

REDEVELOPMENT AUTHORITY MEETING
DECEMBER 20, 2010
7:00 PM

Mr. Disciullo convened the meeting at 7:35 pm in Council Chambers and led the salute to the flag.

Members Present: Joseph Disciullo, Jack Burkholder, Jon Kasitz, Harry Colon and Matthew Baker

Staff Present Wayne Reed, Rob Barry, Stacy Bjorhus, Ruthann Mowday

Mr. Disciullo announced the RDA held executive session on December 20, 2010 prior to the regular scheduled meeting.

Approval of Minutes

Mr. Burkholder made a motion to approve the minutes dated November 15, 2010; Mr. Baker seconded the motion. Motion passed 5-0.

Approval of Accounts Payables

Mr. Kasitz asked if the bill for Mr. Comitta has been resolved. Mr. Comitta explained to the Board his past interaction with the City and the Redevelopment Authority. Mr. Comitta explained the process regarding the bill submitted from his firm. Mr. Comitta stated his firm would forgive of the bill for \$362.25 due to the misunderstanding. Mr. Disciullo asked for the RDA to send a letter to request tax relief to avoid the \$32,000 in taxes due for the properties prior to the RDA ownership. Mr. Colon asked if these are the last bills for Mr. O'Donnell. Mr. Disciullo explained there will be more bills as Mr. O'Donnell is working with the new solicitor to familiarize him with the pending litigation.

Mr. Disciullo made a motion to approve the accounts payables minus the bill for Thomas Comitta in the amount of \$362.25 as agreed with Mr. Comitta; Mr. Kasitz seconded the motion. Motion passed 5-0

Mr. Disciullo made a motion to send a letter to the taxing entities to relieve the taxes on the three properties; Mr. Colon seconded the motion. Motion passed 5-0.

Mr. Kasitz made a motion to approve the accounts payables with the changes as per Mr. Disciullo regarding the taxes; Mr. Burkholder seconded the motion. Motion passed 5-0. The payables are as follows:

ADP Fees	\$431.00
Daily Local	\$303.48
CMX	\$3,755.48
PECO	\$22.88
Gawthorp Greenwood PC	\$3,137.50
Downtown Revival	\$1,854.00
Exit Elite	\$1,277.18
Saki's Electric	\$910.00

Springer Brothers	\$2,290.00
CZOP	\$575.00
AJ Electrical	\$3,000.00
Thomas Comitta	\$430.83
Wayne Reed	\$1000.00
Kirby Hudson	\$1000.00
Robert Barry	\$1000.00
Stacy Bjorhus	\$1000.00
<u>Ruthann Mowday</u>	<u>\$1000.00</u>
Total	\$22,987.35

Additions, Deletions, or Modifications to the Agenda

Mr. Disciullo added item (n) resignation of Jon Kasitz and item (o) changes for 2011. Mr. Disciullo deleted the presentation from the agenda.

Citizens Comments – Agenda Items Only

Dennis Waller and Peggy Johnson – Resident

Mr. Waller explained he has lost a lot of money on the property. The RDA is the worst landlords. We are unable to open the store to pay the bills. The Codes Department will not allow us to open up. Mr. Waller asked to be let out of his lease. The RDA is not honoring its contract. Everything outside of the square footage they are renting will not pass inspection. He stated he has put in over \$20,000 in repairs to date. Mr. Colon asked if Mr. Waller submitted a plan to the City. Mr. Waller replied yes. Mr. Waller stated all the trash should have been cleaned out prior to renting the space out. Mr. Ehman stated the tenant has a term notice in his lease and the RDA did receive money in escrow. The entire building is in need of repairs. A partition wall is required to separate the space rented by Mr. Waller and the vacant space in the back. Mr. Kasitz stated that Mr. Waller was here 3-4 months ago and has not been back since. Mr. Colon asked if Mr. Waller had offered to rent the additional space. Mr. Waller stated that offer is off the table. Mr. Ehman stated a request came in for more space, and then a request came in to terminate the lease. There has not been an opportunity in the sunshine act to discuss what to do. Mr. Colon stated the Board has just received the inspection reports and has not had time to react to them. We cannot act on the moment. Mr. Waller stated that the building should have been maintained from the time the dentist office left. Mr. Colon stated that the building was rented as-is. Mr. Ehman stated that the space that is not being rented is what is stopping them from opening. Mrs. Johnson stated she wanted the \$2,000 she put up for the building reimbursed. Mr. Waller stated he wants back what he put into the building. Mr. Waller stated it is everything outside of what he has rented that is the problem. Mr. Disciullo stated he would be willing to personally do whatever to help them get open.

