

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF CHESTER

September 29, 2020

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
William Jacobs, City Councilman
Kelly Diaz, County of Delaware, Office of the Controller, Sr. Accountant
Kim Bracey, DCED, Executive Director for the Governor's Center for
Local Government Services (via Conference call)

Vijay Kapoor, Chief of Staff to the Receiver
Anne Weaver Morrow, Recording Secretary

The Municipal Financial Recovery Advisory Committee meeting began at 1:08 p.m.
The meeting was streamed on the Chester City's Facebook page at
<https://www.facebook.com/cityofchester/>.

Opening Statement

Receiver Doweary opened the meeting by explaining the role of the Municipal Financial Recovery Advisory Committee. The Advisory Committee is acting under the Municipal Financial Recovery Act, Act of 1987, P.L. 246, No. 47; also known as Act 47. The responsibilities are outlined under Chapter 7, Receivership in Municipalities, Section 711, Municipal Financial Recovery Advisory Committee, which states:

Section 711. Municipal financial recovery advisory committee.

(a) Establishment.--A municipal financial recovery advisory committee is established to meet and consult with the receiver in carrying out the duties under this chapter. The sole function of the advisory committee shall be to provide recommendations and feedback to the receiver on the implementation of the recovery plan. ((a) amended Oct. 31, 2014, P.L.2983, No.199)

(b) Composition.--The advisory committee established under subsection (a) shall be comprised of the following:

(1) The chief executive officer, if any, of the distressed municipality or a designee.

(2) The president of the governing body of the distressed municipality or a designee.

(3) One member appointed by the county commissioners of the county where the distressed municipality is located.

(4) One member appointed by the Governor.

((b) amended Oct. 31, 2014, P.L.2983, No.199)

(c) Compensation.--Members of the advisory committee shall receive no compensation for their services.

(d) Meetings.--The advisory committee shall meet with the receiver at least twice per month to discuss the recovery plan. Meetings of the advisory committee shall be in accordance with 65 Pa.C.S. Ch. 7 (relating to open meetings).

(e) Duty to consult.--The receiver shall consult with the advisory committee prior to exercising any of the powers under section 706(a)(1), (2), (3), (5), (6), (7) and (9).

(f) Termination.--The advisory committee shall terminate in conjunction with the expiration of the receivership as provided for under section 710.

(711 added Oct. 20, 2011, P.L.318, No.79)

The Receiver continued by introducing the advisory committee members - Mayor Thaddeus Kirkland, William Jacobs, City Councilman, Kelly Diaz, Office of Controller's in the County of Delaware, and Kim Bracey, Executive Director in the Governor's Center for Local Government Services in the Department of Community & Economic Development.

Reports

Vijay Kapoor, the Receiver's Chief of Staff provided an update on the Receiver's Recovery Plan. Mr. Kapoor noted the Recovery Plan was filed on August 20, 2020 with Commonwealth Court. A hearing in front of Judge Crompton was held on September 8, 2020. The Receiver is waiting approval of the Recovery Plan by Judge Crompton who has up to sixty-days (60) from the date the plan was filed to either approve or deny the plan. The end date for a decision is October 19, 2020.

Chester City is currently operating under the Emergency Action Plan that was submitted to the City on April 23, 2020 by Secretary Dennis Davin from the Department of Community & Economic Development. Until the Receiver's recovery plan is approved the City will continue to operate under the Emergency Action Plan.

The Receiver's Recovery Plan contains several sections. The Receiver and his team looked at the history of Chester City in Act 47 and the legacy cost, which has a lot to do with debt, pensions, and retiree benefits. An initial baseline forecast, and financial controls were provided in the plan along with a Workforce Chapter, an Asset Monetization Chapter, an Economic Development Chapter, and a Governance and Operations Chapter. The recovery plan is set up with initiatives that are listed in each various chapter that the Receiver and his team have requested the Court to approve.

