

REGULAR MEETING MINUTES

May 14, 2018

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, May 14, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Jeff Morgan, Richard Bohner, Norma Cusick, Scott Bieber, and Ted Lyons. Deana Zosky was present on the conference phone. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Brad Landon, Chuck Volk, Chris Moughan, Susan Sampson, John Parsons, and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

Chairman Nagle also announced that the agenda does not include any items for regular business and there will be an Executive Session at the end of public comment to discuss potential litigation.

Liesel Gross noted that there will be a few items under Staff Comments.

PUBLIC COMMENTS

Joe Hilliard of Allentown asked if the regular meeting will continue after the Executive Session. Chairman Nagle stated there will be no decisions made in the Executive Session nor anticipated afterwards. Mr. Hilliard asked about the status of the annual audit. Chairman Nagle said this will be addressed under Staff comments.

ACTION AND DISCUSSION ITEMS

None.

STAFF COMMENTS

Liesel Gross reminded everyone of the upcoming Public Input hearing on Thursday, May 17th from 7 p.m. to 9 p.m. at the Lehigh County Government Center to hear public comment regarding the rates in Allentown and also the implementation of monthly billing. Comments have been solicited on the Authority's website, in English and Spanish, and the Authority is also accepting all means of public input. This topic will also be on the Board agenda for May 21st.

Ed Klein updated the Board on the status of the annual audit and financial statements. There is a delay in the receipt of the disclosure requirements for GASB 68 which refers to the defined benefit pension plan, and also GASB 72, which relates to post retirement benefits, causing the actuarial information to be delayed. Mr. Klein is expecting this information by the end of May and the review of the Annual Audit can be conducted at the June 11 meeting.

Mr. Klein reported that he has hired Concord Financial to investigate options regarding the refinancing of the Concession Series C bonds. They will be providing the Authority with a definitive proposal for further discussion with the Board at an upcoming meeting.

Mr. Klein also reported that he has had recent discussions with Standard and Poors (S&P), the agency that rates the Authority for purposes of issuing bonds. As a result of these discussions, S&P has not done a downgrading on the Concession lease bonds, but the "outlook" has changed from

stable to negative. S&P has certain concerns and uncertainties such as the litigation with the City, the refinancing of the Series C bonds, the lack of charter extension from the County, and also the discussions regarding monthly billing.

Ted Lyons asked if there was any indication that if monthly billing and other items would be resolved in our favor, would they re-evaluate the outlook? S&P did indicate that it would and that they will be monitoring the Authority regularly for improvements. Refinancing of the Series C bonds and any future borrowing regarding the capital improvements would be less of a concern once they have the new debt schedule.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

Jennifer McKenna, City Compliance Office, questioned how many responses are there so far for the public meeting on Thursday. Susan Sampson reported that at this time, there are 120 comments online, less than 20 comments on the website, and 12 registered speakers for the evening of the meeting.

Liesel Gross clarified how the meeting will be run on Thursday. The speakers will each have a three minute time allotment for their comments. There will be a moderator, court stenographer, and the meeting will be video recorded. There will be a preamble estimated at 10 to 15 minutes indicating the Authority's purpose for the monthly billing. Linda Rosenfeld stated this is not an LCA Board meeting. It is a rate hearing and that's how it will be conducted.

Chairman Nagle called a recess at 12:15 p.m. The meeting reconvened at 12:17 p.m.

EXECUTIVE SESSION

An Executive Session was held at 12:17 p.m. to discuss potential litigation. The Executive Session ended at 1:16 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:16 p.m.

Richard H. Bohner
Secretary