

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

July 26, 2023

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Mr. H. Ralph Vartan Mr. Doug Hill Ms. Kathy Speaker MacNett, on Zoom Ms. Elaine Barber	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Michael Wood, Office of the Budget Ms. Marita Kelley, City of Harrisburg	
In Attendance	Mr. Michael Cassidy, Independent Counsel, on Zoom Mr. Jeffrey Stonehill, Authority Manager	
Meeting Begins		4:01 p.m.
Welcome by H. Ralph Vartan, Vice-Chair	Mr. Vartan opened the meeting.	
Report by the Vice-Chair	<p>Mr. Vartan noted that there was not a quorum at the beginning of the meeting, but one would be recognized upon the arrival of Ms. Barber.</p> <p>Mr. Vartan noted that the day after the previous month's meeting, the City Controller's monthly financial report to officials was received by the ICA Board. He noted that all revenues and expenses are on pace with the budget for the General Fund and the Neighborhood Services Fund.</p> <p>Mr. Vartan shared that the City's 2021 audit is now ready for review. A joint meeting with the City's audit committee was to be today but it has been delayed to August 9, 2023.</p> <p>Mr. Vartan reminded the group that the 2024 Five-Year Financial Plan update will be delivered by August 31 after which the</p>	

	ICA Board will review and respond within thirty days.	
Report on City of Harrisburg Financial Activities	<p>Mr. Vartan introduced Ms. Marita Kelley, Finance Director, City of Harrisburg.</p> <p>Ms. Kelley introduced Accounting Supervisor, Bryan McCutcheon, to review the Neighborhood Services Fund collectibles.</p> <p>Mr. McCutcheon handed out a paper 3-page review of the Neighborhood Services Fund and reviewed the six-month overview of fund activities.</p> <p>He noted a significant current cash balance in the fund. The fund was created in 2016. He pointed out that the City is carrying a significant balance of unpaid invoices. He reminded the ICA Board that the City did not charge penalties for unpaid trash bills for over two years during the pandemic. That practice has resumed. He pointed out that the uncollectible fees have risen again to about \$15.7 million, of which some is current, and some is past-due.</p> <p>Mr. McCutcheon said the City maintains a 95% collection rate over the last few years, but in 2023 it is down.</p> <p>Mr. Hill asked why there are significant past due accounts. Mr. McCutcheon said there were several reasons.</p> <p>Mr. Stonehill asked about the penalty schedule for unpaid fees. Mr. McCutcheon and City Solicitor, Neil Grover, explained that it was 1.5% of the unpaid balance compounded monthly. Mr. Stonehill noted that inflates the value of unpaid invoices as the grow every month despite little or no chance of collection. He explained that many municipalities assess a one-time late fee of up to 10% and then the receivable does not grow over time.</p>	

	<p>Mr. Grover said that the City does offer payment plan.</p> <p>Mr. McCutcheon reviewed the receivables from the three boroughs that the City collects trash on behalf of. There is strong revenue flow for all three boroughs.</p> <p>Mr. Vartan asked about the rate of collection on the accounts of the three boroughs. Mr. McCutcheon said it is very strong.</p> <p>Mr. Stonehill asked about the status of the intermunicipal agreement. Mr. Hartman, City of Harrisburg Business Administrator, said that likely there will be one-year extensions as the rate consultant has just begun to analyze the relationships. He anticipates new rates in 2024.</p> <p>Mr. Hartman reviewed the updated framework for use of the American Rescue Plan Act funding. He noted that the City is reporting all uses as revenue replacement so that alone satisfies the reporting to the Federal government.</p> <p>As a result, the City has two to four more years to use the funding.</p> <p>The City Council is now done with the amendment process to designate the uses of the American Rescue Act funding.</p> <p>Mr. Hartman updated the ICA Board on interim plans for the Broad Street Market. He said that a military tent with a floor and HVAC will be installed to permit the vendors to resume operation this year.</p> <p>With respect to the brick building, the City and the non-profit are still coordinating all the insurance claims associated with the fire damage. Mr. Hartman thanked all the State and</p>	
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	<p>Federal agencies who are helping the vendors and the non-profit.</p> <p>Mr. Stonehill asked about relationships. Mr. Hartman explained the inter-relationship of the parties.</p> <p>Mr. Hartman explained the importance of the market to the community.</p> <p>Ms. Barber asked about donations from other area businesses.</p> <p>Ms. Kelley re-introduced Mr. McCutcheon so he could review the General Fund handout he provided.</p> <p>Mr. McCutcheon discussed year to date General Fund revenues.</p> <p>Mr. McCutcheon reviewed the 2021 audit meeting plans.</p>	
Authority Manager's Report	Mr. Stonehill provided the financial report for July 2023.	
Other Business	<p>Mr. Doug Hill gave an update on the status of Impact Harrisburg. The Board has entered into an agreement with the Capital Region Economic Development Corporation (CREDC) to use the last funding for struggling small businesses. All funding provided through the Strong Plan is now expended. The Impact Harrisburg Board decided to keep the entity active in case there are additional funds through the incinerator litigation.</p> <p>Mr. Vartan thanked Mr. Hill for all his volunteer work for the community.</p>	
Approval of the minutes of June 28, 2023	<p>Mr. Vartan asked for a motion to approve the minutes.</p> <p>Mr. Hill offered a motion to approve. A second by Ms. Barber.</p> <p>The motion passes.</p>	Approved 4-0.

