

Redevelopment authority's assets jumped \$3M in 2009

Amy Revak Herald-Standard | Posted: Wednesday, October 6, 2010 4:00 am

The Fayette County Redevelopment Authority heard Tuesday that the authority's assets increased more than \$3 million last year from the prior year. Executive director Andrew French reported that the authority's single audit revealed that the authority's assets stood at \$10.2 million at the end of last year. At the end of 2008, the authority's assets were about \$7 million.

Maher Duessel of Pittsburgh prepared the audit report for the year ending Dec. 31, 2009. French said the increase was primarily due to \$2 million in extra revenue the authority received for the program that assists low-income homeowners with weatherizing their homes. Other income was for the Brownsville revitalization program, which is aimed at targeting blight in downtown Brownsville.

French said the authority administered \$7.2 million in grants last year.

The authority administers various grants, including Community Development Block Grant money for infrastructure improvements, homeowner rehabilitation and homebuyer assistance and weatherization programs for low-income people.

The authority is also developing the Fayette County Business Park in South Union Township and made improvements to the park and sold parcels of land during 2009. At the end of 2009, the authority had about \$509,000 in debt, including mortgages and lines of credit, compared to \$471,000 at the end of 2008, which was an increase of nearly \$38,000.

The audit showed no material weaknesses, although one finding, or "significant deficiency in internal control," was disclosed.

The finding is a recurring conclusion that has appeared in the last four audits, French said. It deals with a government requirement regarding the preparation of financial statements.

The finding states that the authority is not complying with a rule that took effect in early 2006 that states someone other than the auditor must prepare a financial statement for the authority.

French said the requirement is overly burdensome for smaller agencies and the authority would either have to hire another firm to do pre-audit work or have a full-time certified public accountant on staff, neither of which is going to occur. He said the auditors prepare the documents for the audit and the authority staff is comfortable with helping them do that.

The authority approved the audit.

In other items, the authority approved hiring Kate Molinaro as a full-time community development specialist with an annual salary of \$25,000 plus benefits. French said he got 15 to 20 letters of interest and interviewed four people before recommending Molinaro. The position had been vacant for a few months.

Molinaro lives in Irwin and will commute for the job, French said.

The authority also approved a participation agreement with the Pennsylvania Housing Finance Agency, authorizing the authority to serve as an administrator for a new program, the Home Energy Efficiency Loan Program. French said the program would provide up to \$10,000 loans for low-income homeowners to make weatherization improvements not approved in the weatherization grants, such as roof or electrical upgrades.

Motions were also approved for the authority to purchase two parcels of land in Brownsville for the revitalization program, both on Senaca Street, one for \$9,500 and the other for \$500. The properties are being purchased from Fannie Nicola and the estate of Samuel Nicola. French said the property that is being purchased for \$500 used to house a service station and has underground tanks on it, all of which must be removed.

The authority met in executive session for 40 minutes prior to the start of the meeting to discuss litigation and real estate negotiations relating to the Brownsville revitalization project.