The Receiver and his team have been working with the City. There's been a great deal of collaboration already. Weekly meetings are being held with City leadership and staff. All are working towards a positive end as the City continues to face significant financial difficulties both in terms of the City's General Fund as well as a gross Pension Fund. Based on our most recent projections, the police pension fund will be insolvent by early next year unless significant actions are taken by all parties. There are some significant challenges in front of the City, but the Recovery Plan outlines initiatives that are being worked on to help in the City's recovery.

Receiver Update

The Receiver stated he and his team are working closely with the City on the fiscal-year 2021 budget. Meetings are scheduled to begin next week. A town hall meeting is in the preliminary stages and is being slotted for the end of October. A venue location along with the date and time are being worked out. Once details are finalized specifics will be shared with the public.

The Receiver website, www.ChesterReceivership.com, will be live next week. The website will provide information on the Receivership and his Recovery Plan.

The Municipal Financial Recovery Advisory committee will reconvene in two weeks on Tuesday, October 13, 2020 at 1:00 p.m. At this time due to Covid-19, the Municipal Financial Recovery Advisory Committee meetings will be streamed on the Chester City's Facebook page at <https://www.facebook.com/cityofchester/>. Advisory committee meetings will commence every second and fourth Tuesday of each month.

Meeting Schedule

October 13, 2020

October 27, 2020

November 10, 2020

November 24, 2020

December 8, 2020

December 22, 2020

Comments

The Receiver noted up until noon today, public comments have continued to be submitted. Resident and taxpayers of the City of Chester who wish to provide a public comment regarding the Receiver's Recovery Plan can submit their comment via email to Anne Weaver Morrow, Executive Assistant, at aweavermor@pa.gov until noon the day of the meeting. In the subject line of the email please include "Public Comment Submission for the (insert the meeting date) Municipal Financial Recovery Advisory Committee meeting." Any resident or taxpayer that doesn't have access to email can call in their public comment at 717-231-5558. All public comments will be recorded in the meeting minutes. If the public comment is

received without the requested information or if the comment is deemed inappropriate, it will not be accepted as an official submission.

One hundred fifty-seven (157) public comments were received. As diverse as the Receiver's plan is in trying to address a multitude of initiatives, all 157 public comments pertained to the monetization of the Chester Water Authority. The Receiver noted that monetization is not the primary focus that he and his team have and that this matter is currently in litigation and will play itself out. We will deal with whatever comes out of those proceedings. The Receiver and his team are addressing all the initiatives that are included in the Recovery Plan. Due to the amount of comments that were received we're not going to read every one of them out loud. A sub copy of this report will be shared with the Advisory Committee members and available upon request for anyone that would like to see it. The actual email comments, excluding voice messages, will be forwarded to the Advisory Committee members for review as well.

- Mayor Kirkland noted out of the 157 public comments that opposed the Chester Water Authority sale only 11 public comments were made by Chester City residents.
- Councilman Jacobs inquired how many comments were received from employees of the Chester Water Authority?
 - The Receiver noted that this type of research has not been completed.

Mr. Kapoor noted the data that was collected and provided to the Advisory Committee members shows the name of the individual, address, city, zip code, county, and phone number; to the extent when the comment was provided is what was listed on the spreadsheet.

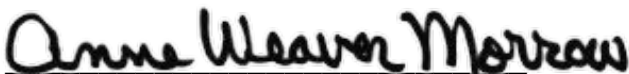
There being no further business to discuss, the Receiver adjourned the meeting at 1:21 p.m.

The next Municipal Financial Recovery Advisory Committee meeting is scheduled for Tuesday, October 13, 2020 at 1:00 p.m. at Chester City Hall, City Council Chambers, 1 Fourth Street, 2nd Floor, Chester, PA 19013.

Approved this 13th day of October 2020.



Michael T. Dowearly
Receiver for the City of Chester



Secretary - Anne Weaver Morrow