

MINUTES

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

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

Present: Michael T. Doweary, Receiver
Mayor Thaddeus Kirkland
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

Absent: Cody Deal, Executive Assistant
William Jacobs, City Councilman

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 February 9 MFRAC Meeting

The Receiver asked if there were any changes or addendums to the February 9, 2021 Municipal Financial Recovery Advisory Committee meeting minutes.

Hearing none, the Receiver asked for a motion to accept the minutes of January 26th.

It was moved by Ms. Diaz and seconded by Mayor Kirkland that:

"The February 9, 2021 minutes of the Municipal Financial Recovery Advisory Committee be accepted as written."

MOTION CARRIED UNANIMOUSLY

Reports

Vijay Kapoor, Chief of Staff to the Receiver, provided an update on the Receiver's Recovery Plan.

Mr. Kapoor spoke on the implementation of the recovery plan and the status update filed with the court on the 22nd with another update due on April 7th. The court was provided with perspective on some of the day to day issues in respect to the City and the foundation we are trying to establish in our work.

The first change was the development of organizational charts which the city previously did not have. Second, we are working to consolidate the collective bargaining agreements for both the

City Police and Fire Unions into one contract for easier management and comprehension of the agreement.

The city's current financial software and hardware will also need to be updated soon as well in order to ensure operations continue to go smoothly.

Mr. Kapoor also discussed the need to get the City's audits released as soon as possible as there has not been an audit released since 2017. We are working on the 2018 and 2019 audits with the hope of having the 2018 audit being available in the near future.

In regard to the 2021 Budget which has been passed, the court was also reminded that the City did not run out of money last year even with the unusual climate surrounding the COVID-19 pandemic. Mr. Kapoor wanted to recognize the efforts made by the City in mitigating the effects of this pandemic as well as they have.

Mr. Kapoor also discussed the plans moving forward and our focus on the 3 R's of Recovery being reducing costs, restructuring operations, and reinvesting in city services. Touching on the reduction of healthcare and pension costs, based on our current cash flow projects we do not anticipate the Police Pension Fund to run out of money in 2021, although the situation is critical. This pension fund is also entitled to receive offsets for income earned by officers who retired on disability. This new income earned after retiring is required to be reported by the retirees in order to allow the city to offset it from the pension fund which has not been done over the past few years. This change of enforcement can also lighten the burden on the fund moving forward. We are also continuing work on transitioning city employees to the new Medicare Supplemental Health plan, which should save the city about \$850,000 per year, with the employees losing none of their current benefits.

In regard to restricting city operations, we are going to be kicking off an eligibility audit contracting with a third party to ensure that only eligible employees are receiving healthcare. We are currently conducting a fire study with the City looking at the fire department operations being funded by DCED. We are also in preliminary negotiations with the Teamsters Unions regarding the previously mentioned union contracts.

Lastly, the recovery plan approved in October had a section that dealt with asset monetization including the parking assets held by the city. During the ongoing litigation regarding the parking contract, the Receiver was asked to intervene to which he agreed last Tuesday, and that contract will be terminated as it was not believed to be in the best interest of the City.

Receiver Update

The Receiver mentioned that the status update will be on the receivership website along with all prior updates and the recovery plan itself. He thanked Mr. Kapoor and other team members for their efforts in pulling these updates together.

The Receiver also thanked the Quarks Group and the Rondae Hollis Jefferson Foundation for their help with the last weeks Summit Series Kick off which was well attended. The next summit will be in April, with a focus on connecting residents with pandemic related resources.

Various neighborhood cleanups were mentioned as well, including a Deshong Park cleanup on March 20th, as well as one cleanup on both the east and west ends of town. The information for these events will all be available on the receivership website as well.

Public Comments

The Receiver noted 27 public comments, 25 of which pertained to the ongoing Chester Water Authority sale which is still tied up in litigation. The final 2 included a request for contact info for CWA, with the last comment being a question asked in regard to who we have interviewed. This last comment was followed up directly by us but we have not yet received any clarification on what it was the question was referring to.

Member Comments

Mayor Kirkland made a statement regarding Secretary Davin's recent budget update provided to the appropriations committee. He discussed his intentions to reach out to Secretary Davin in regards to financial support being offered to the city. The Receiver mentioned that we are currently working on an analysis on what the gap will be between funds available and funds needed at which point we will be able to bring a request before the DCED for additional financial assistance. This gap must be quantified for the next 5 years and detailed at our April 7th status update for the judge, at which point we will have a better idea of what may be needed.

Director Bracey thanked the team for their ongoing work being asked of us by the court.

There being no further business to discuss, the Receiver adjourned the meeting at 1:23 p.m.

The next Municipal Financial Recovery Advisory Committee meeting is scheduled for Tuesday, March 9th 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 23rd day of February 2021.

Michael T. Doweary
Receiver for the City of Chester

Secretary - Anne Weaver Morrow