Public Comments	There were none.	
Adjourn meeting at 4:48 p.m.	Motion by Mr. Hill. A second was not required.	Approved 4-0.

Respectfully submitted:



Jeffrey M. Stonehill, Authority Manager

Appendix Documents

SIGN-IN SHEET

7/26/2023

Required of all attendees for an official record of public participation

Name (please print)	Address	Email	Phone
Dan Hartman	10 N Second St #34	dhartman@harrisburgpa.gov	
Brynn McCutcheon	" " " "	bmcutcheon@harrisburgpa.gov	717-255-6434
Madra Clay	DCED	mclay@pa.gov	717-720-7397
Neil Burns	CITY	nburns@harrisburgpa.gov	717-255-3065

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – July 26, 2023

- Digital Ocean \$12.72 July 1, 2023
Website software licenses
- Digital Ocean \$6.87 July 1, 2023
Web Host
- Pursuit Co-Working Harrisburg \$95.00 July 1, 2023
Virtual Office Monthly Subscription
- PA Media Group \$139.42 July 17, 2023
Legal Advertisement
- MESH PA LLC \$5,250.00 July 26, 2023
Authority Manager

Ending balance: \$129,404.35

- Interest earnings Y-T-D \$16.00
- Fees Y-T-D \$0

COH
SUMMARY FOR GENERAL FUND
For the Six Months ended June 30, 2023

<u>DESCRIPTION</u>	For the 6 Months ended <u>6/30/2023</u>	Analysis for the 6 Months ended <u>6/30/2023</u>
<u>General Fund:</u>		
Total actual revenue	38,575,347	
Total actual expenditures	<u>38,802,096</u>	
Net revenue (expenditures)	<u>(226,749)</u>	
Total actual revenue		38,575,347
Less: prorated excess discount period RE tax revenue		<u>(6,040,621)</u>
Subtotal		<u>32,534,726</u>
Current budget - total revenue and sources		82,307,877
Less: cash fund balance portion		<u>(12,698,580)</u>
Adjusted budget for actual revenues		<u>69,609,297</u>
% of actual revenue budget realized - adjusted basis		<u>46.74%</u>
Total actual expenditures		38,802,096
Less: Ambac payoff paid with cash fund balance		(8,335,969)
Less: incinerator litigation paid with cash fund balance		(200,000)
Less: Baer Consulting hosting paid with cash fund balance		(81,845)
Less: prior year encumbrances paid with cash fund balance		<u>(1,625,010)</u>
Subtotal		<u>28,559,272</u>
Current budget - total expenditures		82,307,877
Less: cash fund balance funding portion		<u>(12,698,580)</u>
Adjusted budget for expenditures		<u>69,609,297</u>
% of expenditures budget realized - adjusted basis		<u>41.03%</u>
Cash position @ 6/30/2023		<u>22,918,755</u>

**CITY OF HARRISBURG
 NEIGHBORHOOD SERVICES FUND SUMMARY - REVENUE, EXPENDITURES, AND CHANGE IN CASH FUND BALANCE
 For the Six Months ended June 30, 2023**

<u>DESCRIPTION</u>	Neighborhood Services Fund, main (NSF)	NSF portion for Intergov't Municipalities	NSF - Total Specific Fund	Sanitation Fund (old) for Liens Revenue	Disposal Fund (old) for Liens Revenue	Combined Reporting for NSF
Beginning cash basis fund balance @ 12/31/2022	6,088,532	586,297	6,674,829	69,883	210,724	6,955,436
<u>Revenue</u>						
Total revenue	7,956,712	706,261	8,662,973	27,624	-	8,690,597
<u>Expenditures</u>						
Total expenditures - Public Works, with Parks Maintenance	7,797,872	413,114	8,210,986	-	-	8,210,986
Net Revenue Over (Under) Expenditures	158,840	293,147	451,987	27,624	-	479,611
Ending cash basis fund balance @ 6/30/2023	6,247,372	879,444	7,126,816	97,507	210,724	7,435,047

