

*Intergovernmental Cooperation Authority for Harrisburg*

*Minutes of the Governing Board Meeting*

*November 20, 2019*

*Temple University Harrisburg, 234 Strawberry Square, Lecture Hall, Room 246/248*

*Harrisburg, Pennsylvania 17201*

***hbgica.org***

<b>Members Present</b>	Ms. Audry Carter, Mr. Douglas Hill, Ms. Kathy Speaker MacNett, Ms. Tina Nixon, and Mr. H. Ralph Vartan	
<b>Ex-Officio Members Present</b>	Mr. John Raymond and Mr. Bruce Weber	
<b>Staff Present</b>	Jeff Engle, Esq., Independent General Counsel, and Mr. Jeffrey Stonehill, Authority Manager	
<b>Call to Order</b>	Ms. Carter called the meeting to order at 4:07 p.m. She noted that everyone was present including the newest member of the Authority, Mr. Douglas Hill. She asked Mr. Vartan to introduce Mr. Hill.	
<b>Introduction of Member Douglas Hill</b>	Mr. Vartan introduced Mr. Hill. He said that Mr. Hill was a friend and mentor and added that when Mr. Schankweiler resigned that there were big shoes to fill and that Mr. Vartan is excited about Mr. Hill's appointment. Mr. Hill echoed his excitement as well.	
<b>Approval of October 23, 2019 Minutes</b>	Mr. Stonehill presented the Minutes, which had been reviewed by Ms. Nixon, the Secretary/Treasurer; on a motion to approve by Ms. MacNett, seconded by Ms. Nixon.	Minutes; approved 5-0
<b>Review of Bills Paid</b>	Mr. Stonehill reviewed the bills paid since the last regular meeting of the Authority.	
<b>Report of the Chairperson</b>	<p>Ms. Carter noted that the Authority website is operational.</p> <p>Ms. Carter explained that members of the Authority have been meeting in small groups with stakeholders and this process has provided insight and perspective as the Authority moves forward with its responsibilities.</p> <p>Ms. Carter introduced the Mission &amp; Priorities Statement, which was crafted since the last meeting with input from members of the Authority.</p> <p>Ms. Carter and Mr. Vartan reviewed the document, presented a motion by Ms. Nixon and a second by Mr. Vartan, the Authority officially adopted the Mission &amp; Priorities Statement.</p>	Mission and Priorities Statement; appred 5-0

<p><b>Report of the Chairperson Continued</b></p>	<p>Ms. Carter provided an update on the ongoing preparation of the Intergovernmental Cooperation Agreement between the Authority and the City of Harrisburg. She noted that Mayor Papenfuse, Mr. Vartan, and she had met to clarify aspects of the proposal. She noted that City Attorney Neil Grover had met with Authority Counsel Jeff Engle to work on reconciliation of items. She announced that it was the intention of the Authority to have the agreement ready for action at the next meeting on December 18, 2019. Ms. Carter mentioned that Mr. Vartan had attended the City Audit Committee meeting on Wednesday, November 6, 2019, where the City Auditors, Maher Duessel, presented their 2018 findings.</p> <p>Mr. Vartan noted that the audit identified a number of "material weaknesses." These findings are tabulated, and generally fall under three categories: financial management and reporting, program management, and IT infrastructure. Many issues are repeat findings from prior years. In addition, because federal compliance requirements were not met, the City must return federal funds in excess of \$100,000</p>	
<p><b>Report of Mr. Bruce Weber regarding the 2018 Audit</b></p>	<p>Ms. Carter then invited Mr. Weber to make a presentation regarding the summary of the 2018 Audit issues relating to Management.</p> <p>Mr. Weber handed out a table, which is attached to be incorporated into the record and which he reviewed.</p> <p>Mr. Weber explained that audit reports are complicated and it can be misleading. He said that the required Annual Audit is really to create an annual benchmark. He explained that findings are statements of fact, which usually require further explanation.</p> <p>Mr. Weber wanted to note that the audit indicated that the City was free from malfeasance. Mr. Stonehill asked about accounting software and Mr. Weber answered that it was older and in need of updating.</p>	

