

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF CHESTER March 23rd, 2021 1:00 p.m.

**Chester City Hall
Council Chambers
1 Fourth Street, 2nd Floor
Chester, PA 19013**

Present: Michael T. Doweary, Receiver
Kelly Diaz, County of Delaware, Office of the Controller, Sr. Accountant
Vijay Kapoor, Chief of Staff to the Receiver
Cody Deal, Executive Assistant
William Jacobs, City Councilman
Gordan Mann, Financial Advisor, PFM
Mayor Thaddeus Kirkland
Kim Bracey, DCED, Executive Director for the Governor's Center for Local Government Services

Absent: None

The Municipal Financial Recovery Advisory Committee meeting began at 1:03 p.m. The meeting was streamed on the Chester City's Facebook page at <https://www.facebook.com/cityofchester/>.

Minutes of March 23 MFRAC Meeting

The Receiver asked if there were any changes or addendums to the March 23, 2021 Municipal Financial Recovery Advisory Committee meeting minutes.

Hearing none, the Receiver asked for a motion to accept the minutes of March 23th.

It was moved by Councilman Jacobs and seconded by Mayor Kirkland that:

"The March 23, 2021 minutes of the Municipal Financial Recovery Advisory Committee be accepted as written."

MOTION CARRIED UNANIMOUSLY

City Residential Permit Parking Zones

The Receiver gave the floor to Mr. Kapoor to discuss the issue of residential permit parking zones being requested by the community as it relates to the recovery plan. He acknowledged that there were three resolutions set for approval at tomorrow's City Council Meeting for the implementation of these new parking measures in three different neighborhoods across the city. He explained that the Receiver's team understands the desire to move forward with this but is also requesting that these resolutions be pulled from the agenda for approval because there was

not a plan to enforce these resolutions and because they might negatively impact the litigation trying to terminate the contract with the City's parking manager.

Mr. Kapoor went on to explain the 2 main issues surrounding these resolutions and that it is not because they do not agree that there is a need for residential permit parking in the city. The Receiver does agree that residential permit parking should be considered in the city. Currently the Receiver is seeking to terminate the contract with the parking vendor that is providing services to the city because the Receiver does not believe that it is in the best interests of the city. The Receiver's team has concerns surrounding how these resolutions would impact the litigation because the parking manager could argue that it has the right to manage the program and that it would receive all the revenues from it. He stated the other concern being an inability to enforce residential permit parking. Rather than creating an issue of passing these resolutions with no way of enforcement, it is being requested by the Receiver's team to hold off until the litigation is addressed and we have an established enforcement mechanism to put these parking measures into place. Additionally, he stated that the Receiver's team understands that this is an important issue for city elected officials and that members of his team are in the process of looking at the parking issue now.

The Receiver opened the floor to the committee for any questions regarding this issue. Director Bracey of DCED asked where Mayor Kirkland and Councilman Jacobs stood on this and why they would not work collaboratively on this issue with the Receiver's team. Mayor Kirkland stated that his understanding was that they have been working collaboratively on this issue as it has been on the city's plate for a few years now. He also stated that he felt that enforcement was available using resolutions already in place giving the parking authority the same enforcement abilities they use for the city's handicap spaces, with the second line of defense being the police department.

Mayor Kirkland went on to explain the problem they were facing with parking near the hospital in Upland, at which hospital employees are taking senior citizens residential parking spaces causing the residents to have to either place cones to prevent this or park further away from their homes. He mentioned a similar issue near Widener University at which students will occupy more residential parking spaces forcing seniors to have to adjust again. He explained they are taking these steps to help ease this issue for the residents of Chester.

Director Bracey explained that she understands where this thought process is coming from, however due to the ongoing process of the parking litigation, perhaps one thing should take place at a time with the litigation being completed first. Councilman Jacobs stated that there has not been a collective discussion about the Receiver's intent to terminate the parking contract and that this was the first he had heard the reasons for the council not passing these parking resolutions. He asked what the timeframe would be for this litigation to be completed, as this parking issue has been longstanding and there is now an opportunity to address it.

The Receiver thanked Councilman Jacobs for his question and stated that it appears the memos that were shared with the Council's office and the Mayor must have not been extended to the rest of the council and that his team would ensure that information went out before their council meeting tomorrow. He then opened the floor to Mr. Kapoor to respond more directly to the litigation questions.

Mr. Kapoor started by saying that the Receiver's team has asked for this not to be on the agenda several times and that there was an email from John Mclaughlin, the Receiver's council,

to the City's Solicitor last Thursday outlining the reasons as to why which was intended to be provided to council. It was also attached to what was emailed to the committee yesterday. He went on to explain that the Receiver is not opposed to dealing with residential parking or acknowledging that there is an issue there, and that the only concern is how it is enforced. The current contract with the parking vendor very broadly defines what the City's parking assets are that the manager has control. The residential parking permits could fall within this definition of parking assets, therefore, the parking manager with whom we are trying to terminate this contract, would have a good argument that they are the ones who need to enforce these new measures and would collect revenue for this, with no revenue coming to the City. The Receiver's team's concern is that this will likely lead to additional litigation with the parking manager, and that the city will not have an ability to collect the fines under this current contract. He stated that they do not know when the litigation would end in response to Councilman Jacob's question, but that they also don't know when it can be enforced. They would prefer that the council not pass a resolution that would cause further litigation and create the expectation that these new rules would be enforced when that would not in fact be the case.

