

*Intergovernmental Cooperation Authority for Harrisburg
Minutes of the Governing Board Meeting
November 18, 2020
Via Teleconference on the Zoom Meeting Platform
hbgica.org*

Members Present	Ms. Audry Carter, Mr. Douglas Hill, Ms. Kathy Speaker MacNett, and Mr. H. Ralph Vartan	
Ex-Officio Members Present	Mr. Mark Ryan, Office of the Secretary of the Budget, and Mr. Neil Grover, Harrisburg City Solicitor	
Staff Present	Mr. Jeffrey Stonehill, Authority Manager, and Mr. Jeff Engle, Independent Counsel	
Call to Order	<p>Ms. Carter called the meeting to order at 4:02 p.m. All current Board members were present. She added that General Counsel Jeff Engle would be arriving late.</p> <p>Mr. Stonehill reminded the participants that the meeting was being recorded and a copy of the meeting will be available on the Authority's YouTube.com page after the meeting is concluded.</p> <p>Finally, public questions and comments can be submitted using the chat feature.</p>	
Approval of October 28, 2020 Minutes	Ms. Carter presented the minutes, which had been reviewed by her and Ms. MacNett; on a motion to approve by Mr. Vartan, seconded by Mr. Hill.	Minutes; approved 4-0
Review of Bills Paid	Mr. Stonehill reviewed the bills paid report since the last regular meeting of the Authority. Mr. Stonehill stated that this is the report as of November 18, 2020, and the Authority has a fund balance of \$100,040.46.	
Report of the Chairperson	<p>Ms. Carter said she would make a few quick comments.</p> <p>She mentioned that she and the Authority Manager were lucky enough to participate in the Philadelphia ICA's fall conference today.</p> <p>Ms. Carter stated an overriding theme of the speakers was best summed up as "uncertainty". Further, she referenced an article shared by the Authority Manager on the impact of the pandemic on cities' financial planning.</p>	
Discussion regarding the Mayor's Five-Year Financial Plan	Ms. Carter noted that Mr. Marc Woolley from the City of Harrisburg had emailed a plan document to the Authority Manager on October 30, 2020. She went on to state that this document was followed up with correspondence from Neil Grover, City Solicitor, on behalf of Mayor Papenfuse,	

asking that the Authority should treat the document received as a draft. Ms. Carter explained that would not change the purpose of the scheduled of the scheduled meeting but no action on the Five-Year Financial Plan would be taken at the end meeting. Finally, she asked Mr. Grover to consider a suggested timeline for an update to the submitted Mayor's Five-Year Financial Plan. Everyone having had time to review the document, Ms. Carter called on the members to utilize the various "buckets" that were outlined in the April 2020 correspondence to the Mayor which focused on adjustments and changes that the ICA hoped to see while the City and the ICA collaborated on the the update to the Mayor's Plan.

Those "buckets" are:

- Financial projections
- Planning discussions
- Capital budget
- Community and economic development
- Staffing and workforce strategies
- Specific issues

Mr. Hill added his comments:

- It is a good draft and he is glad that this draft will be updated so the Authority can request further clarification.
- The assumption of revenue growth was largely supportable, but contingent on containing the COVID issue going forward.
- He noted that as of this meeting, the financial cliff created by the expiration of the extraordinary taxing authority granted by the state to the City of Harrisburg, remains a concern.
- He noted that lack of a more holistic and comprehensive economic development plan.
- He noted that staffing in the plan does not clearly explain the future staffing plan going forward.
- He asked for projections for OPEB benefits and pension costs going forward.
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Mr. Grover went on to explain the temporary hiring freeze that occurred earlier in 2020 because of the pandemic. He went on to explain that the Mayor had lifted that freeze in July. Mr. Grover explained

the status of the development of the OPEB Trust account. He added that an astronomically large OPEB projection is included in the City's audit, which is not uncommon. There are discussions underway, including with the unions.

Ms. MacNett added her thoughts:

- She agrees with the comments from Mr. Hill,
- She is concerned about proposed expenditure increases in the proposed plan.
- She would prefer that the details of the collective bargaining agreements constraints and projections be working into the plan
- She would like to see a commitment by the City to adopt Generally Accepted Accounting Principles (GAAP) so as to be incorporated into the presentation. She added that this was an annual finding by the auditor. She explained that this may not be possible in one-step but could be phased in over time.
- Finally, she noted that fiscal conservatism needs to reign on this particular five-year plan given the uncertainty.