	<p>Ms. Nixon asked about grant management and Mr. Weber answered that the City was updating management personnel.</p> <p>Ms. MacNett asked about the Finance Department staff and Mr. Weber indicated that they are doing their best with available resources.</p> <p>Mr. Vartan asked a follow up question about staffing.</p> <p>Ms. Nixon asked a question about internal controls and Mr. Weber discussed internal processes.</p> <p>Ms. Carter asked a question about findings in the audit report, and whether the number was comparable to other cities. Mr. Weber indicated they were.</p> <p>Mr. Vartan asked about the Auditor Request for Proposals and Mr. Weber indicated that the City was seeking to hire a new auditor for 2019. Mr. Vartan asked about the Audit Calendar and Mr. Weber reviewed the standard year.</p> <p>Mr. Vartan asked about Material Weaknesses and Mr. Weber mentioned legacy issues. Mr. Vartan asked if Mr. Weber would be open to working with Mr. Stonehill going forward on developing a scope of work to address legacy issues, as well as a plan to address them, and Mr. Weber indicated that he would.</p>	
<p><b>Report of Mr. Marc Woolley regarding the 2018 Audit</b></p>	<p>Ms. Carter then invited Marc Woolley, Harrisburg City Business Administrator, to make a presentation regarding the summary of the 2018 Audit issues relating to Government grants.</p> <p>Mr. Woolley handed out a table, which attached and herein incorporated into the record.</p> <p>Mr. Woolley explained that he was responsible for supervision of compliance issues and housing. He explained his background and noted that he had great success negotiating with the U.S. Department of Housing and Urban Development (HUD) to improve the City of Harrisburg's status in</p>	

	<p>the Community Development Block Grant (CDBG) program.</p> <p>He explained that the system has changed with respect to the relationship between the City and sub-recipients.</p> <p>Mr. Woolley noted the program income and CDBG versus entitlement funds.</p> <p>Mr. Woolley outlined anticipated changes between the City and HUD over the next five fiscal years. He pointed out the recent success in getting funding for the lead abatement program for \$152,000 – I thought this was a multi million dollar grant - \$6.5 million sticks in my mind.</p> <p>Mr. Woolley point out his summary table and discussed the authorization use Laserfiche as a document management system going forward.</p> <p>Mr. Woolley pointed out earmarking issues and unsure drawdown of funds.</p> <p>Ms. Nixon asked if there was any pushback from sub-grantees and Mr. Woolley said there was some confusion.</p> <p>Ms. Nixon asked a follow-up about education of sub-recipients and Mr. Woolley agreed that it was important.</p> <p>Mr. Vartan asked about next year’s CDBG allocation for the City and Mr. Woolley agreed that it was trending downward.</p> <p>Mr. Woolley estimated an allocation of approximately \$1.9 million next year.</p> <p>Mr. Woolley discussed his support for Homeownership and Affordable Housing programs.</p> <p>Mr. Woolley discussed his plans for financial seminars for first-time homebuyers. He said that the Mayor’s priorities were housing, jobs, and schools.</p>	
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	<p>Mr. Vartan asked about the CDBG funding cycle calendar and Mr. Woolley reviewed it.</p> <p>Mr. Raymond asked about segregation of duties and Mr. Woolley discussed staffing.</p> <p>Ms. MacNett asked about the housing department and Mr. Woolley explained department positions.</p>	
<p><b>Report of Mr. Bruce Weber regarding the 2020 Budget Calendar</b></p>	<p>Mr. Weber handed out a document to the Authority that detailed the annual budget schedule. He noted that the City must adopt a balanced budget by December 31, 2019.</p> <p>He noted that the Mayor was due to release his proposed 2020 budget to the City Council and the public on Tuesday, November 26.</p> <p>He suggested that the Authority was welcome to attend.</p> <p>He said that typically there are two public hearings on the budget prior to adoption.</p>	
<p><b>Mayor's Five Year Plan Update</b></p>	<p>Mr. Carter noted that Mayor Papenfuse had presented the Authority with a letter requesting a change in the submission date of the update of the City's Five Year Fiscal Plan.</p> <p>The correspondence was a Request for Adjustment of Submission Date Under Section 209(e)(2) of Act 124 of 2018.</p> <p>The Mayor stated in the correspondence that "In accordance with Section 209(e)(2) of the Intergovernmental Cooperation Authorities Act for Cities of the Third Class, 53 P.S. § 42101, et seq. (Act 124 of 2018), the City of Harrisburg hereby requests that the board approve an adjustment on the timing of the annual submission of Harrisburg's proposed five-year plan, approving the submittal occur on or before April 30<sup>th</sup> each year."</p> <p>The letter went on to note "In light of available staffing and competing reporting obligations throughout the year, the proposed time period allows the City adequate time to prepare an adjusted five-year plan each year and, thereafter, sufficient time for the board to review and approve</p>	<p>Approval of Extension of Annual Submission of Mayor's Five Year Plan Update to April 30<sup>th</sup>; approved 5-0.</p>

