

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

November 30, 2022

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Ms. Audry Carter Mr. Doug Hill Mr. H. Ralph Vartan Ms. Kathy Speaker MacNett	A Quorum Was Recognized
Ex-Officio Members in Attendance	Ms. Marita Kelley, Director of Finance, City of Harrisburg Mr. Michael Wood, Office of the Budget	
In Attendance	Mr. Michael Cassidy Independent Counsel Mr. Jeffrey Stonehill Authority Manager	
Meeting Begins		4:01 p.m.
Welcome by Audry Carter, Chair	Ms. Carter welcomed the Board. She added that Ms. Kelley and Mr. Vartan would arrive momentarily.	
Approval of the minutes of October 26, 2022	Ms. Carter asked for a motion to approve the minutes. Mr. Hill offered a motion to approve. A second by Ms. Speaker MacNett. The motion passes.	Approved 3-0.
Resignation from the Board by Member Karla Hodge	Mr. Stonehill reported that Ms. Hodge had contacted him last week and noted, with regret, that she is unable to continue in the role of member of the ICA Board. She apologized and asked the Board to accept her resignation. Mr. Stonehill reminded the Board that Ms. Hodge was an appointee of Sen. Costa. Ms. Speaker MacNett offered a motion to accept the resignation. A second by Mr. Hill. The motion passes. Mr. Vartan and Ms. Kelley arrived to meeting.	Approved 3-0

<p>Update on Development of the 2023 Budget for the City of Harrisburg</p>	<p>Ms. Carter introduced Marita Kelley, Director of Finance for the City of Harrisburg and Member Ex-Officio of the Board who would like to share a few things about the FY23 budget, which was submitted to City Council on November 22, 2022.</p> <p>Ms. Kelley made the Board aware of a recent development in the budget. The City is now being tasked with a very large Right-to-Know request, with an estimated annualized cost of \$2 million, outside attorneys on board five days a week at \$1,500 per day to research information at the request of the five defendants from the Incinerator Lawsuit. This cost, which is anticipated to run throughout 2023, was not originally anticipated in the budget. She noted the funding would come from undesignated fund balance. The City will ask the Court for relief for a remedy that would perhaps allow the Commonwealth to help with this expense.</p> <p>Mr. Stonehill noted that the Act 47 Coordinator is the remaining plaintiff in the lawsuit.</p> <p>Mr. Hill asked if this was researching records and Ms. Kelley responded that were seeking 20 years of records. Ms. Kelley responded to Ms. Speaker MacNett that costs include documentation, storage, indexing, etc. Ms. Speaker MacNett noted that such a cost seemed over-burdensome.</p> <p>Mr. Cassidy noted that the Pennsylvania Office of Open Records does not see Right-to-Know requests that are over-burdensome or overly broad requests as a mitigating factor to not respond. This is why the request was not made as court discovery.</p> <p>Ms. Carter asked to return to the subject of the fund balance transfer.</p>	
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	<p>Ms. Kelley went on to note that now that City Council has determined only to pay off \$12 million of the \$20 million Ambac balance, leaving some balance for payoff in 2023. The City must include the scheduled 2023 Ambac payments in the 2023 budget, which they had originally hoped to avoid. While the full balance may be paid off in the first quarter of 2023, the fact that the City will enter 2023 with some Ambac balance requires that the 2023 budget include the scheduled payments of \$1.9 million in March 2023 and \$1.9 million in September 2023, in the 2023 budget. These additional expenses were not originally included in the proposed 2023 budget.</p> <p>Ms. Kelley said it is understandable that City Council wants to move cautiously into 2023.</p> <p>Ms. Carter noted that the proposed budget now appears significantly different from the 2022 Five-Year Plan, approved by the ICA Board. She asked Ms. Kelley if there were quick insights, she could share, to indicate why costs have gone up.</p> <p>Ms. Kelley went on to review:</p> <ul style="list-style-type: none">• Capital needs.• Inflationary increases.• Service contracts.• Newly filled jobs.• Newly renegotiated collective bargaining agreement with the Fraternal Order of Police. <p>Ms. Carter asked about the Fire union contract, which Ms. Kelley indicated would likely go to interest arbitration in 2023. Mr. Stonehill confirmed that resolution of the agreement would therefore be an unknown in 2023.</p>	
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	<p>Ms. Carter asked about the proposed fund balance transfer scheduled in 2023 for the Neighborhood Services Fund. Ms. Kelley responded that there needs to be a strategy to fund capital investments in trash collection vehicles and pickup trucks, which were not originally scheduled. Ms. Kelley speculated that the trash collection in the outside boroughs is creating additional wear and tear on these vehicles. Mr. Stonehill concurred that trash collection vehicles wear out faster than many vehicles. Ms. Kelley discussed collection of bulky items like refrigerators, which is currently free to Harrisburg citizens.</p> <p>Ms. Kelley went on to discuss the formation of a Parks Foundation to raise money for capital improvements in parks that has been raised by David Schankweiler.</p> <p>She also discussed the renegotiation of the Steelton Trash Agreement. A committee has been formed to determine what a fair rate to charge Steelton Borough is and how to further evaluate the issues facing the Neighborhood Services Fund. Mr. Vartan has been asked to join the renegotiation effort.</p> <p>Mr. Hill confirmed that this a full contract renegotiation.</p> <p>Ms. Kelley was excused from the meeting.</p> <p>Mr. Vartan noted that these items discussed result in a variation from the approved plan. Mr. Vartan discussed use of fund balance for capital and for Ambac, which was not in the original plan. He noted that the City must address the five-year plan variations.</p> <p>Ms. Carter noted that Mr. Stonehill was attempting to quantify the variance. She</p>	
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	<p>suggested that the April date for resubmission of the Five-Year Plan is made more important by the results of the FY23 budget.</p> <p>Ms. Speaker MacNett mentioned the lost loss of parking revenue.</p> <p>Mr. Vartan discussed the impact on the budget cycle.</p> <p>Ms. Carter discussed previous budget correspondence in other years.</p> <p>Ms. Kelley departed the meeting to return to City Hall to prepare for the budget hearing this evening.</p> <p>There was some discussion about the fire subsidy payment provided by the Commonwealth to the City, and the need to increase it in the future.</p> <p>Mr. Vartan said that there are extra demands on the Fire Bureau due to a few factors including the loss of support from suburban volunteer fire companies.</p> <p>Mr. Stonehill discussed an escalator for the subsidy. Mr. Vartan said the Harrisburg delegation does a good job making sure that the subsidy is in the State budget.</p> <p>Mr. Stonehill noted that renegotiation of the regional trash contracts to make sure they are fair is a good development. Ms. Carter and Mr. Vartan noted the philosophy of the administration that the boroughs should be paying for their fair share of trash expenses.</p> <p>Ms. Speaker MacNett applauded the mindset to renegotiate.</p> <p>Ms. Carter said it was good to hear that open positions are being filled. She also noted the openness to performance measurement.</p>	
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<p>Next Steps</p>	<p>Ms. Carter noted that there were several scheduled FY23 budget hearings. Mr. Hill would cover Thursday, December 1. She asked for a volunteer to cover Tuesday, December 6. Ms. Speaker MacNett offered. It is the hope of the administration that a final budget will be passed on Tuesday, December 13, rather than Tuesday, December 20.</p> <p>Ms. Carter would like to have a final budget comment letter completed by Monday, December 12. She suggested a theme of “the variations have explanations” and the ICA Board will watch it closely in the first quarter of 23.</p> <p>Mr. Hill offered that the Authority Chair and Manager might complete and submit the Budget Comment Letter on behalf of the Board.</p> <p>Mr. Vartan discussed when in 2023 it may be appropriate for the Administration to submit a revised Five-Year Plan and suggested an interim update by April 30 may be sufficient. There was some discussion.</p> <p>Mr. Vartan offered a motion that the Authority Chair and Manager complete and submit the Budget Comment Letter on behalf of the Board by Monday, December 12, 2022. A second by Mr. Hill.</p> <p>The motion passes.</p>	<p>Motion to complete and submit the Budget Comment Letter by the Authority Chair and the Authority Manager; Approved 4-0.</p>
<p>Authority Manager’s Report</p>	<p>Mr. Stonehill presented the bills paid report through November 30, 2022.</p> <p>Mr. Stonehill noted that Zelenkofske Axelrod, of Camp Hill, had completed its review of the ICA financials for the fiscal year ending June 30, 2022, and it was an unqualified opinion, which means a clean audit. Further, the concise financial statement will be printed in the upcoming PA Bulletin and a copy of the report will be included in the upcoming</p>	