Ms. Carter noted a similar concern about revenue forecasts wherein most categories are anticipated to go up, including parking revenue in 2021. Given what others think about the near-term economic situation, this might not be realistic. More detail is needed to explain why expenditures are planned to go up as well rather than being restrained given the uncertainty.

Mr. Vartan added his thoughts:

- He sees a generally good forecast as a good start and a framework in the numerical sense.
- Philosophically, there are two issues: the need for a better look at community and economic development; and developing deficits detailed in the Neighborhood Services Fund.
- He added that he would like to see more details about the headcount of employees. The previous five-year plan had a count of

462 positions, increasing to 512 positions in this plan.

- In addition, the other big variance from the prior five-year plan is the Capital Improvements Plan (CIP). The concerns here include the categorization, criteria, and presentation of projects. The number of projects seems to have changed, the names of the projects, the value of projects, the priority of projects, etc. These are not insignificant dollar amounts. The Authority should know that the projects are a part of a plan, that they are being vigorously developed, and appropriate analysis is taking place to insure that money is being budgeted and spent in the most fiscally prudent manner.

Mr. Vartan noted he did email additional questions to Mr. Grover.

Ms. Carter noted that there is no preparation in the proposed plan for when and if the extraordinary taxing authority were to end.

Ms. Carter asked if there are other comments.

Mr. Stonehill added several points:

- He said that there should be a financial analysis of the intermunicipal solid waste relationship with Steelton Borough. Ms. Carter added that the analysis would be important given that the City is considering similar intermunicipal solid waste relationships with the Boroughs of Paxtang and Penbrook
- He said that the Capital Improvements Plan does not give a full sense of the overall infrastructure needs for the City, which can be overwhelming, beyond a list of projects that the City will be undertaking.
- He said that a more comprehensive Community and Economic Development strategy would improve revenue growth beyond the linear organic growth demonstrated by the draft five-year plan.

	<p>Ms. Carter concluded the discussion by adding a comment that was made at the PICA meeting about the value of the five-year planning process on budget discipline.</p> <p>Ms. Carter added that Mr. Charlie DeBrunner, City Controller, did provide the Authority with a comment letter regarding the October 30, 2020, document. The letter acknowledged that there were some mistakes in numbers but the assumptions seemed appropriate. He did an additional forecasts to identify the financial cliff faced in 2025.</p>	
<p>Acceptance of Request to treat 2020 Mayor's Five-Year Financial Plan, as Draft and Consider Extension</p>	<p>Ms. Carter said that the Authority needs to accept Mr. Grover's offer to treat the document delivered on October 30, 2020, as a draft and then discuss an appropriate date for the City to submit their version of the document to be reviewed by the Authority.</p> <p>Mr. Stonehill suggested that acceptance should be by Authority action.</p> <p>Mr. Grover understands that following tonight's meeting, the Authority will deliver questions, which will inform a special meeting requested by Mayor Papenfuse, on the subject of the Five-Year Plan, on Wednesday, December 2.</p> <p>He does not believe it would take much time after the December 2nd meeting to update the document.</p> <p>Ms. Carter said, for example, that the request for some performance measurements is more than a concept, but something that would assist in future plans.</p> <p>Ms. Carter suggested December 11 as the possible date for submission of the final plan.</p> <p>Mr. Grover noted that he anticipates City Council to approve the 2021 budget on December 10th.</p> <p>Mr. Vartan made a motion to extend the deadline for the final submission of the Mayor's Five-Year Financial Plan update from October 31, to December 14, 2020.</p> <p>Ms. Carter asked Mr. Vartan to amend his motion to include notice that the Authority accepts the document of October 30, 2020, as a draft. Mr. Vartan and Ms. MacNett agreed.</p> <p>The motion was approved.</p>	<p>Motion to extend the deadline for the final submission of the Mayor's Five-Year Financial Plan update from October 31, to December 14, 2020; and further, to accept the document of October 30, 2020, as a draft; Approved 4-0</p>

