

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

April 23, 2025

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Mr. Doug Hill, Chair Ms. Audry Carter Ms. Kathy Speaker MacNett Ms. Elaine Barber	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Bryan McCutcheon, City of Harrisburg	
In Attendance	Mr. Michael Cassidy, General Counsel Mr. Jeffrey Stonehill, Authority Manager	
Meeting Begins		2:58 p.m.
Welcome by Doug Hill, Chair	Mr. Hill opened the meeting.	
Approval of the Minutes ● January 22, 2025	On a motion by Ms. MacNett, Second by Ms. Carter, the minutes were approved.	The minutes were approved by a vote of 4-0.
Report by the Chair	<p>Mr. Hill indicated that he met with the Mayor the previous week. There is a calendar for future 2025 meetings. He added there was a general financial discussion.</p> <p>Mr. Hill said most of the conversation was about economic development and a strategy to address this issue. He stated that the City has a desire to implement a comprehensive plan but does not have the capacity to do so in the way the ICA Board has envisioned it.</p> <p>He added while the City has an intent to work on economic development, it tends to be around recruitment and retention rather than upon economic development that focuses on trends, demographics, neighborhoods, or conversion of office space to residential.</p> <p>Mr. Hill did relay that there is a need for a stakeholder group and the Mayor and</p>	

	<p>Ms. Gloria Martin-Roberts both agree. However, while there is an intent, no actual stakeholder group has yet been formed.</p> <p>Mr. Hill said he discussed the future of the State workforce with the Mayor. The Mayor told she did discuss this issue with the Governor. There is a clear recognition that this is an issue.</p> <p>Mr. Hill does not believe the Mayor is optimistic that the State workforce will increase in downtown; in fact the overall workforce may shrink, due to increased remote work for businesses that interact with the Commonwealth.</p> <p>Mr. Hill noted that he and Ms. Carter met with Sen. Patty Kim. They discussed the positions on the ICA Board. Ms. Carter added that it was a wonderful meeting and Sen. Kim was a guiding factor in the establishment of the ICA. Ms. Carter added that Sen. Kim is also frustrated on a lack of a comprehensive economic development plan.</p> <p>Mr. Stonehill asked if the Chair raised the discussion of the ICA Board funding membership in the PA Downtown Center with the Mayor. Mr. Hill indicated that he did not. Ms. Carter said it was a very valuable organization. Mr. Stonehill explained the mission of the PA Downtown Center.</p> <p>City staff in attendance made note of the opportunity.</p> <p>Mr. Stonehill explained the difference between the Main Street Program and Main Street Matters Program.</p>	
<p>Report on City of Harrisburg Financial Activities</p>	<p>Mr. Hill introduced Mr. McCutcheon, Accounting Manager. There were two handouts to review.</p> <p>He reviewed the following information:</p>	

	<ul style="list-style-type: none">● The first report is the activity associated with the General Fund.● The format is different between Mr. McCutcheon's report, based on cash, and the Controller's Office report, which includes encumbrances.● The Controller's February report reduced the cash balance of \$17.7 million by encumbrances.● The General Fund ended with a cash fund balance of approximately \$23.9 million minus \$7.9 million in encumbrances.● He reviewed several large encumbrances that are being carried forward.● The year-to-date cash balance (through March), is very similar to 2024. There is one difference of about \$700,000 which was due to a 2024 receipt of Medical insurance stop-loss payment. No change on expenses year over year.● Mr. Stonehill asked about the use of encumbrances in the City organization. Mr. McCutcheon explained his findings. Mr. Samuel Sulkosky, City Business Administrator added that a review of encumbrances is underway.● Mr. McCutcheon reviewed a revenue analysis by month to month. He concluded that the streams are very consistent.● Mr. McCutcheon discussed the impact on adding the American Rescue Plan Act (ARPA) funding through the General Fund and how it impacts the revenue.	
--	--	--