Mr. Kasitz made a motion to close citizens' hearings on agenda items only; Mr. Disciullo seconded the motion. Motion passed 5-0.

New Business

a. 2011 Budget

- a. Mr. Disciullo asked if the \$250,000 figured into the budget is Comfort Care. Ms. Bjorhus stated she had seen the figure sometime ago in a draft. Mr. Reed stated the budget is showing a deficit of \$324,000 with Comfort Care and \$146,000 without Comfort Care. The RDA needs to plan to repay the City. The City

waived the payment for 2010 not 2011. Mr. Disciullo explained the RDA received a waiver of the payment from the City for the 2010 payment of \$275,000. In addition to the payment for 2010, the RDA would need to add the 2011 payment in the amount of \$275,000 equaling \$550,000 payment back to the City. Ms. Bjorhus stated the RDA owes the City quite a bit back in back taxes. The debt is significantly more than the budget reflects. Mr. Kasitz asked if we should show the unbalanced budget to Council and request an extension. Mr. Baker asked if the City and RDA could meet in executive session to discuss. Mr. Reed stated the budget should be a realistic plan as possible. The Council is going to look at the budget and ask why the payment to the City is not in the budget. MR. Reed stated the 2010 budget was never approved. Mr. Colon asked if the budget had to be adopted this evening. Mr. Disciullo stated a budget should be adopted for the following year. The budget can be amended.

- b. Mr. Kasitz made a motion to adopt the budget with Comfort Care as presented; Mr. Baker seconded the motion. Motion passed 5-0.

b. Property Management Contract

Mr. Disciullo announced the RDA made changes to the contract and the property management has been given more responsibility. The changes are only one point of contact, collect rent, monthly reconciliation from rental units, want a two year contract and office is not required in the City. Mr. Reed asked if the Property management firm will make sure when the property is vacated, that is in compliance before renting. Mr. Disciullo stated this would be hard because of the usage of the next tenant. Mr. Reed stated the building should be up to code before renting. Mr. Colon stated the RDA needs property management. Mr. Disciullo announced that the original RFP requested an Office in the City. The RFP will have to be readvertised with the changes.

Mr. Kasitz made a motion to reissue the RFP for Property Management without the office requirement and change criteria; Motion passed 5-0.

c. Solicitor Contract

Mr. Disciullo announced the RDA approved Mr. Mancini as Solicitor at a past meeting.

d. Downtown Revival Maintenance Fees

Mr. Reed announced earlier in the year the fees were raising from \$926.00 per month to \$1,664.00. Ms. Bjorhus stated the \$926.00 was a 20 year amortized fee. Mr. Disciullo stated that is a separate fee regarding the loan payment. The RDA makes an annual payment of \$35,000 to the Downtown Revival (DTR) as per the agreement and then the DTR sends the payment back to the RDA for the loan. Mr. Colon asked how DTR can justify the increase. Mr. Reed stated the increase was placed in their budget to cover costs and balance their budget. Mr. Colon stated the RDA was not paying the maintenance fees in the past because the RDA was paying for the repairs. Mr. Baker asked if there is any recourse to the RDA for not paying the increased rate. The Board asked Mr. Mancini to review the agreement regarding the increase of the maintenance fees.

Mr. Colon made a motion to amend the payable to pay the \$926.00 to Downtown Revival for December and January until further legal counsel; Mr. Disciullo seconded the motion. Motion passed 5-0.

e. Flats Traffic Study RFP Response

Mr. Barry explained the RDA received nine bids for the Flats Study proposal. The RDA intends to utilize the funding provided by the Flats Predevelopment Grant from the State Department of Community and Economic Development to fund the traffic study. The lowest bidder will meet all the requirements of the RFP. Mr. Kasitz stated that all are legitimate companies. The lower bidder has experience working with Penn-Dot.

Mr. Disciullo made a motion to approve F. Tavani and Associates, Inc for \$8,750.00 for the Flats Traffic Study; Mr. Kasitz seconded the motion. Motion passed 5-0.

f. 101 East Lincoln Highway Lease and Repairs

Item was discussed previously in Citizens Comments.

g. Mission Statement

Mr. Disciullo asked for the members to respond to the email and provide input for the Mission Statement.

h. RDA Property List for Website

Mr. Baker stated he forwarded a list provided to him from Ms. Bjorhus to Mr. Marking.

The Board went back to discussing the Mission Statements.