Councilman Jacobs stated that he understood what Mr. Kapoor was saying but asked if this same issue would apply to the parking meters that are already in place. Mr. Kapoor said that they are related, and that is part of the current litigation as well, but that we do not have a good answer as to how any of these things will be managed if the current contract is terminated. He further explained the issue of giving more revenues to the parking manager and a company that we are seeking to terminate since it is believed by the Receiver's team that this contract is bad for the city.

Councilman Jacobs and Mayor Kirkland both raised the option of having the police enforce these parking measures. Mr. Kapoor responded with the question of who would collect this money, to which Councilman Jacobs stated that it would be done through the courts. Mr. Kapoor responded by stating that with the current contract, there would still be no revenue coming to the city.

Mayor Kirkland mentioned a previous council meeting a few weeks ago in which they made it clear to their residents that they hear them and are doing what they need to do to resolve these parking issues, especially when it involves people coming from other municipalities coming into the city and occupying the spaces. The Mayor felt that after that previous council meeting someone from the Receiver's team should have reached out to him sooner but did not, and that asking for us to delay these resolutions which may help the citizens is not fair to them.

The Receiver responded saying that communication seems to be the issue whenever there is a challenging moment, and that they have documentation going back weeks between his team and the city, as well as weekly meetings with the City at which these issues have been discussed. He explained that his team's interjection into this parking litigation began last month, as they were just asked by the courts to get involved in this in December. He stated that he did not see this matter going on for 3 years, but that the parking contract which has been in place for 3 years and it is still no where near a resolution which is why the Receiver's team interceded for termination of said contract. He went on to discuss how his team is not meant to be in place for 3 more years to focus on parking and that they intend to bring about a quick resolution as their focus is much larger for the City. He stated that there has been no evidence that a true planning process for what needs to be done in regard to parking has taken place and that the courts and the parking manager have already been notified of the intent to terminate this agreement, so they would have no reason to invest more resources into this since they have already been notified the contract will be terminated. He finished by saying we should focus on

one step at a time and getting the city out of this bad contract, and then focus on implementing an operation that is responsive to the City's needs.

Councilman Jacob's reiterated that the council's issue is not knowing when the litigation will end or who will be successful at the conclusion, and this his question to Mr. Kapoor was to show him where it would be a burden to have the residential parking established and having the current parking manager handle that enforcement until the litigation is completed, again referencing the severity of the problem for the citizens affected. The Receiver reiterated that they are not opposed to the residential parking program, but that they are just asking for the city to take a step back before trying to take a step forward as the timing appears to not be right.

Director Bracey interjected to ask whether these measures could even be implemented via resolution, why this conversation was not previously discussed before becoming an agenda item, and if this discussion occurring during this committee meeting is productive. Mr. Kapoor stated that he did not know whether or not this could be passed by resolution. Director Bracey finished by stating that the state hopes communication between the City and the Receiver's team can be improved. Mayor Kirkland stated that he was under the impression there would be a meeting with the Receiver before the committee meeting occurred. The Receiver replied that the Mayor has been canceling that meeting for some time and that they had began meeting on Wednesdays instead which falls after these committee meetings, to which the Mayor disagreed before the Receiver moved on to the next agenda item.

Reports

The Receiver mentioned the updated recovery plan which had been shared with the court in the previous week, then opening the floor to Mr. Kapoor for any further updates.

Mr. Kapoor stated that there were no further updates at this point, thanking all members of the Receiver's team and the city staff for their help in putting the updated plan together.

Receiver Update

The receiver echoed the thoughts of gratitude towards all involved in the plan and mentioned that it was available on the chesterreceivership.com website and per request by any who may want to read it. Director Bracey also thanked the entire team for the work on the plan as well. Mayor Kirkland stated that they had some concerns about the plan which they would like to share with the Receiver and his team at the proper time. He wanted to ensure that there was some credit given to the city staff for their work as well, which was echoed by the Receiver, who then stated that he is open to this discussion at tomorrow's meeting. The Receiver also wanted to make it clear to the public that the opportunity for critique and feedback was afforded to the city throughout the plans development and that he looked forward to the discussion.

Public Comments

The Receiver noted the majority of public comments were again pertaining to the Chester Water Authority litigation to which we are still awaiting the outcome. There was one comment received about the budgeting process to which he thanked for the input and engaging on that level.

Member Comments

The receiver asked the committee if there were any comments they wished to be made. Mayor Kirkland stated that it was important to move forward on their trash collection contract to ensure that the trash will not continue to pile up. The Receiver encouraged the Mayor to share his concern with them as they are nearly 100 days into the new contract, welcoming a further discussion of it at tomorrow's meeting.

There being no further business to discuss, the Receiver adjourned the meeting at 1:45 p.m.

The next Municipal Financial Recovery Advisory Committee meeting is scheduled for Tuesday, April 27th at 1:00 p.m. at Chester City Hall, City Council Chambers, 1 Fourth Street, 2nd Floor, Chester, PA 19013, and streamed VIA ZOOM through the City's Facebook page.

Approved this 27th day of April 2021.

Michael T. Doweary
Receiver for the City of Chester

Secretary – Cody Deal