COH
SUMMARY REVIEW OF REFUSE/DISPOSAL UTILITY REVENUE RECEIVABLES
2016 thru 6/30/2023

Year-End	Adjusted A/R Balances	(UT-4 w/p ref) Offset Dispos Pymts on Disputed A/Cs Recorded as Refuse	Reclassified A/R Balances	Less: Year-End Escrow Balances	A/R Balances Net of Escrow Balances	(UT-2 w/p ref, summary annual rpt)		Receipts as a % of Billings
						Annual Billings Jan thru Dec	Annual Receipts Feb thru Jan	
12/31/2016 - Refuse	1,510,015	379,157	1,889,172	(17,318)	1,871,854	4,593,320	3,353,940	73.02%
12/31/2016 - Disposal	6,638,249	(379,157)	6,259,092	(212,688)	6,046,404	10,817,483	9,596,632	88.71%
12/31/2016 Total	8,148,264	-	8,148,264	(230,006)	7,918,258	15,410,803	12,950,572	84.04%
12/31/2017 - Refuse	2,255,988	201,738	2,457,726	(16,592)	2,441,134	4,756,627	4,096,060	86.11%
12/31/2017 - Disposal	8,240,302	(201,738)	8,038,564	(288,602)	7,749,962	11,433,770	10,216,802	89.36%
12/31/2017 Total	10,496,290	-	10,496,290	(305,194)	10,191,096	16,190,397	14,312,862	88.40%
12/31/2018 - Refuse	2,987,587	186,084	3,173,671	(24,750)	3,148,921	5,209,889	4,269,464	81.95%
12/31/2018 - Disposal	9,672,442	(186,084)	9,486,358	(501,669)	8,984,689	12,545,499	10,007,746	79.77%
12/31/2018 Total	12,660,029	-	12,660,029	(526,419)	12,133,610	17,755,388	14,277,210	80.41%
12/31/2019 - Refuse	3,417,743	159,868	3,577,611	(32,037)	3,545,574	5,209,914	4,668,037	89.60%
12/31/2019 - Disposal	9,481,916	(159,868)	9,322,048	(714,528)	8,607,520	12,307,485	11,024,855	89.58%
12/31/2019 Total	12,899,659	-	12,899,659	(746,565)	12,153,094	17,517,399	15,692,892	89.58%
12/31/2020 - Refuse	3,673,274	163,302	3,836,576	(37,499)	3,799,077	4,723,319	4,388,137	92.90%
12/31/2020 - Disposal	10,238,836	(163,302)	10,075,534	(948,001)	9,127,533	11,059,963	9,777,187	88.40%
12/31/2020 Total	13,912,110	-	13,912,110	(985,500)	12,926,610	15,783,282	14,165,324	89.75%
12/31/2021 - Refuse	3,670,614	9,028	3,679,642	(37,344)	3,642,298	4,586,644	4,379,422	95.48%
12/31/2021 - Disposal	9,058,805	(9,028)	9,049,777	(962,151)	8,087,626	10,700,840	10,497,996	98.10%
12/31/2021 Total	12,729,419	-	12,729,419	(999,495)	11,729,924	15,287,484	14,877,418	97.32%
12/31/2022 - Refuse	3,717,849	9,028	3,726,877	(2,511)	3,724,366	4,637,930	4,506,267	97.16%
12/31/2022 - Disposal	8,333,539	(9,028)	8,324,511	(82,177)	8,242,334	10,906,526	10,261,726	94.09%
12/31/2022 Total	12,051,388	-	12,051,388	(84,688)	11,966,700	15,544,456	14,767,993	95.00%
6/30/2023 - Refuse	4,007,235	12,586	4,019,821	(2,692)	4,017,129	2,617,382	2,305,964	88.10%
6/30/2023 - Disposal	8,958,766	(12,586)	8,946,180	(91,008)	8,855,172	6,058,002	5,254,941	86.74%
6/30/2023 Total	12,966,001	-	12,966,001	(93,700)	12,872,301	8,675,384	7,560,905	87.15%

* CURRENT A/R

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811,556

How much is made of new penalties

drop in collection rates

Penalty billings beginning again in January 2023 (first 6 months)

COH
 SUMMARY - REFUSE/DISPOSAL UTILITY REVENUE COLLECTIONS (Intergovernmental Municipalities)
 2019 thru 6/30/2023

<u>Year</u>	<u>Borough of Steelton</u>	<u>Borough of Penbrook</u>	<u>Borough of Paxtang</u>	<u>Totals</u>	<u>Comments</u>
2019	232,501			232,501	4 months Steelton
2020	705,364			705,364	
2021	701,757	278,278	131,834	1,111,869	10 months Penbrook/9 months Paxtang
2022	736,330	319,900	182,667	1,238,897	rate increase with Steelton
6 months 2023	436,237	168,226	95,488	699,951	rate increase with Steelton
potential 2023 total	872,474	336,452	190,976	1,399,902	simple doubling first 6 months of 2023