

Monroeville Finance Authority
2700 Monroeville Boulevard
Monroeville, PA 15146
<http://monroevillefinanceauthority.org/>

REGULAR MEETING OF THE BOARD

DATE: Tuesday – October 17, 2017

TIME: 7:00 PM

LOCATION: Monroeville Municipal Building

MEETING MINUTES

I. Call to Order

The meeting was called to order at 7:13PM.

II. Roll Call

The following members were present: Jim Brown (Chairman), RJ Mycka (Vice-Chairman), Virginia Finnegan (Treasurer), Frank Pekarek (Board Member), John Prorok (Solicitor), Tim Little (Manager, Municipality of Monroeville).

III. Agenda Review

No amendments to the agenda were made.

IV. Public Comments on Agenda Items

There were no members of the general public present.

V. Approval of the Minutes of Previous Meetings

The minutes from July 18, 2017 were approved by a unanimous vote of 4-0. Motion by Mr. Mycka. Seconded by Mr. Pekarek.

VI. Treasurer's Report

As of September 30, 2017 the MFA bank account balance is \$163,003.45. Mrs. Finnegan reported that payment had been received in the amount of \$17,652.50 from UPMC for the 2013 Series B bond issue. She stated that she will deposit the check within the next few days.

VII. Solicitor's Report

Mr. Prorok stated there are no outstanding legal issues to report other than his office issuing the annual invoices to UPMC with instructions to remit the payments to the offices of MBM.

VIII. Old Business

Mr. Brown reminded the Board that a vacancy still exists for an unexpired term. Mr. Little stated the vacancy is currently being advertised by the Municipal administration.

IX. New Business

The Board considered the following list of invoices. A blanket motion to approve all payments was made by Mr. Pekarek and seconded by Mrs. Finnegan. The motion carried unanimously.

- Maiello, Brungo & Maiello invoice #78016 in the amount of \$745.20
- Maiello, Brungo & Maiello invoice #78735 in the amount of \$135.00
- Mirage Mar Com invoice #26055 in the amount of \$297.00
- Mirage Mar Com invoice #26056 in the amount of \$35.00

Mr. Brown presented the proposed meeting calendar for 2018. The calendar contained the dates for the regular quarterly meetings along with alternate dates to be used as necessary. Mr. Pekarek motioned to approve the calendar and was seconded by Mrs. Finnegan. The motion carried unanimously. Mr. Prorok stated his office would handle the advertising requirements.

The Board considered the transfer of funds to the Municipality of Monroeville. Mr. Little reminded the Board that last year, \$175,000 was transferred to the Municipality's General Fund. He further stated that Council was expecting an amount on or about the same. After a brief discussion, Mrs. Finnegan motioned to transfer \$170,000 to the Municipality. The motion was seconded by Mr. Mycka. Mrs. Finnegan stated that after the latest check received is deposited, the bank balance would be approximately \$180,000. She further explained the Board needs to ensure sufficient operating funds remain on hand until the next round of payments are received in the summer of 2018. Based on the expenses incurred in previous years, \$10,000 should be enough to carry the MFA through the first half of 2018. Upon conclusion of the discussion, the Board voted unanimously to approve the transfer of \$170,000 to the Municipality of Monroeville.

Mr. Brown then shared with the Board a letter from Delisi Keenan dated August 30, 2017 stating that "due to increasing costs and the amount of time required to perform an audit in accordance with generally accepted auditing standards, we would need to increase our fee significantly. As such, we are no longer able to provide auditing and DCED reporting services to your Organization."

Mr. Brown reminded the Board that Delisi Keenan was selected through a competitive bid process whereby they proposed a fee of \$1,000.00 per year for five years (2015-2019). He further stated that Delisi Keenan performed the annual audit for 2015 and 2016 and gave no indication whatsoever they intended to break their commitment for the remaining three years. Mr. Mycka inquired what options were available for potential legal action. Mr. Prorok then recommended the Board take a recess from conducting further public business and convene an Executive Session for the purpose of discussing potential litigation in accordance with the PA Sunshine Act. The Executive Session commenced at approximately 7:40PM.

