

**WARREN CITY COUNCIL
SPECIAL MEETING
JUNE 25, 2012 – 5:30 PM**

OPENING OF MEETING

Council Vice-President Maurice Cashman presided over the June 25, 2012 special meeting of Warren City Council in Council Chambers of the Municipal Building and opened the meeting with the Pledge of Allegiance. Mr. Cashman announced that Council met in executive session following the regular meeting on June 18 regarding Anchor Building Project litigation, on June 19 regarding personnel matters and Anchor Building litigation, and immediately prior to this meeting regarding Anchor Building Project litigation.

ROLL CALL

Members present and responding to roll call were: Mr. Maurice Cashman, Mr. Samuel Harvey, Mr. John Lewis (participated via phone), Mr. Christopher Park, and Mr. James Zavinski, Sr. Mayor Mark Phillips and Dr. Howard Ferguson were absent. Ms. Nau, Mrs. Leary, Ms. Stapleford, and Chief Zydonik of City staff were also in attendance.

RECOGNITION OF VISITORS

Mayor Phillips welcomed all visitors. Present were:

- Dan Ristau – Warren Main Street
- Brian Ferry – Times Observer reporter

CORRESPONDENCE

Ms. Nau presented correspondence received from the Warren Convention Center Authority (WCCA):

“The following points are provided for your information and as confirmation of the WCCA’s understanding of the current status of the Infrastructure and Facilities Improvement Program (IFIP) grant, privatization of the Warren Convention Center project, and responsibilities regarding the close-out of the working relationship between the WCCA and WDG.

1. IFIP funding is no longer required, nor desired, by the private development group (WDG) involved with the City of Warren Convention Center Project.
2. Current market and economic conditions are favorable and the WDG will proceed with the development of a convention center and hotel utilizing private funding sources.
3. Privatization of the hotel/convention center project has eliminated the need for the WCCA to participate in real estate transactions which may be required.
4. WDG and/or Warren Hospitality Associates will provide funds to the WCCA as reimbursement for expenses associated with the IFIP and incurred as a result of the WCCA’s participation during the time which the hotel/convention center project was being developed as a public/private partnership. Such reimbursement shall include, but not be limited to:
 - a. Reimbursement of obligations paid by the City of Warren on behalf of the WCCA as detailed on the enclosed Revenue and Expense Detail for the period 10/31/2009 to 3/31/2012. This payment shall be in the amount of \$9,613.00 and payable to the City of Warren Convention Center Authority.
 - b. Pro forma expenses including, but not limited to:

- 1) Kersey & Associates – audit of the 2011 books of the WCCA as well as the preparation and submission of the State Annual Report
- 2) Kersey & Associates – audit of the 2012 books of the WCCA as well as the preparation and submission of the State Annual Report
- 3) Garrison-Simonsen, Inc. – insurance policy renewal as deemed necessary
- 4) The estimated cost of pro forma expense items 1) through 3), based on historical information, is \$6500.00, also payable to the WCCA
- 5) Legal expenses as may become necessary in closing out the affairs of the WCCA in regard to the IFIP grant.

The WCCA notified Sandy Orth of the PA Department of Community and Economic Development that the Authority, by way of WDG, will not be utilizing the IFIP. This notification was submitted on May 11, 2012 via e-mail and hard copy.

The WCCA requests direction from City Council, in a manner deemed appropriate by the City Solicitor, to determine the future status of the WCCA. It is agreed by members of the Authority that it would be premature to consider any plans to dissolve the Authority prior to such time as the above-referenced reimbursements are received in full from the Warren Development Group, LP.”

Mr. Lewis noted that he previously called for dissolution of the Authority and asked that the matter be acted upon. Ms. Stapleford responded that, as she noted at the June 18 regular meeting, “there are appropriate steps to be taken to officially and formally dissolve the authority including the filing of tax returns and paying all liabilities and debts that the Authority may have. As stated in the letter received from the Authority, there is some debt that the Authority needs to repay to the City that is going to be addressed through this process. Until that happens, the Authority cannot be officially dissolved. The Municipalities Authorities Act states that the Certificate of Dissolution must be initiated by the Authority except under circumstance of failure of duty. Regardless of the inactivity of the Authority, the financial aspect must still be addressed. The Authority is asking to work with the City to make this happen – not necessarily immediately, but they have acknowledged the financial obligations and want to make the dissolution occur in a timeframe that is suitable to all parties. Until those expenses are paid, they cannot dissolve officially.” Mr. Cashman suggested that the City could absolve the Authority of those expenses and/or the City could take an assignment of those expenses in the case that they would ever be paid. Mr. Cashman suggested that one or two Council members and Ms. Nau be appointed to meet with the WCCA and address this matter. He requested that this be placed on the July regular City Council meeting agenda.

Mr. Harvey inquired as to ownership of electric conduits serving the proposed hotel/convention center project area. Ms. Nau indicated that this was part of an agreement with Penelec and was completed to provide electrical services to locations in addition to the hotel/convention center site. Ms. Nau indicated that she would obtain information regarding this. She also noted that the RACP funding for Streetscape Phase II will encompass this area as well.

APPOINTMENT OF SPECIAL LEGAL COUNSEL

Mr. Park made the motion for Warren City Council to authorize appointment of special counsel to proceed with litigation involving the Anchor Building Project with authorization for the Acting City Manager to move forward with the arrangements. The motion was seconded by Mr. Harvey and carried with five votes in the affirmative (two members absent).

ADJOURNMENT

There being no further business to come before Council, Mr. Cashman declared the meeting adjourned.

NOTE: Following adjournment, Dan Ristau, came forward and addressed Council regarding the above-referenced electrical conduit and the Downtown Streetscape Improvement Project area.