

**MINUTES OF THE MEETING OF THE BOARD OF THE REDEVELOPMENT
AUTHORITY OF THE COUNTY OF BERKS**

October 27, 2020

Chairman Glenn Yeager called the meeting of the Board of the Redevelopment Authority of the County of Berks to order at 3:40 P.M. on October 27, 2020 via a Zoom meeting.

1. Roll Call:

The following Board members were present during the meeting:

Glenn Yeager, Chairman
Eileen Kastura, Vice Chairperson
Diodato Bassano, Treasurer
Thomas Ruth, Assistant Secretary/Treasurer

Also in attendance were:

Kenneth Pick, Executive Director
Peter Battaglia, Deputy Director
Kathy Heckman, Executive Assistant
Kathy Miller, Fiscal Officer
Thomas Dachowski, Housing Director
Daniel P. Becker, Esquire of Kozloff Stoudt, Solicitor
Christopher Turtell, Herbein + Company, Inc.
Megan Thompson, Herbein + Company, Inc.
Mike Allen, R.L Banks & Associates
Nathaniel Guest, Colebrookdale Railroad
Diane Glass, Colebrookdale Railroad

2. Presentation of Audit. Christopher Turtell of Herbein + Company, Inc. presented the audit as of December 31, 2019. Mr. Turtell advised that the audit was clean and there were no reportable conditions. A motion was made by Glenn Yeager and seconded by Diodato Bassano, all Board members present voted to approve the audit.

3. Presentation of the Colebrookdale Railroad Study. Mike Allen of R.L. Banks & Associates made a PowerPoint presentation of the study which was performed by R.L. Banks & Associates. A lengthy discussion ensued with respect to the cost of the project and the projected return on the investment. Nathaniel Guest went over the three scenarios that were contained in the R.L. Banks report. Diane Glass advised that there are customers interested in utilizing the Colebrookdale Railroad for in and out bound

freight, but need space, which the railroad currently does not have available. The Board decided that the Authority should engage another company to look at the methodology of the financial analysis provided by R.L. Banks. Ken Pick advised he will contact Herbein + Company, Inc. for a referral.

4. Reading and approval of minutes of the meeting of 9/22/20:

Upon motion made by Glenn Yeager and seconded by Thomas Ruth, all members of the Board present voted to approve the September 22, 2020 minutes of the Board of this Authority.

5. Report of Treasurer:

Diodato Bassano presented the Profit & Loss Statement and the Balance Sheet as of September 30, 2020. A copy of said report is attached to these Minutes. Upon motion by Glenn Yeager and seconded by Eileen Kastura, all Board members present voted to accept the report of the Treasurer, including said Profit & Loss Statement and Balance Sheet, subject to audit.

6. Bills and Communications:

Diodato Bassano presented the list of payments to creditors representing the period of October 1, 2020 through October 29, 2020. A copy of said report is attached to these Minutes. Upon motion by Thomas Ruth and seconded by Glenn Yeager, all Board members present voted to ratify the list of payments to creditors.

There were no communications.

7. Reports of Committees:

There were no committee reports presented.

8. Unfinished Business:

a. Next Step Program & Rentals:

Kathy Heckman then gave a brief report on the "Next Step Program." There are ten (10) active rental assistance contracts. Final payments will be processed in December and contracts will end on December 31, 2020.

b. Colebrookdale Railroad:

Ken Pick gave an update on the developments at Colebrookdale Railroad. Mr. Pick advised that the Railroad passenger line has been operating at 50% capacity for the last two to three weeks. He explained that the passenger line is fully booked and will be hosting several special events through the holidays. Mr. Pick advised that freight is still coming in; however, Nathaniel Guest has had to turn away customers due to the lack of space.

c. Armorcast R.A.:

No report.

d. Small Business Restart Grant (“SBRG”) Program: Mr. Battaglia advised that a total of 85 applications have been received, of which 28 have been approved, 59 were ineligible and 6 are pending. There is currently approximately \$476,000 remaining for award through the Program. If all grant funds are not awarded at the end of the Program, Mr. Battaglia will discuss how the remaining funds may be used by the Authority.

e. Rent Relief Program: Kathleen Heckman advised that since July 6th, 594 applications have been received with 251 being eligible, 168 being denied, and 175 pending. The deadline for application submissions is November 4, 2020.

f. Southgate Apartment Associates, L.P. Mr. Pick advised that the Authority holds a \$400,000 mortgage which resulted from an assignment of the mortgage from the County to the Authority. Solicitor Becker advised that Southgate asked the Authority to subordinate its mortgage, for which Southgate has not thus far paid any principal or interest. After reviewing the Subordination Agreement provided by Southgate, Mr. Becker determined that the Agreement was very one sided. Accordingly, Mr. Becker and Mr. Pick advised Southgate that the Authority will agree to the subordination if Southgate agreed to pay the Authority \$100,000 towards the principal and approximately \$80,000 of the interest. Southgate agreed to those terms and also agreed that they would reinvest \$1,500,000 in Southgate and guarantee that Southgate Apartments will remain as affordable housing for the next 35 years. This matter is expected to close within the next few days.

g. Miscellaneous Items: None

9. New Business:

a. Approval of a grant agreement with Berks Coalition to End Homelessness providing \$70,000 from the County’s Act 137 account for general operating expenses. Mr. Pick advised that this happens yearly. A motion was made by Glenn Yeager and seconded by Thomas Ruth, all Board members present voted in the affirmative to approve the grant agreement.

b. Approval of a grant agreement with Berks Coalition to End Homelessness providing \$295,019 from the County’s State ESG-CV grant for general operating expenses. Mr. Battaglia advised that this program is for homeless prevention, rapid rehousing and costs for internal administration. A motion

was made by Glenn Yeager and seconded by Eileen Kastura, all Board members present voted in the affirmative to approve the grant agreement.

- c. **Approval of a grant agreement with the Berks County Nonprofit Development Corporation providing \$450,000 from the CDBG-CV Program and \$200,000 from the County's Act 137 account for an emergency shelter project for families being tested for or that have tested positive for COVID-19.** Mr. Pick advised that this program is for people/families who need a place to isolate when they are being tested or have tested positive with COVID-19. Mr. Pick advised that with agreement from the Commissioners, the Authority will purchase three single family homes and make them available for families as they isolate or recover from COVID-19. After the pandemic is over, the Authority will either rent, rehabilitation and/or sell the properties. A motion was made by Glenn Yeager and seconded by Eileen Kastura, all Board members present voted in the affirmative to approve the grant agreement.
- d. **Amendment to grant agreement with BCNDC for 1408 Meade Street increasing grant from \$185,000 to \$250,000 from the HOME Program.** Mr. Pick advised that this is a new construction home and there have been cost overruns, therefore needing to increase the amount of the grant. A motion was made by Glenn Yeager and seconded by Thomas Ruth, all Board members present voted in the affirmative to approve the amendment to grant agreement.

10. **Resignation of Board Member Pellegrino Orlando.** A motion was made by Glenn Yeager and seconded by Thomas Ruth to accept the letter of resignation of Pellegrino Orlando with extreme regrets. Mr. Orlando has been a valued member and the Board wishes him well and will miss him.

11. **Adjournment:**

There being no further business of this Authority, a motion was made by Glenn Yeager to adjourn the meeting of this Authority. The motion was seconded by Thomas Ruth and all members of this Authority present voted in the affirmative. The next meeting of the Board will be December 15, 2020. This meeting was adjourned at 5:02 p.m.

Glenn Yeager, Chairman