

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF CHESTER December 28, 2021 1:00 p.m.

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

Present: Michael T. Doweary, Receiver
Kelly Diaz, County of Delaware, Office of the Controller, Sr. Accountant
Vijay Kapoor, Chief of Staff to the Receiver
Kim Bracey, DCED, Executive Director for the Governor's Center for Local Government Services
Eric Haggett, Walker Consultants

Absent: Mayor Thaddeus Kirkland
Councilman William Jacobs
Cody Deal, Executive Assistant

The Municipal Financial Recovery Advisory Committee meeting began at 1:00 p.m. The meeting was streamed on the Chester City's Facebook page at <https://www.facebook.com/cityofchester/>.

Minutes of December 14 MFRAC Meeting

The Receiver noted that there was not a quorum to act, tabling this item until the next meeting as there were no questions about the minutes from the members present.

Public Comments

The receiver noted the 2 unique public comments received, with 12 in total, indicating that all pertain to the ongoing CWA litigation. The Receiver opened the floor for any comments which there were none.

Recovery Plan Update

The Receiver passed the floor to Mr. Kapoor for an update on the Receiver's recovery plan.

Mr. Kapoor reiterated that the bulk of the work over the past few weeks has been related to city budgeting, with the budget to be passed tomorrow. He noted that there was largely agreement on most items, there were a few that were not agreed upon, however it is to be passed.

He went on to express the goal of going public with a few items that have been worked on over the past few months during the first few months of the new year - with more information to come.

Lastly, he mentioned there is going to be a change of Judge presiding over Receivership, with the announcement of who it will be coming in the following weeks.

The Receiver also asked Mr. Kapoor to provide an update on the pension situation and the recently released order to recalculate certain pensions. Mr. Kapoor explained that since October there have been recalculations for some retirees. Mr. Kapoor explained that there is more information being gathered about previous actions taken by pension board and local government, with a memo forthcoming.

The Receiver opened the floor for questions, to which Director Bracey asked if the FOP is supporting this work being done to correct the pension issues. Mr. Kapoor stated that they had contacted them back in October for any documentation regarding the pension change, which nothing could be provided. He stated that they have been quiet about this issue, but there has been nothing received that contradicted the discoveries of the Receivership team.

Receiver Update

The Receiver had just one update – thanking DCED and the State of PA for the \$5 Million dollar loan received last week to help bridge the cashflow needs of the city. The loan is anticipated to be repaid by early Summer. Director Bracey stated again that this type of loan is not uncommon and is glad to be working closely with the Receiver and help where they can.

Director Bracey also recognized the Receiver for his work in a recent public meeting, as well as some of the positive comments received by the state regarding his work and community outreach/engagement. He thanked Director Bracey and DCED, stating that there are plans to hold these public engagement meetings monthly. Director Bracey also asked about the outstanding IRS obligations and how it impacts the 2022 budget and if more info can be shared with the public. The Receiver noted the overall outstanding liability is around \$750,000, going back to 2016. This matter is still open, and the city is pursuing an abatement request and honoring payment plans to bring the account current. He noted that \$375,000 is budgeted for in 2022 with the hopes that some abatement will be approved. It is doubtful that the full amount would be due in a calendar year, so the other half can be budgeted for 2023.

There were no further questions from the Committee.

Presentation RE: Parking

The Receiver gave the floor to Mr. Kapoor for an introduction of today's presenter – Eric Haggett from Walker Consultants. Both Mr. Kapoor and Mr. Haggett gave corresponding presentations about the current parking contract, with Mr. Haggett providing his expert opinion on how to resolve the issues surrounding it.

The presentation as well as the follow up questions/discussion from the committee can be found on the receivership website, www.chesterreceivership.com

Member Comments

The Receiver opened the floor for comments and questions for the committee, noting that Mayor Kirkland and Councilman Jacobs were not present in today's meeting with no advance notice. Both Ms. Diaz and Director Bracey both expressed dissatisfaction and confusion on why this contract would be entered into in the first place. The Receiver thanked them both for their input and noted that this was just a first step to bring this information to the public, with next steps to reconcile the problem to follow. There were also questions taken from online viewers as well, including what can be done to get out of this contract, who signed off or negotiated this contract, and how to identify those who oversee parking issues at the city level. It was shared that the Receiver does have power to modify or terminate contracts, the Mayor and city council were primarily involved in the contracting of this agreement, and there is a parking authority in city hall. All the follow up questions and conversation surrounding the presentation can be found on www.chesterreceivership.com

In closing, the Receiver and those on the meeting encouraged the citizens of Chester to bring their concerns publicly to the Receiver as well as the City. He also directed anyone viewing the receivership website for all resources, presentations, etc. that have been produced by the Receivership team.

There being no further business to discuss, the Receiver adjourned the meeting at 2:55 p.m.

The next Municipal Financial Recovery Advisory Committee meeting is scheduled for Tuesday, January 11th 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 11th Day of January 2022.

Michael T. Doweary
Receiver for the City of Chester

Secretary – Cody Deal