	<ul style="list-style-type: none"> ● Mr. McCutcheon discussed that he believes that the Earned Income Tax revenue has grown significantly, but he thinks that growth has peaked. ● Mr. McCutcheon did a breakdown of the Neighborhood Services Fund. ● He added that there was \$4.5 million after apply outstanding encumbrances. ● Mr. McCutcheon discussed the genesis of the Neighborhood Services Fund. ● Mr. McCutcheon noted that revenue in the Neighborhood Services Fund was higher in 2024 than previous years as a result of a trash fee increase. ● He added that American Rescue Plan Act funding is being transferred into the Neighborhood Services Fund. ● Mr. Stonehill asked about the host municipality fee from the incinerator, but that is also in a separate fund. ● Cash balance of \$21.4 million in the General Fund as of today. 	
Section 203 Annual Report	<p>Mr. Hill informed the ICA Board that he and Mr. Stonehill have been working on the annual report and that they were going to give the Board an update.</p> <p>Mr. Stonehill reported that there are two parts to the process. There's the part with which the City staff help, statistical tables as well as the narrative sections, which are included in the report. Secondly, there's other parts which are a reflection of the Board's position on evaluating the progress that the City has made over the last year.</p> <p>Mr. Stonehill said the reflections will be shared with the Board to add their</p>	<p>Motion to Authorize the Chair and Manager to complete and submit the Section 203 Annual Report by Ms. MacNett, second by Ms. Barber, with a vote of 4-0; approved.</p> <p>Motion to Accept the Correspondence from Mayor Williams Establishing the 2025 Budget, as Adopted, as an Update to the 2025 Five-Year Plan by Ms. Barber, second by Ms. MacNett,</p>

	<p>thoughts and comments to what the Chair and he have gathered.</p> <p>It will be sent to the Governor and the General Assembly by the end of the month.</p> <p>Mr. McCutcheon said their submissions are progressing to the point that they can be shared.</p> <p>Mr. Stonehill raised the issue that correspondence had been received, on this day, from Mayor Wanda Williams, that the 2025 Budget document should be considered an update to the Mayor's Five-Year Fiscal Plan.</p> <p>Mr. Stonehill noted that there have been significant changes in fiscal projections from the Five-Year Plan to the 2025 Budget.</p> <p>Mr. McCutcheon pointed out that about \$71.3 million in annual spending is the advisable guideline. Mr. McCutcheon confirmed that the expense side did change.</p> <p>Mr. Stonehill brought up the use of fund balance in future years.</p> <p>Ms. Carter noted that the Board recommends that the City get out of Act 47 status as soon as possible. She reminded the group that the Incinerator Litigation is the holdup.</p> <p>Mr. Stonehill noted the distribution of the executive summary of the Annual Report. Mr. Hill noted the improvements of the fiscal condition of the City and the professional staff working on these issues. He added a list of nagging issues reflected in the report.</p> <p>Ms. Carter raised the failure to implement performance measurements.</p>	<p>with a vote of 4-0; approved.</p>
--	---	--------------------------------------

	<p>Finance Director Robert Kennick noted that the 2026 budget will include performance evaluations. Mr. Stonehill explained quantitative analysis that the ICA Board seeks.</p> <p>Mr. Hill asks for two motions, one regarding the Section 203 report and one regarding the Mayor’s correspondence.</p> <p>Mr. McCutcheon made a comment about real estate tax revenue.</p> <p>Ms. MacNett thanked City staff for the response to a downed tree near her home.</p>	
<p>Authority Manager’s Report</p>	<p>Mr. Stonehill provided the financial report for April 2025.</p> <p>Mr. Stonehill thanked DCED for the provision of another fiscal year’s worth of revenue for the operation of the ICA.</p> <p>Mr. Stonehill said that there will be insurance renewals coming up.</p>	
<p>Resignation from the ICA Board</p>	<p>Mr. Hill announced that both Elaine Barber and Audry Carter have submitted resignations from the ICA Board.</p> <p>Mr. Hill went on to explain that Ms. Barber is able to serve until her replacement is officially appointed.</p> <p>He added that Ms. Carter’s resignation needs to be acted upon immediately. Ms. Carter added that she will be moving out of the City shortly, and therefore, she cannot continue to serve.</p> <p>Mr. Hill asked for a motion, with regret, and to add everyone’s gratitude for your service and diligence and all the hard work and excitement that you brought to the Board.</p> <p>Ms. Barber thanked everyone and noted her resignation was as a result of her upcoming retirement.</p>	<p>Motion to accept the resignation of Ms. Audry Carter from the ICA Board, effective immediately, and Ms. Elaine Barber, effective upon the appointment of a successor, by Ms. MacNett with a second by Ms. Carter, and a vote of 4-0; approved.</p>