Mr. Baker read mission statements. Mr. Mancini stated the Mission Statement should include a statement for City Wide. After general discussion, option #2 was picked for the list with modifications.

Mr. Disciullo made a motion to approve the Mission Statement as follows: To promote neighborhood and commercial revitalization, economic development, home ownership/rehabilitation within the City of Coatesville; Mr. Colon seconded the motion. Motion passed 5-0.

i. Use of City's Public Works Department

Mr. Disciullo explained the City wants compensated for the hours for time spent by Public Works working at the RDA properties. Mr. Colon suggested the City provide the RDA with a work order and the hours. Mr. reed stated the work order would be at the city employee rate. Mr. Colon stated the property manager may be able to provide better rates than the City.

Mr. Kasitz made a motion to approve reimbursing the Public Works Department for the expenses for the RDA to be billed monthly; Mr. Disciullo seconded the motion. Motion passed 5-0.

j. Quarterly Meeting with City Council

Mr. Disciullo stated meeting with City Council is something that should be going on that has not been done. The meeting should be quarterly to update the City on the RDA's projects and initiatives. Where the RDA is at and where they are going. Mr. Reed stated the meeting would be a public work session. Mr. Mancini stated the RDA cannot function without the cooperation of City Council. Mr. Reed suggested the First meeting to be in March followed by June, September and December. Mr. Burkholder asked Mr. Mancini to explain all the functions of the RDA. Mr. Mancini explained the functions. Mr. Reed stated he would ask Council for a date in March for the meeting.

k. Arcelor Mittal Inspection of Dam on Brandywine

Mr. Barry explained the final inspection report has been completed by Arcelor Mittal. The report states the dam is structurally intact; however there are three recommendations outlined. The recommendations are as follows: although the present condition of the dam is acceptable, the depression and erosion channels in the top surface of the dam could be repaired by coating the surface with epoxy mortar; the excess vegetation should be trimmed back from the concrete abutment wall on the east side; and the timber wall on the east side should be repaired by replacing the timbers that have deteriorated.

Mr. Kasitz made a motion to submit the structural report to the DEP; Mr. Disciullo seconded the motion. Motion passed 5-0.

l. 2011 Meeting Dates

Mr. Kasitz made a motion to approve and advertise the RDA Meeting dates for the year 2011; Mr. Colon seconded the motion. Motion passed 5-0.

m. Proclamation for Pat O'Donnell for year of service

Mr. Burkholder made a motion to approve the Proclamation for Patrick O'Donnell for his years of service to the RDA; Mr. Kasitz seconded the motion. Motion passed 5-0.

Mr. Disciullo asked staff to forward the proclamation to Mr. O'Donnell.

n. Jon Kasitz Resignation

Mr. Disciullo announced Mr. Kasitz has resigned from the RDA due to family and business commitments.

Mr. Disciullo made a motion to accept Jon Kasitz's resignation from the RDA effective December 31, 2010; Mr. Burkholder seconded the motion. Motion passed 5-0.

o. 2011 Changes

Mr. Disciullo announced that due to budgetary constraints the RDA has made some changes to the staffing of the RDA. The RDA will reduce the staff to 3 people (1 unpaid and 2 paid). The Director of Operations and the Administrative Assistant Position have been eliminated as of January 1, 2011. Mr. Reed will maintain the Executive Director position without pay until March 1, 2011. Mr. Barry will become the Executive Director as of March 1, 2011.

Mr. Baker made the motion to reduce the staff by eliminating the Director of Operations and Administrative Assistant; Mr. Colon seconded the motion. Motion passed 5-0.

Mr. Reed asked who would take over the administrative duties such as minutes and all record keeping. Mr. Disciullo stated Ms. Bjorhus will be taking over the administrative assistant responsibilities. Ms. Mowday asked for a new Right to Know Officer to be assigned for the RDA. Mr. Disciullo asked Ms. Bjorhus to become the Right to Know Officer for the RDA.

Citizens Comments – Non-Agenda Items

There were no citizen's comments at this time.

Mr. Disciullo announced the next RDA meeting will be January 18, 2011.

Mr. Disciullo asked staff to advertise for a Special Public meeting to be held on December 28, 2010 at 6 pm to discuss the Veledrome.

Mr. Reed thanked Ms. Mowday for her dedication and service to the Redevelopment Authority.

Mr. Baker made a motion to adjourn the meeting; Mr. Colon seconded the motion. Motion passed 5-0.

Respectfully submitted,

Jon Kasitz
Secretary