At approximately 8:10PM, the Board re-convened to continue acting on the business meeting agenda. Mrs. Finnegan made a motion to accept the termination notice submitted by Delisi Keenan and Mr. Pekarek seconded. The Board voted unanimously to accept the termination notice.

Mr. Brown then made a motion directing the solicitor to draft a letter of protest to the firm of Delisi Keenan stating the Board's profound displeasure with their decision to renege on the agreement made in January 2016. Mr. Mycka seconded the motion. Mr. Mycka and Mr. Pekarek each voiced their disappointment in Delisi's decision and stated that the termination reflects poorly upon the firm as they have failed to fulfill their professional obligation. Mrs. Finnegan found it curious that the firm did not attempt to negotiate a new agreement with a higher price. Acting on the motion: Mr. Brown, Mr. Mycka, and Mr. Pekarek voted in favor. Mrs. Finnegan voted against. Mr. Prorok stated his office would draft the letter as requested.

Mr. Brown then revisited the proposals received for audit services in January 2016. He reminded the Board that five firms were invited to bid and only three responded. While Delisi Keenan was the low bid at \$1,000.00 per year for five years, Maher Duessel was next lowest at \$1,140.00 per year for five years. Hosack, Specht, Muetzel and Wood proposed a three year agreement for \$2000.00, \$2,050.00, and \$2,100.00 respectively. Mr. Brown stated that on October 11, he contacted Maher Duessel and inquired if they would be interested in assuming the final three years of the contract (2017 – 2019) at the same price they originally bid. On October 12, Rachele Ogun, Marketing Coordinator for Maher Duessel responded via email saying, "given what our current schedule looks like we can perform the audit for \$1,800 for each year of the audit under a 3 year agreement." Mr. Brown shared a copy of the message with the Board. Mr. Brown then made a motion to retain Maher Duessel as auditor for the next three years at the proposed rate of \$1,800.00 per year. The motion was seconded by Mr. Pekarek.

A brief discussion followed with Mrs. Finnegan stating the Maher Duessel had conducted the annual audits for the MFA prior to Delisi Keenan. Mr. Mycka suggested the Board consider issuing another round of requests for proposals. Mr. Brown pointed out that the proposed \$1,800.00 rate is still second lowest of the bids previously received. Mrs. Finnegan stated that conducting a new RFP does not guarantee Maher Duessel would propose the same rate – it may be higher. Upon conclusion of the discussion, the Board voted unanimously to retain Maher Duessel as auditor for the next three years at the rate of \$1,800.00 per year. Mr. Brown stated he would notify Maher Duessel of the outcome of the vote and proceed with signing an engagement letter.

X. Board Member Reports and Announcements

Mr. Brown stated the remainder of the marketing brochures would be mailed by the end of the month. The brochures are being sent to over 200 bond counsel attorneys throughout the Commonwealth of PA. The Board shared in the hope that increased name recognition would result in attracting new bond issue opportunities.

Mrs. Finnegan advised the Board her term is set to expire at the end of the year. She stated she is undecided as to whether or not she will request reappointment for another term. She questioned if she would be eligible since she was initially appointed to a one year term in April of 2012 when the MFA was initially created. She questioned if the one year appointment constituted a "full term". Mr. Brown stated the MFA By-Laws do not address her situation. Mr. Little stated he would consult Monroeville's Home Rule Charter and other relevant ordinances. Mr. Prorok stated he would also research the issue.

No other Board members offered a report or announcement.

The next meeting will be held Tuesday, January 16, 2016 (alt. date: Tue., Jan. 23, 2018).

XI. Adjournment

Upon motion from Mr. Mycka, seconded by Mrs. Finnegan, followed by a unanimous vote, the meeting was adjourned at 9:06PM.