

THE TOBYHANNA TOWNSHIP ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR BUSINESS MEETING  
October 6, 2021

The October 2021 Regular Business Meeting of the Tobyhanna Township Economic Development Authority was held on October 6, 2021 at the Tobyhanna Township Municipal Office Building in Pocono Pines, PA.

Present are: Brendon Carroll, Rachel Schickling, John Holahan III, Daryl Morris, Manager Robert Bartal, and Owen Coleman, Esq (via phone). Adam Kerrick is absent.

1. Brendon Carroll calls the meeting to order at 6:04 PM. A quorum is present.
2. Pledge of Allegiance is recited.
3. Roll call: Rachel Schickling- present, Adam Kerrick – not present, John Holahan III - present, Brendon Carroll- present, Daryl Morris- present
4. Announcements:
  - a. Brendon Carroll announces that certified mail for the EDA was received regarding the proposed Zoning Map change for the property owned by the EDA.
  - b. Bob Bartal announces that the September 1, 2021, EDA meeting was cancelled due to Tropical Storm Ida.
5. Public Comment – agenda items only: No public comments.
6. Consider the Minutes of August 4, 2021 EDA Regular Meeting: Motion to adopt by John Holahan III; Rachel Schickling seconds. Vote: All in favor; motion carries.
7. Bill Pack – September 2021 Bill Pack in the amount of \$1453.27: John Holahan III motions to approve; Rachel Schickling seconds. Vote: All in favor; motion carries. October 2021 Bill Pack in the amount of \$1093.42: Rachel Schickling motions to approve; John Holahan III seconds. Vote: All in favor; motion carries.
8. Solicitor’s Report – Owen Coleman was not available to report at this time.
9. Old Business:
  - a. Public Improvement Levy (PIL) discussion: Ralph Gundrum speaks to the EDA regarding the Kalahari PIL, and wants to know the status of the EDA seeking legal advice since the last meeting about this in July. Brendon Carroll explains that Attorney Kelly was appointed Special Counsel and was to be providing legal advice regarding the PIL, however the EDA has not had an opportunity to meet with him yet. Ralph Gundrum responds that at the conversation he had with Attorney Kelly back in July, they were very optimistic that the proposal would work, and proposes that we negotiate on the percentage and get to a number, and then take it from there. There is no sense in continuing to pay for legal advice if we can’t agree on the numbers. Bob Bartal says he

was privy to that conversation and Harry did say that there is no sense in paying bills for this if we are not going to agree on a percentage. Brendon Carroll then asks Ralph Gundrum how he would like to proceed, and he responded that he has a handout to review with everyone, and begins the discussion.

John Holahan III has a point of order regarding Daryl Morris, and that he needs to recuse himself from any vote on this subject as an employee of Kalahari Resorts. Brendon Carroll explains the issue to Owen Coleman and would like advice on the recusal. Owen Coleman advises that if Mr. Morris believes he has a conflict, he can recuse himself and abstain from all discussions. Brendon Carroll then asks if that is good enough for the record. John Holahan III offers that there is a "Conflict of Interest Disclosure" form that can be filled out and signed by Daryl Morris. Daryl Morris announces that he is recusing himself from the Kalahari PIL discussion as an employee of Kalahari Resorts, and he also signs the Conflict of Interest Disclosure form.

Ralph Gundrum continues his presentation regarding the Kalahari PIL and splitting the funds, and estimates are that it will be around \$1.5 million a year based on a 1% levy. Ralph Gundrum notes that it was mentioned that perhaps some of the EDA share could be allocated to the regional police, and Kalahari would support that, however Rachel Schickling offers that we were already told the money could not be used for that. Ralph Gundrum continues that the funds cannot narrowly target a competitor. For example, Kalahari would not want you to use the funds to help a development like Pocono Springs build restaurants right next to them. The legal requirement is that the funds will benefit Kalahari, such as a prettier park across town. Kalahari's share must meet statutory requirements.

Ralph Gundrum then reviews the proposed steps, one of which being whether or not the deal structure is acceptable to the EDA, and that will most likely not be answered tonight. Second, could the EDA and Kalahari agree on the split for the PIL, and would like to propose an initial offer of 15%, which would equate to \$225K (assuming \$1.5 million per year). EDA members all agree to review in Executive Session.