	<p>Section 207 Report to the Commonwealth.</p> <p>Mr. Stonehill updated the Board about future ICA Board Meeting dates and will sign a 2023 contract with Temple University.</p>	
Other Business	<p>Ms. Carter reminded the Board that the City Audit of 2021 is not yet complete. The Audit Committee cannot meet because they have less than a quorum of appointees right now.</p> <p>Ms. Carter has discussed cancelling the ICA Board meeting for December 21, 2022. Mr. Vartan was not available on December 14. Mr. Stonehill will cancel the December 21 meeting.</p>	
Public Comments	There were no comments.	
Adjourn meeting at 5:02 p.m.	<p>Motion by Mr. Vartan.</p> <p>A second was not required.</p>	Approved 4-0.

Respectfully submitted:



 Jeffrey M. Stonehill, Authority Manager

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – November 30, 2022

• Digital Ocean <i>Website software licenses</i>	\$12.72	November 1, 2022
• Digital Ocean <i>Web Host</i>	\$6.87	November 1, 2022
• Pursuit Co-Working Harrisburg <i>Virtual Office Monthly Subscription</i>	\$95.00	November 1, 2022
• Factory 44 <i>Software Licenses</i>	\$177.00	November 2, 2022
• PA Media Group <i>Legal Advertising</i>	\$134.09	November 22, 2022
• Johnson & Duffie <i>Independent General Counsel</i>	\$1,942.50	November 30, 2022
• Zelenkofske & Axelrod <i>2021-2022 ICA Audit</i>	\$1,600.00	November 30, 2022
• MESH PA LLC <i>Authority Manager</i>	\$4,200.00	November 30, 2022

Starting balance: \$191,608.63

Ending balance: \$183,574.54

• Interest earnings Y-T-D	\$24.66
• Fees Y-T-D	\$0

2023 Master Calendar - Proposed			
<u>Day</u>	<u>Date Start</u>	<u>Detail</u>	<u>Time</u>
Wednesday	1/25/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	2/22/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	3/22/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	4/26/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	5/24/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	6/28/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	7/26/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	8/23/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	9/27/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	10/25/2023	Harrisburg ICA (Fourth Wednesday)	4:00 p.m.
Wednesday	11/15/2023	Harrisburg ICA (Third Wednesday)	4:00 p.m.
Wednesday	12/20/2023	Harrisburg ICA (Third Wednesday)	4:00 p.m.