	<p>the proposal in accordance with Section 209(g) or seek revisions thereof.”</p> <p>Ms. Carter suggested that an updated plan presented to the Authority by April 30<sup>th</sup>, could be workshopped, and approved by the Authority by June 30<sup>th</sup> each year.</p> <p>On a motion by Mr. Vartan and a second by Ms. Nixon, the Authority officially granted an extension to the Mayor to provide an annual submission of Harrisburg's proposed five-year plan update to occur on or before April 30<sup>th</sup> each year.</p>	
<b>Public Comments</b>	<p>Citizen Eric Epstein asked a number of questions:</p> <ul style="list-style-type: none"> <li>• OPEB Liability</li> <li>• Grants in the City Budget</li> <li>• Legacy Environmental Issues</li> <li>• Census</li> </ul> <p>Ms. Carter suggested that he email his questions to Mr. Stonehill and Mr. Weber.</p>	
<b>Adjournment</b>	Motion by Mr. Vartan, seconded by Mr. Hill	Meeting adjourned at 5:22 p.m.
<b>Next meeting</b>	The next regular meeting of the Intergovernmental Cooperation Authority for Harrisburg shall be on Wednesday, December 18, 2019, at 4:00 p.m. at Temple University Harrisburg, 234 Strawberry Square, Lecture Hall, Room 246/248 Harrisburg, Pennsylvania 17201.	

Respectfully submitted:

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Jeffrey Stonehill, Authority Manager  
ICA for Harrisburg

## APPENDIX DOCUMENTS



## **MISSION AND PRIORITIES STATEMENT**

ADOPTED NOVEMBER 20, 2019

The Intergovernmental Cooperation Authority for Harrisburg (the Authority) is a public authority and instrumentality of the Commonwealth of Pennsylvania. The Authority was created for the general purpose of fostering the fiscal integrity of the City of Harrisburg.

### **Generally**

The Authority has identified three themes to advance the financial recovery of the City.

1. Sound financial management and reporting.
2. Community and economic development.
3. Operational excellence.

The Authority shall assist the City as it develops and implements initiatives to address these themes.

### **Current Issues**

The Authority is currently focused on this list of specific issues.

1. Intergovernmental Cooperation Agreement with the City.
2. Authority's annual report.
3. City's Five-Year Financial Plan.
4. City's Community and Economic Development Plan.
5. Financial management and reporting.
6. Program management with federal funding.
7. Information technology infrastructure.
8. Debt load and restoring access to credit markets.
9. Labor agreements.
10. Privatization initiatives.
11. Intergovernmental cooperation opportunities