EDA members go into Executive Session at 6:23pm and return at 6:37pm.

Brendon Carroll announces that their counter offer is a 50-50 split without being able to consult with Special Counsel on the initial offer. Ralph Gundrum responds that he is authorized to go to 25%, which would equate to \$375K, however the EDA stands at 50%. Ralph Gundrum explains that this would negatively affect their business, and is being paid for by their guests, and some will choose to go to competitors instead. The EDA holds firm. Ralph Gundrum then offers a 1.5% levy with a 25% share, which would equate to \$562K for the Township, and explains that Kalahari is looking for a certain dollar amount to cover the cost of lost business. Brendon Carroll suggests that at this point, the EDA is not ready to make a decision, and would like to confer with Special Counsel.

Ralph Gundrum will be back on October 18<sup>th</sup> for the Board of Supervisors meeting, and everyone agrees to set up a special meeting regarding all this on or around that date. John Holahan III speaks to the fact that we have gotten further along in the last couple of meetings than we have in years, so he is confident that we can work something out. Ralph Gundrum also is confident that we can come to an agreement. Bob Bartal offers that the Board's concern is to be able to provide benefit to all taxpayers, and Ralph Gundrum responds that the statute may be the impediment to that, but not Kalahari.

10. New Business:

- a. Review of RFP's for 2021 Audit: Bob Bartal explains that there are two proposals in front of the EDA members. One is from Zelenkofske Axelrod LLC, with a flat fee of \$6250 per year for three years, and the other one is from Riley and Company, Inc., with a fee of \$6500 for the first year, and increasing by \$200 the second year, and \$300 the third year. Motion to approve Zelenkofske Axelrod LLC as auditors by Rachel Schickling; Daryl Morris seconds. Vote: All in favor; motion carries.
- b. EDA lease termination and property maintenance update (Heating Fuel, Electrical Service – Building winterization/maintenance): Bob Bartal says that Mr. Head has left the property as of 10/4/21; it still has electric, and some heating fuel. The keys have been handed in and will be kept in the Township building. Brendon Carroll asks if we could put this on Cory's schedule for winterization, and have the property inspected and locks changed. Motion to authorize Bob Bartal to winterize the building by John Holahan III; Rachel Schickling seconds. Vote: All in favor; motion carries.

11. Public Comment – non-agenda items only: Ralph Gundrum offers some guidance on what a PIL can do, and provides a handout to all. John Holahan III would like to discuss setting up another PIL district in the Township specifically related to Short Term Rentals. Tom Ford asks if Mr. Morris recused himself from Kalahari PIL discussions, and the answer is yes. Tom Ford also asks if Mr. Morris attended the Executive Session, and the answer is no.

12. Adjournment: Motion to adjourn meeting by John Holahan III; Meeting adjourned at 7:03pm.

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Minutes recorded by Betsy A. Tiene


Respectfully submitted:

  
John Holahan III, Secretary

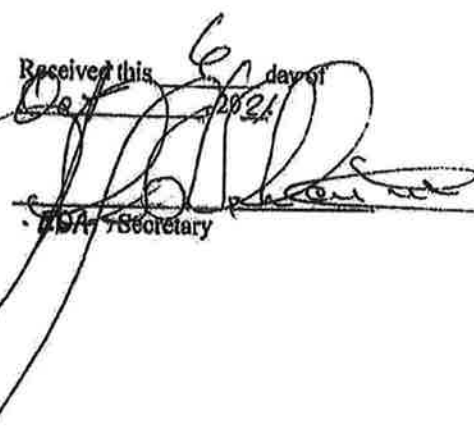
CONFLICT OF INTEREST DISCLOSURE

I, DARYL MORRIS, hereby disclose that I have a conflict of interest with regard to KALAHARI ONLY PIL DISTRICT. I am unable to vote on; discuss; or participate in any Township action with respect to KALAHARI ONLY PIL DISTRICT

\_\_\_\_\_ because of my relationship with the matter, as follows: EMPLOYEE OF KALAHARI RESORTS DOONOS

DARYL MORRIS   
By:

Dated: 10.6.21

Received this 6 day of June 2021  
  
Secretary