

**MINUTES
HERMITAGE COMMUNITY & ECONOMIC DEVELOPMENT COMMISSION
JANUARY 8, 2009**

The Hermitage Community & Economic Development Commission held a regular meeting January 8, 2009 at the Hermitage Municipal Building, Conference Room #302, Hermitage, PA.

HCEDC Members Attending: Rex Knisley Members Absent: George Kraynak
 Bob Cucitrone
 Meg Grober
 John Holliday
 Tony Pagliaroli
 Angela Palumbo

HCEDC Commissioner Representative: Bill Moder

Others in Attendance: Gary Gulla, City of Hermitage
 Gary Hinkson, City of Hermitage
 Jeremy Coxe, City of Hermitage
 Lynn Brest, City of Hermitage
 Amy Gargiulo, City of Hermitage
 Joe Pinchot, The Herald
 John Evans, Chairman, Sharon Economic Development Commission

I. GENERAL

A. Call to Order

Rex Knisley called the meeting to order at 7:38 a.m.

B. Consideration of Approval of Minutes

The minutes were reviewed from the November 6, 2008 Regular Meeting. Bob Cucitrone moved to accept the minutes. Tony Pagliaroli seconded the motion. All members approved.

II. BUSINESS MEETING

A. Monthly Activity Report

The November 2008 Monthly Activity Report was distributed at the meeting. No comments were made.

B. Community & Economic Development and RLF Reports – November

The Revolving Loan Fund Repayment Reports were reviewed for November. All payments were current. For November the RLF program balance was \$115,520.69. Total available for loans based on projected repayments through the end of the year was \$128,920.14. The Landscape and Façade Improvement program balance was \$181,783.51. The total available for loans based on projected repayments through the end of the year was \$188,553.49.

John Holliday moved to accept the RLF reports. Bob Cucitrone seconded the motion. All members approved.

C. 2009 CDBG Program

Jeremy Coxe explained the 2009 Community Development Block Grant (CDBG) summary. The City of Hermitage receives entitlement funds to be used for community development projects to benefit low to moderate income residents. The anticipated grant eligibility is expected to be similar to last year's amount of \$370,799. Approximately \$66,700, or 18% of the anticipated grant, is being allocated for program administration; \$120,000 for housing rehabilitation; \$15,800 for the removal of architectural barriers at the Community Counseling Center of Mercer County; and, \$168,000 for neighborhood improvement projects benefiting Census Tract 031100-BG2 in the Rombold Road area.

In an effort to make housing rehabilitation money go further, the City continues to work with the Lawrence County Community Action Partnership (LCCAP) on their lead program. Mr. Coxe explained that the LCCAP received a lead hazard reduction grant through the U. S. Department of Housing and Urban Development. If lead is found in a home undergoing rehabilitation, LCCAP contributes money to the project. If no lead is found the City just does a normal rehab using CDBG money.

The City is working toward a February 27th due date, but the application deadline will probably be pushed back to March, 2009.

To become more efficient the City will explore options for partnerships in a number of community development projects. The state and federal government looks favorably on partnerships and it has become necessary to do so since the City has lost over \$170,000 of grant funds in recent years.

John Holliday moved to support the 2009 CDBG summary in draft form. Angela Palumbo seconded the motion. All members approved.

A final 2009 CDBG summary will be brought to the HCED after the first public hearing is held January 28, 2009.

III. Other Business

Rex Knisley questioned the economic conditions on revenue coming in to the City and how it may impact capital and economic development programs. Mr. Hinkson responded that the 2009 budget process was the most difficult he has had. The 2008 budget came in pretty much on line with a couple of exceptions. One of the revenue line items that took a big hit was real estate transfer tax. Typically the City budgets revenues conservatively and are pretty liberal with expenditures. In 2008 some expenditures were above what was anticipated. Wage tax came in above what was expected and real estate was on line.

Going in to 2009 the City is very conservative with revenues again. Some capital projects have been pushed back. Our capital projects, such as our computer program (the City replaces computers on a 3 year cycle), are going to be pushed back to a 4 year cycle. Our operations will be looked at thoroughly as we go through 2009. Vacancies in personnel, as they come up, will not be replaced. Mr. Hinkson also said that they will be looking at how staffing structure operates and whether there are advantages to doing some work inside. They will also be looking at how City vehicles are being used and how many we have.

Mr. Knisley questioned how are the City is able to assess what the wage tax revenues are going to be. Mr. Hinkson responded that the City typically does a historical look, but has also contacted the 10-12 top employers of Hermitage residents to get their impressions of what 2009 would bring for their business and how it would impact our residents. In a majority of the conversations with local businesses their views reflected that it was at least stable or in some areas looked like it would be a positive 2009.

Mr. Moder stated that the Board of Commissioners recognizes the efforts of the City Manager and Department Heads for their responsibility and hard work on a challenging 2009 budget.

Another issue that concerns the City is in the area of defined benefit pension plans. The City has an annual obligation to the plans and those plans are funded on investments. As the value on those portfolios drop the annual obligation of the City is going to increase.

Angela Palumbo stated that they now have a signed letter from the governors of Pennsylvania and Ohio stating that we are a designated workforce region. As this unfolds it will involve the economic development, chambers, stakeholders involved in the communities. This is a first in the nation and as time goes on boundaries should be eliminated between Pennsylvania and Ohio.

Approximately two-thirds of the first order of DVDs have been distributed. The City has been working with Rongaus Creative Group on new video and is in the process of applying for additional funds. Hopefully the City will receive the funds in the first quarter and by the second quarter should meet to see where improvements can be made.

Bob Cucitrone moved to adjourn the meeting. Angela Palumbo seconded the motion. All members approved. The meeting adjourned at 8:25 a.m.

Respectfully Submitted,

Amy Gargiulo
Recording Secretary

Revised & Approved 2/5/09