**City of Harrisburg**  
**Budget Process**  
**As of 12/31/2018**

1. During Q1-Q2, the Office of Budget and Analysis provides the office/department heads and bureau chiefs with a Capital Project template to enter their projected subsequent 3-year requests, which are then submitted, reviewed and subsequently approved by the Mayor and City Council
2. In July, the Office of Budget and Analysis works on all personnel projections for the subsequent year.
3. In late July, the Budget Office provides each office/department head and bureau chief with an operational (personnel, supplies, services) expense template where they enter their subsequent year appropriation requests, which must include notes and justifications.
4. After the operational expense requests are submitted by late August/early September and compiled along with subsequent year revenue projections by the Office of Budget and Analysis, the first draft of the budget is submitted to the Mayor sometime during the middle of September.
5. Thereafter, Mayoral hearings are then held with each office/department/bureau to discuss their requested budgets as submitted and allow them to substantiate projected expenditures. During this time, the Mayor will make changes to the requested budget as s/he deems necessary.
6. A second draft is then given to the Mayor with the results of the meeting(s) held between the Mayor, office/department heads/bureau chiefs, and finance/budget staff. The Mayor reviews the budget with budget staff, and makes additional cuts and revenue enhancements. This process is repeated until a balanced budget is achieved.
7. By October 15, this draft budget (unformatted) is presented to DECD for their review and approval and comments which are to be returned to the City by October 30.
8. Thereafter, not later than the month of November, all office/department heads and bureau chiefs appear before the Finance Director or Business Administrator at a public hearing, which shall be held during that month, on the various appropriation budget requests.
9. A final draft is then given to the Mayor with the results of the public meeting with all office/department heads and bureau chiefs. The Mayor reviews the budget with finance/budget staff and makes additional changes and revenue enhancements as needed.

**City of Harrisburg  
Budget Process  
As of 12/31/2018**

10. On the fourth Tuesday of November, the final Mayoral recommended budget is presented to City Council.
11. Council holds Budget and Finance Committee meetings with office/department heads and bureau chiefs present to substantiate the proposed budget and arrive at any amendments to the budget.
12. By December 31, the budget, as amended by Council, is legally enacted through the passage of an ordinance. During the month of January following a municipal election, however, City Council may amend the Budget with proper notice for public inspection of the proposed budget amendment. Any amended budget ordinance must be adopted by City Council before the 16th of February. Within 15 days after the adoption of the budget ordinance, a copy of same must be filed with the Commonwealth of Pennsylvania, Department of Community and Economic Development.

CITY OF HARRISBURG  
SUMMARY SCHEDULE OF MATERIAL AUDIT ADJUSTMENTS  
12/31/2018

Fund, Budget Unit and G/L Account No.	DESCRIPTION	Debit	Credit	Routine, Complex or Unusual level of Understanding	Attribution or Cause as to not being included on Initial T/B provided to auditors	Accounting Manager involved w/resolution during audit fieldwork	Remedy or Solution for modifying future audit preparation approach
<u>General Fund</u>							
01-138055 01-260007	Note Receivable - PEDFA Deferred Loans - PEDFA To adjust PEDFA notes receivable for net present value	586,506	586,506	Routine	concern over other audit preparation areas for completing significantly adjusted T/B by audit timeline	No	have recently requested applicable workpaper(s) from auditor for gaining knowledge and understanding for performance of adjustment
01060160-454004 01080180-454004 01-238049	Improvements - Playground Improvements - Playground Due to Other Governmental Entity To record expenditures associated with the playgrounds project - CRW related	19,446 110,314	129,760	Unusual	initial review of expenditure support indicated incurring in 2019, but work was actually done/incurred in 2018	Yes	will more closely review such potential CRW activity around year-end
01010189-481014 01-138014	Transfers Out - Federal Grants Fund Due from Federal Grants Fund To adjust down due from Federal Grants Fund for accommodating Lead grant match shortfall	152,000	152,000	Unusual	DBHD had to extend its involved process for determining/quantifying Lead grant match shortfall amount well into the course of audit fieldwork	Yes	have to continue to rely on related performance by other involved City department
<u>Capital Projects Fund</u>							
06066006-396000 06-260000	Grant Proceeds Deferred Revenue To record additional deferred revenue related to the Third Street project	221,327	221,327	Complex	related to City co-mingling grant reimbursement requests to multiple involved funding sources	Yes	pass on co-mingling approach to requesting funding draws related to such future grant funded projects
06066006-396000 06066006-458060	Grant Proceeds Streets and Roads To adjust out Third Street project revenue and expenditures related to CRW portions of Impact HBG grant	1,164,092	1,164,092	Complex	viewed this project as involving only City infrastructure, and did not timely expand awareness of CRW's portions related to such ownership of the grant funding and capital assets	Yes	conduct a better communications review for year-end with City's Grants Manager, as to potential of such activity being applicable to outside entities participating in a partnered grant funded project (learning opportunity)
<u>State Grants Fund</u>							
11081180-454004 11081180-396000	Improvements - Playground Grant Proceeds To record revenue and expenditures related to Impact HBG grant thru CRW, applicable to the playgrounds project	113,219	113,219	Unusual	project involves City assets but City is not directly involved in the receiving and disbursing of the related grant funding, and did not timely expand awareness of CRW's involvement	No	conduct a better communications review for year-end with City's Grants Manager, as to potential of such activity being applicable to outside entities participating in a partnered grant funded project; would also involve outreach communication with the involved entity or entities (learning opportunity)
11-133011 11-230040	Grants Receivable - Impact HBG Due to Other Entity - CRW To record/reflect applicable balance sheet amounts related to the playgrounds project, involving the direct grant activity btw CRW and Impact HBG	113,219	113,219	Unusual and Complex	project involves City assets but City is not directly involved in the receiving and disbursing of the related grant funding, and did not timely expand awareness of CRW involvement	No	conduct a better communications review for year-end with City's Grants Manager, as to potential of such activity being applicable to outside entities participating in a partnered grant funded project; would also involve outreach communication with the involved entity or entities (learning opportunity)
<u>Federal Grants Fund</u>							
14-133011 14-260000	Grants Receivable Deferred Revenue To gross-up Lead grant related receivable amounts out of deferred revenue and into the grants receivable account	120,394	120,394	Routine	audit preparation approach, consistent with the auditors, over the years has been to utilize the deferred revenue account for booking of DBHD related HUD grant receivables	No	change in such approach is agreeable for future audit preparation work

