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Redevelopment agency OKs \$8.4 million hospital plan

By: Amy Revak

The Fayette County Redevelopment Authority on Wednesday approved a commitment letter for \$8.4 million in funding through a state grant program for a Uniontown Hospital expansion project.

The authority also approved the first-year contract for the funding between the authority and the state in the amount of \$422,000.

The money is being provided by the Infrastructure Facilities Improvement Program (IFIP) through the state Department of Community and Economic Development. The state cash will be paid in increments of about \$422,000 a year for 20 years.

Officially, the funding will be for the Fayette Regional Health System Program for the hospital upgrades.

The IFIP money will be used to boost construction of a new in-patient tower at the hospital that will include 56 patient rooms, centralize outpatient services and add an additional 100,000 square feet to the hospital.

According to DCED officials who spoke at an event on Wednesday, the \$59 million expansion project is expected to create more than 200 jobs.

Authority executive director Andrew French said the authority, which is acting like a bank, applied for the funding in May. He said the grant is a "debt-financing mechanism" that is stretched out over 20 years. The money will be repaid by the hospital.

This marks the second receipt of IFIP money for the authority. Last year the authority learned it would receive \$8.1 million in IFIP money to assist Cedarwood Development with work at the Fayette County Business Park on Route 40 in South Union Township.

That allocation will be paid in increments of about \$813,000 a year for 10 years. The money will be used to offset debt for infrastructure work - such as roads, water and sewerage - the private developer has incurred for the project.

In other action, the authority approved the single audit report done by Maher Duessel for the year ending December 2007.

French said the audit only contains one official finding, which French said he doesn't really consider it a finding but more of a "bone of contention" with the auditing firm.

The finding is the same as was for last year's audit, in which the authority is not complying with a new rule that went into effect in early 2006 that states someone other than the auditor must prepare a financial statement for the authority.

As he said last year, French said he believes the rule is "somewhat burdensome" to small organizations.

Last year the auditors said the authority is not alone in objecting to the finding. French said the auditors reported that 90 percent of the agencies they audited had the finding because they were small as well. French said the only alternatives are to retain a certified public accountant or another firm to do the financial statement prior to bringing in the auditors.

"Both aren't feasible," French said.

French previously said the finding would come up again unless the authority hires another firm or CPA. He said possibly the auditing standards board would evaluate the issue.

Woleslagle said perhaps the auditing standards board would find that it isn't a finding at all, and "just a way of doing business."

Both board members James Woleslagle and Dee John said they were satisfied with the audit.

The authority also took action regarding several employees of the weatherization department.

Weatherization director Al Jeffries said there has been a significant increase in weatherization funding for the authority, with the amount jumping from \$600,000 to \$1 million. Jeffries said he also is anticipating utility contracts for the authority.

French said two installers recently quit.

In response to the increased money and work, the authority made several personnel decisions. The authority approved the promotion of Warren Hatfield as weatherization supervisor at an annual salary of \$38,278. French said Hatfield has worked as weatherization foreman since 1986.

The authority approved naming Brian Welch to the position of weatherization specialist at an annual salary of \$28,080. French said Welch has worked as an installer since 2001.

Also, Michael Volek and Robert Mehalic were named as full-time weatherization installers, each with annual salaries of \$19,500.

French said both men started earlier this year as part-time employees in the departments.

The authority will soon seek other weatherization employees to meet the increased workload.

During the executive director's report, French said that on Oct. 16 the authority closed with Synergy Development Fayette for an 8.4-acre lot at the Fayette County Business Park.

In April 2006, the authority initially approved a motion to sell the property to Synergy, a real estate development corporation, for \$2 million to develop into a site with restaurants and retail stores.

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French said Synergy has awarded a contract for the construction and work should be beginning soon.

The authority relocated to 86 W. Main St. in Uniontown on Oct. 24 after completing renovations at the site. Earlier this year the authority purchased the building and moved from the former rental location of 45 E. Main St. French said there was a final inspection and walk through at the old site and everything is now in the new building.

The authority's building was formerly the location of the Farwell printing business. The top two floors of the building used to contain about 15 apartments, but they haven't been occupied since about 1980. The basement formerly housed the Slovak Club.

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