	<p>On the subject of appointing successors, Mr. Stonehill pointed out the Board is now down to its minimum to meet the requirement of a quorum for each meeting.</p> <p>Mr. Hill pointed out that he has spoken to all the representatives for replacements for all the vacancies on the Board. Ms. Carter explained that she has been in contact with Sen. Patty Kim who is helping.</p>	
Public Comments	<p>Eric Epstein, from Rock the Capitol, brought up a series of points and asked a series of questions.</p> <p>Mr. McCutcheon spoke about the collection rate in the Neighborhood Services Fund.</p> <p>Mr. Stonehill noted that the Five Year Plan was approved in the fall of 2024.</p> <p>Mr. McCutcheon noted that the last audit completed was the 2022 Consolidated Annual Fiscal Review.</p> <p>Brian Kimmet, from Rock the Capital, asked about the OPEB Trust, the inability to borrow debt going forward, and the Recreation budget amendment.</p> <p>Sam Sulkosky, Business Administrator, stated that the City has very highly funded their pension plans.</p> <p>Mr. Troy Kieser, Pennsylvania Department of Community and Economic Development, asked about the audits and the PA Downtown Center.</p>	
Adjourn meeting at 4:13 p.m.	<p>Motion by Ms. MacNett. A second was not required.</p>	Approved 4-0.

Respectfully submitted:

A handwritten signature in cursive script that reads "Jeffrey Stonehill".

Jeffrey M. Stonehill, Authority Manager

SIGN-IN SHEET (ICA)

4/23/2025

Required of all attendees for an official record of public participation

Name (please print)	Address	Email	Phone
Troy Kieser	Key stone	TKieser@pa.gov	
Alexander Reshler	City of Harrisburg	alexreshler@harrisburgpa.gov	
CA	Rock Hill Capital		
Samuel Sulkosky	MLK Jr. Building	ssulkosky@harrisburgpa.gov	

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – January 23, 2025 to April 23, 2025

Starting balance (January 23):		\$113,946.31
1/26/25	1099 Form Tax Preparation	20.94
1/31/25	DCED Annual Funding Deposit	+\$100,000.00
1/31/25	Monthly Interest on Checking Account	+\$2.34
2/3/25	Amazon.com Laptop	\$1,794.92
2/3/25	Pursuit Co-Working Harrisburg	\$98.15
2/3/25	Digital Ocean	\$12.72
2/3/25	Digital Ocean	\$6.87
2/18/25	Adobe Software	\$254.27
2/21/25	Dropbox Website License	\$179.76
2/28/25	Monthly Interest on Checking Account	+\$3.14
3/3/25	Pursuit Co-Working Harrisburg	\$98.15
3/3/25	Digital Ocean	\$12.72
3/3/25	Digital Ocean	\$6.87
3/31/25	Monthly Interest on Checking Account	+\$3.59
4/1/25	Pursuit Co-Working Harrisburg	\$98.15
4/1/25	Digital Ocean	\$12.72
4/1/25	Digital Ocean	\$6.87
4/16/25	Zoom Website License	\$169.49
4/23/25	Johnson Duffie Legal Expenses (Jan, Feb, Mar)	\$787.50
4/23/25	MESH PA 2 (Apr, May, and Jun 2025)	\$13,650.00
Estimated Balance (April 23, 2025)		\$196,745.06