CITY OF HARRISBURG  
SUMMARY SCHEDULE OF MATERIAL AUDIT ADJUSTMENTS  
12/31/2018

<u>Fund, Budget Unit and G/L Account No.</u>	<u>DESCRIPTION</u>	<u>Debit</u>	<u>Credit</u>	<u>Routine, Complex or Unusual level of Understanding</u>	<u>Attribution or Cause as to not being included on initial T/B provided to auditors</u>	<u>Accounting Manager involved w/resolution during audit fieldwork</u>	<u>Remedy or Solution for modifying future audit preparation approach</u>
14-230001 14031440-398001	Due to General Fund Transfers In - General Fund To adjust down due to General Fund for accommodating Lead grant match shortfall	152,000	152,000	Unusual	DBHD had to extend its involved process for determining/quantifying Lead grant match shortfall amount well into the course of audit fieldwork	Yes	have to continue to rely on related performance by other involved City department
14031440-488001 14-238049	Repayment of Federal Grants Due to Other Governmental Entity - HUD To reflect liability to HUD related to occurring Lead grant match shortfall	152,000	152,000	Unusual	DBHD had to extend its involved process for determining/quantifying Lead grant match shortfall amount well into the course of audit fieldwork	Yes	have to continue to rely on related performance by other involved City department
<u>CDBG Fund</u>							
30033010-360000 30033010-398014	Program Income Transfers In - General Fund To reclassify program income as General Fund support for accommodating ineligible CDBG Police vehicle purchase, as determined by HUD	53,241	53,241	Unusual and Complex	related wire transfer from the General Fund did not occur until June 2019 which helped enable subsequent review of involved historic activity	Yes	would not anticipate the occurrence of such in the future, but learning opportunity is here as available reference if needed

**City of Harrisburg  
Summary of HUD Findings**

Presentation to  
**Intergovernmental Cooperation Authority**

**November 20, 2019**

City of Harrisburg  
Dr. MLK Jr. Government Center  
10 North Second Street  
Harrisburg, PA 17101



