adjourned at 5:25 P.M.

Submitted by,

Heather M. Bambu-Weiss
Board Secretary