**CITY OF HARRISBURG
GENERAL FUND SUMMARY - REVENUE, EXPENDITURES, AND CHANGE IN CASH FUND BALANCE
For the Month ended March 31, 2025**

<u>DESCRIPTION</u>	Month ended <u>01/31/25</u>	Month ended <u>02/28/25</u>	Month ended <u>03/31/25</u>	QTD Three Months thru <u>03/31/25</u>
Beginning cash basis fund balance	18,469,253	14,594,546	17,743,171	18,469,253
<u>Revenue</u>				
Total revenue	2,887,977	8,484,498	12,227,772	23,600,247
<u>Expenditures</u>				
General Government	263,609	186,723	267,429	717,761
Administration	2,108,786	2,183,037	2,462,819	6,754,642
Building and Housing	40,071	28,802	45,216	114,089
Public Safety	3,136,084	2,027,502	2,623,569	7,787,155
Public Works	1,122,632	860,478	1,092,110	3,075,220
Parks and Recreation	91,502	49,331	57,030	197,863
Total expenditures	6,762,684	5,335,873	6,548,173	18,646,730
Net Revenue Over (Under) Expenditures	(3,874,707)	3,148,625	5,679,599	4,953,517
Ending cash basis fund balance	14,594,546	17,743,171	23,422,770	23,422,770
Less: open encumbrances balance @ 3/31/2025				(7,889,762)
Resulting budgetary fund balance @ 3/31/2025				15,533,008

CITY OF HARRISBURG
 GENERAL FUND SUMMARY - REVENUE AND EXPENDITURES, YEAR-TO-DATE COMPARISONS
 03/31/25

<u>DESCRIPTION/MONTH</u>	<u>Current Year 2025</u>	<u>Prior Year 2024</u>	<u>Change Increase (Decrease)</u>	<u>Attribution Comments</u>
<u>YTD Revenue</u> thru January	2,887,977	3,624,939	(736,962)	decrease over the prior year is largely attributed to approximately \$600,000 in medical stop loss recovery payments occurring in January 2024, whereas no such revenue amounts were received during current period January 2025
thru February	11,372,475	12,242,501	(870,026)	same explanation as noted above for year-to-date total thru January
thru March	23,600,247	24,328,075	(727,828)	same explanation as noted above for year-to-date total thru January
<u>YTD Expenditures</u> thru January	6,762,684	4,252,860	2,509,824	increase over the prior year is largely attributed to three occurring payroll pay dates and corresponding check run dates during January 2025, compared with only two such disbursement dates in prior year January 2024; also to note is a comparative increase of \$233,000 in medical claim expenditures comparing current year January to prior year January
thru February	12,098,557	12,522,922	(424,365)	change represents a reasonable comparison based on relative materiality
thru March	18,646,730	18,601,177	45,553	change represents a reasonable comparison based on relative materiality

COH
Historical Review of Monthly Revenue - General Fund

Month	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	3,089,211	2,348,575	2,205,645	2,514,591	1,388,319	2,211,191	2,651,976	3,624,939	2,887,977
February	7,159,249	7,069,601	7,889,779	7,807,999	8,018,368	5,834,495	7,621,467	8,617,562	8,484,498
March	12,850,326	12,573,345	12,193,823	11,198,310	12,421,085	8,001,656	14,225,204	12,085,573	12,227,772
April	3,602,912	3,653,135	3,738,996	3,516,948	4,643,177	11,320,616	3,908,548	31,524,252	
May	6,523,855	5,747,570	6,472,470	4,967,795	5,258,301	5,289,079	6,191,676	6,645,920	
June	2,694,269	3,762,367	3,846,779	3,056,515	4,251,930	3,755,812	3,976,476	3,053,731	
July	2,707,049	2,256,798	2,830,540	2,615,833	2,139,327	10,832,020	2,677,517	3,256,675	
August	4,846,876	5,221,054	5,583,799	4,678,464	7,580,787	5,231,815	6,124,013	4,657,358	
September	11,364,963	10,486,775	11,665,709	10,992,440	11,034,250	11,232,693	12,814,170	11,965,355	
October	3,110,773	2,798,222	3,158,265	2,224,146	2,345,104	4,009,227	1,836,861	3,601,630	
November	4,502,417	6,952,542	4,829,509	4,391,369	4,203,908	5,348,778	10,439,556	9,952,079	
December	3,847,594	3,654,517	4,383,704	7,248,107	5,523,954	4,054,580	4,378,702	5,497,388	
Totals	66,299,494	66,524,501	68,799,018	65,212,517	68,808,510	77,121,962	76,846,166	104,482,462	23,600,247
ARPA funding transfers						(8,863,000)	(1,190,000)	(26,850,000)	
ARPA funding transfer						-	(4,939,598)	(3,818,932)	
BSM insurance proceeds								(12,378)	
Adjusted Totals						68,258,962	70,716,568	73,801,152	