## 2014-2018 Single Audit Findings

Description	Finding #				
Financial Reporting	2014-002	2015-001	2016-001	2017-001	2018-001
Debt Compliance	2014-003	2015-002	2016-002	2017-002	NA
Segregation of Duties	2014-004	2015-003	2016-003	2017-003	2018-002
Reconciling Bank Accounts	2014-005	2015-004	2016-004	2017-004	2018-003
Schedule of Expenditure of Federal Awards (SEFA)	2014-006	NA	2016-005	2017-005	2018-004
Recording & Reconciliation of Shared Services Revenue & Expenses	2014-007	2015-005	NA	NA	NA
Cash Management	2014-008	2015-006	NA	NA	NA
Preparing Required Reports	2014-009	2015-007	NA	NA	NA
Subrecipient Monitoring (no evidence of monitoring)	2014-10	2015-008	NA	NA	NA
Subrecipient Monitoring (no process in place to notify subrecipients of Award information)	NA	NA	2016-008	2017-008	2018-008
Program Income (not used first)	2014-011	2015-009	2016-007	2017-007	2018-007
Matching (no internal controls to ensure match was being met)	2014-012	NA	NA	NA	NA
Matching (did not meet required 25% match, short by \$152,000)	NA	NA	NA	NA	2018-011
Allowability (Fire Dept)	2014-013	NA	NA	NA	NA
Allowability (LEAD – Ferguson Group Retainer – resolved in 2018)	NA	NA	NA	2017-009	NA
Allowability (CDBG – Police Vehicle – resolved in 2019)	NA	NA	NA	2017-010	2018-010
Reporting (Section 3 Summary)	NA	NA	2016-006	2017-006	2018-006
Earmarking (overspent in 2 categories)	NA	NA	2016-009	NA	NA
Requesting Appropriate Reimbursement from Grant Funding Sources	NA	NA	NA	NA	2018-005
Equipment & Real Property Management	NA	NA	NA	NA	2018-009
Procurement	NA	NA	NA	NA	2018-012



**Segregation of Duties: In order to ensure that all transactions of the City are recorded and reported properly, the City needs to establish proper segregation of duties**

DBHD resolved in 2014 by assigning tasks to new staff members

Description	Finding #				
Segregation of Duties	2014-004	2015-003	2016-003	2017-003	2018-002

**Cash Management: The OMB Compliance Supplement states that when funds are received, recipients must follow procedures to minimize the time elapsing between the receipt of federal funds and disbursements to vendors**

Resolved in 2015

Description	Finding #				
Cash Management	2014-008	2015-006	NA	NA	NA



**Preparing required reports: The City does not have controls in place to ensure that quarterly reports are accurate or reviewed prior to submission**

DBHD resolved in 2014

Description	Finding #				
Preparing Required Reports	2014-009	2015-007	NA	NA	NA

**Subrecipient Monitoring: The City does not have controls in place to ensure that the required monitoring is being performed and to ensure its subrecipients are in compliance with grant award requirements**

Resolved in 2015

Description	Finding #				
Subrecipient Monitoring (no evidence of monitoring)	2014-10	2015-008	NA	NA	NA



**Subrecipient Monitoring (no process in place to notify subrecipients of Award information)**

Description	Finding #				
Subrecipient Monitoring (no process in place to notify subrecipients of Award information)	NA	NA	2016-008	2017-008	2018-008

**Finding:**

During the audit, it was noted that the City does not have a process in place to notify subrecipients of the federal award identification number, federal award date, or CFDA number for the deferral award as required under the Uniform Guidance. In addition, the City does not have evidence maintained in the subrecipient files that a formal risk assessment was completed and that a review of the subrecipients programmatic or financial reports/audits performed.

**Response:**

- Held a meeting with prospective subrecipients to ensure they understand what is required of them
- Changed the way we review applications
- Objective scoring
- Minimum threshold
- Submitting quarterly reports



**Program Income**

Description	Finding #				
Program Income (not used first)	2014-011	2015-009	2016-007	2017-007	2018-007

**Finding:**

The City did not expend the program income received during 2018 for eligible activities prior to drawing down additional entitlement funds

**Response:**

All program income is now reported in IDIS for the appropriate program year. We have begun to use program income funds for CDBG before using entitlement funds and will continue to do so.