**CITY OF HARRISBURG
 NEIGHBORHOOD SERVICES FUND SUMMARY - REVENUE, EXPENDITURES, AND CHANGE IN CASH FUND BALANCE
 For the Three Months ended March 31, 2025**

<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 @ 12/31/2024	3,582,804	1,610,385	5,193,189	215,112	210,724	5,619,025
<u>Revenue</u>						
Total revenue	4,101,927	418,041	4,519,968	17,022	-	4,536,990
<u>Expenditures</u>						
Public Works - City Services, Sanitation	3,842,582	198,491	4,041,073	-	-	4,041,073
Parks Maintenance	479,873	-	479,873	-	-	479,873
Total expenditures	4,322,455	198,491	4,520,946	-	-	4,520,946
Net Revenue Over (Under) Expenditures	(220,528)	219,550	(978)	17,022	-	16,044
Ending cash basis fund balance @ 3/31/2025	3,362,276	1,829,935	5,192,211	232,134	210,724	5,635,069
Less: open encumbrances balance @ 3/31/2025						(1,144,079)
Resulting budgetary fund balance @ 3/31/2025						<u>4,490,990</u>

4/5

COH
Historical Review of Monthly Revenue - Neighborhood Services Fund

Month	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	1,167,423	1,193,308	1,210,355	1,249,115	1,516,226	1,114,584	1,567,647	1,523,795	1,594,377	1,496,856
February	1,418,098	1,154,312	1,225,157	1,995,125	1,359,834	1,259,229	1,428,299	1,267,982	1,377,538	1,546,917
March	1,407,160	1,266,517	1,289,097	1,293,341	1,337,808	1,495,780	1,511,891	1,653,497	1,486,334	1,493,218
April	1,222,913	1,356,423	1,269,446	1,461,180	1,364,475	1,392,879	1,403,276	1,443,788	1,477,892	
May	1,085,661	1,205,056	1,261,175	1,362,818	1,291,280	1,522,828	1,389,278	1,400,472	1,572,635	
June	1,010,173	1,204,338	1,214,727	1,253,602	1,314,407	1,379,905	1,374,226	1,401,063	1,405,486	
July	1,055,299	1,092,772	1,202,063	3,996,008	1,385,147	1,419,203	1,413,963	1,444,416	1,568,751	
August	2,653,830	6,107,941	1,213,159	1,261,266	1,259,480	1,362,386	1,386,366	1,249,196	1,462,420	
September	1,121,719	1,228,416	1,144,070	1,222,227	1,278,840	1,355,349	1,325,617	1,643,720	1,544,559	
October	1,088,681	1,364,719	1,292,620	1,476,225	1,289,733	1,287,843	1,344,728	1,495,177	1,609,964	
November	1,188,760	1,200,515	1,218,682	1,319,204	1,119,124	1,290,954	1,299,743	1,321,774	1,311,734	
December	2,886,769	1,653,982	1,287,984	1,361,368	1,390,643	1,482,347	1,337,116	1,333,901	2,033,968	
Totals	17,306,486	20,028,299	14,828,535	19,251,479	15,906,997	16,363,287	16,782,150	17,178,781	18,445,658	4,536,991