**Matching: There were no internal controls to ensure match was being met**

Resolved in 2014

Description	Finding #				
Matching	2014-012	NA	NA	NA	NA

**Matching (did not meet required 25% match, short by \$152,000)**

Description	Finding #				
Matching (did not meet required 25% match, short by \$152,000)	NA	NA	NA	NA	2018-011

**Finding:**

During our testing of the LEAD Program, it was noted that the City’s calculated match did not meet the 25% requirement per the Notice of Funding Approval (NOFA). The City’s calculated match was \$152,000 short of the required minimum match as required by U.S. Department of Housing and Urban Development

**Response:**

- The match percentage was too aggressive and will be appropriately adjusted moving forward.
- The final percentage will be agreed upon with HUD during our budget negotiations before the grant begins
- For the new Lead Program, the match will be accounted for on a monthly basis and entered into eLOCCS to meet standards moving forward



**Allowability (LEAD- Ferguson Group Retainer)**

Resolved in 2018

Retainer was stopped and switched to monthly billing

Ferguson Group had to verify the hours they spent on City business

Description	Finding #				
Allowability (LEAD – Ferguson Group Retainer – resolved in 2018)	NA	NA	NA	2017-009	NA

**Allowability (CDBG- Police Vehicle)**

Resolved in 2019

HUD was reimbursed for this expenditure through the General Fund

Description	Finding #				
Allowability (CDBG – Police Vehicle – resolved in 2019)	NA	NA	NA	2017-010	2018-010



**Reporting (Section 3 Summary)**

Description	Finding #				
Reporting (Section 3 Summary)	NA	NA	2016-006	2017-006	2018-006

**Finding:**

The City did not complete Form HUD 60002, Section 3 Summary Report, Economic Opportunities for low and very low income persons, for the CDBG program, for the year ended December 31, 2018

**Response:**

We are automating our compliance checklist to ensure adherence to the program requirements. The Summary report in question has been completed and submitted.



**Earmarking: The City does not have controls in place to ensure that earmarking requirements are met. During the audit, it was noted that the City expended 16.63 percent of funds on public service activities, which exceeds the 15 percent regulatory cap. The City also expended 21.31 percent of its funds on planning and administration, which exceeds the 20 percent regulatory cap.**

Resolved in 2016 by updating policies and procedures to ensure compliance

Description	Finding #				
Earmarking (overspent in 2 categories)	NA	NA	2016-009	NA	NA



**Equipment and Real Property Management**

<u>Description</u>	<u>Finding #</u>				
Equipment & Real Property Management	NA	NA	NA	NA	2018-009

**Finding:**

During the audit, it was noted that the City was not maintaining records or conducting an inventory of equipment and real property purchased with CDBG grant funds

**Response:**

We are not aware of any equipment or real property purchased by the City utilizing CDBG funds in 2018

## Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – November 20, 2019

- |   |            |  |
|---|------------|--|
| • Digital Ocean<br><i>Website software licenses</i>         | \$20.00    | October 1, 2019                            |
| • ServerPilot<br><i>Web Host</i>                            | \$5.50     | October 1, 2019                            |
| • Shaffer & Engle Law Offices, LLC<br><i>Legal services</i> | \$1,360.00 | October 2, 2019                            |
| • PA Media Group<br><i>Legal Advertisement</i>              | \$112.77   | October 20, 2019                           |
| • Digital Ocean<br><i>Website software licenses</i>         | \$20.00    | November 1, 2019                           |
| • ServerPilot<br><i>Web Host</i>                            | \$5.50     | November 1, 2019                           |
| • Shaffer & Engle Law Offices, LLC<br><i>Legal services</i> | \$2,675.00 | November 1, 2019                           |
| • ServerPilot<br><i>Web Host</i>                            | \$0.98     | November 6, 2019<br><i>Closing Account</i> |
| • MESH PA, LLC<br><i>Authority Manager</i>                  | \$6,300.00 | November 20, 2019                          |

Starting balance: \$55,056.43

Ending balance: \$44,556.68

- |                           |        |
|---------------------------|--------|
| • Interest earnings Y-T-D | \$5.96 |
| • Fees Y-T-D              | \$ -0- |

SIGN-IN SHEET

11/20/2019

Required of all attendees for an official record of public participation

Name (please print)	Address	Email	Phone
Marc Leokly			
Beagle Spahr			
Diane Williams			
Linda McClure			
ERIC EPSTEIN			
Neil Crown			