<p>Accept the Resignation of Independent Counsel; and further, to Authorize the Issuance of a New Request for Proposals</p>	<p>Ms. Carter announced that unfortunately the Independent Counsel, Jeff Engle has asked to terminate his contract with the Authority, effective November 19, 2020.</p> <p>She added that Jeff has been a great partner. Mr. Engle thanked everyone for their collegiality. He added that everyone on the Board, and in the past, has a very difficult job, but are all committed to the growth and stability of Harrisburg. He concluded by saying his resignation is with a great amount of regret and a heavy heart. Mr. Engle offered assistance to his replacement as Independent Counsel.</p> <p>Ms. Carter said that the Board will operate as Counsel for awhile until a replacement is found. Further, she asked Mr. Hill and Ms. MacNett to serve as a Sub-committee to conduct the search for a new Independent Counsel.</p> <p>On a motion by Ms. MacNett, with a second by Ms. Carter, the Board approves the termination of the contract with Shaffer & Engle Law Offices for Independent Counsel effective November 19, 2020. On a motion by Mr. Vartan, with a second by Mr. Hill, the Board approves a motion to appoint Mr. Hill and Ms. MacNett as the Sub-committee to undertake the recruitment of a replacement Independent Council.</p>	<p>Motion to Terminate the Agreement with Shaffer & Engle Law Offices, Effective November 19, 2020; Approved 4-0</p> <p>Motion to Appoint a Sub-committee to Undertake the Recruitment of a New Independent Counsel; Approved 4-0</p>
<p>Comments by the Chairperson</p>	<p>Ms. Carter announced that the Board will have a special meeting with Mayor Papenfuse on Wednesday, December 2, 2020, at 10:00 a.m., via Zoom.</p> <p>The Mayor's proposed 2021 budget and the proposed Five-Year Fiscal Plan will be discussed. A public notice will be posted.</p> <p>Ms. Carter asked the Board whether they would prefer printed copies of the document or whether they can share these documents on a screen. The Board agreed that paper or multiple screens would be preferable. Mr. Grover said he will work with the Mayor's office.</p> <p>Ms. Carter announced that on November 16, 2020, the Chair, Vice-Chair, Mr. Grover and Mr. Stonehill met via Zoom to discuss the draft Intergovernmental Cooperation Agreement. Mr. Stonehill pointed out that since less than a quorum attended, it was not a public meeting.</p>	

	<p>Ms. Carter announced that there would be a special joint meeting between the Board and the City of Harrisburg Audit Committee on Thursday, December 17, 2020, at 5:30 p.m. via Zoom. It is hoped that that by then the 2019 Consolidated Annual Financial Report will be available for discussion.</p> <p>Finally, the next regular meeting of the Board will be held the day before, on December 16, 2020, at 4:00 p.m., via Zoom.</p>	
Approval of 2021 Meeting Schedule	<p>Mr. Stonehill announced that a proposed schedule was provided to the Board.</p> <p>On a motion by Mr. Hill, with a second by Ms. MacNett, the Board approved the schedule.</p>	Schedule approved 4-0
Comments by the Act 47 Coordinator	<p>Ms. Carter introduced Ms. Marita Kelley, PA Department of Community & Economic Development, who is serving as the City of Harrisburg Act 47 Coordinator.</p> <p>Ms. Kelley introduced Beverly Hutzel, Local Government Policy Specialist, PA Department of Community & Economic Development, Governor's Center for Local Government Services. Ms. Hutzel now takes on the Central Region for the Governor's Center.</p> <p>Ms. Hutzel thanked the Board for allowing her to participate.</p> <p>Ms. Carter added that DCED has always been a great partner for the City and Ms. Kelley has always been a colleague that we have come to treasure.</p>	
Comments by the City Solicitor	<p>Mr. Grover reminded the Board that a final term sheet regarding the settlement with Ambac is arriving momentarily. He added that will then go to City Council for consideration.</p> <p>Mr. Grover informed the Board that the City anticipates entering into two intermunicipal agreements with Paxtang Borough and Penbrook Borough to assume collection of municipal sanitation for those communities. Mr. Grover promised the Board a reply to the questions about the finances associated with the Steelton Borough intermunicipal agreement.</p> <p>Ms. Carter thanked Mr. Grover for his willingness to be so forthcoming and sharing information. She added that the Authority hoped to get at the front end of these discussions so that the Board can</p>	

	know about them and support them from their beginning.	
Public Comments	Mr. Stonehill read two questions submitted by Mr. Eric Epstein. The Board responded.	
Adjourn	At 5:14 p.m., on a motion by Mr. Hill, with a second by Mr. Vartan, the Authority adjourned.	Adjournment approved 4-0

Respectfully submitted:



Jeffrey Stonehill, Authority Manager

ICA for Harrisburg

APPENDIX DOCUMENTS

2021 BOARD SCHEDULE – PROPOSED

<u>Day</u>	<u>Date Start</u>	<u>Date End</u>	<u>Detail</u>
Friday	1/1/2021		New Year's Day Holiday
Wednesday	1/27/2021		Harrisburg ICA (Fourth Wednesday)
Monday	2/15/2021		Presidents' Day Holiday
Wednesday	2/24/2021		Harrisburg ICA (Fourth Wednesday)
Wednesday	3/24/2021		Harrisburg ICA (Fourth Wednesday)
Wednesday	3/31/2021	to 4/5/2021	Jeffrey Vacation
Wednesday	4/28/2021		Harrisburg ICA (Fourth Wednesday)
Friday	4/30/2021		Jeffrey Vacation
Wednesday	5/5/2021	to 5/7/2021	Jeffrey at Professional Development
Tuesday	5/18/2021	to 5/20/2021	Jeffrey at Professional Development
Sunday	5/23/2021	to 5/26/2021	Jeffrey at Professional Development
Wednesday	5/26/2021		Harrisburg ICA (Fourth Wednesday)
Monday	5/31/2021		Memorial Day Holiday
Sunday	6/6/2021	to 6/9/2021	Jeffrey at Professional Development
Sunday	6/20/2021	to 6/23/2021	Jeffrey at Professional Development
Wednesday	6/23/2021		Harrisburg ICA (Fourth Wednesday)
Monday	7/5/2021		Independence Day Observed
Tuesday	7/13/2021	to 7/18/2021	Jeffrey Vacation
Saturday	7/24/2021	to 7/27/2021	Jeffrey at Professional Development
Wednesday	7/28/2021		Harrisburg ICA (Fourth Wednesday) <i>No August ICA Meeting</i>
Monday	9/6/2021		Labor Day Holiday
Wednesday	9/8/2021	to 9/10/2021	Jeffrey at Professional Development
Wednesday	9/15/2021	to 9/19/2021	Jeffrey Vacation
Wednesday	9/22/2021		Harrisburg ICA (Fourth Wednesday)
Sunday	10/3/2021	to 10/6/2021	Jeffrey at Professional Development
Wednesday	10/27/2021		Harrisburg ICA (Fourth Wednesday)
Tuesday	11/2/2021		Election Day
Thursday	11/11/2021		Veteran's Day
Wednesday	11/17/2021		Harrisburg ICA (Third Wednesday)
Thursday	11/25/2021		Thanksgiving Day Holiday
Friday	11/26/2021		Day After Thanksgiving Holiday
Wednesday	12/15/2021		Harrisburg ICA (Third Wednesday)
Thursday	12/23/2021		Christmas Eve Holiday Observed
Friday	12/24/2021		Christmas Day Holiday Observed
Sunday	12/26/2021	to 1/1/2022	Jeffrey Vacation
Thursday	12/30/2021		New Year's Eve Holiday Observed
Friday	12/31/2021		New Year's Day Holiday Observed
Wednesday	1/26/2022		Harrisburg ICA (Fourth Wednesday)

The Fourth Wednesday of every month except, no meeting in August, and the Third Wednesday in November and December 2021.

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – November 18, 2020

- Digital Ocean \$10.60 November 1, 2020
Website software licenses
- Digital Ocean \$5.72 November 1, 2020
Web Host
- Factory 44 \$79.00 November 18, 2020
IT Services
- MESH PA LLC \$4,200.00 November 18, 2020
- Shaffer & Engle Law Offices, LLC \$410.00 November 18, 2020
Legal services

Starting balance: \$104,729.46

Ending balance: \$100,040.46

- Interest earnings Y-T-D \$18.50
- Fees Y-T-D \$ -0-

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SHAFFER & ENGLE

LAW OFFICES, LLC

Jeffrey B. Engle, Esq.
jeff@shafferengle.com
Allen Shaffer, Esq.
(1927 – 2009)

November 10, 2020

Audry Carter, Chair
ICA for City of Harrisburg

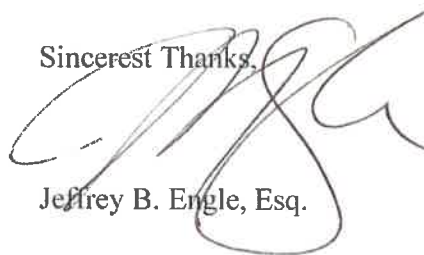
**RE: Shaffer & Engle Law, LLC
Letter of Resignation**

Ms. Carter,

It is with deepest sorrow that I must advise that I will no longer be able to serve as the Harrisburg ICA's ("ICA") independent general counsel effective November 19, 2020. We had discussed a possible departure for personal reasons some time ago and I wanted reaffirm that I that I have been providing my services to the ICA as an independent contractor under the auspices of Shaffer & Engle Law Offices, LLC, with which the ICA has its contract. (See letter of November 25, 2019 with attachments).

I have appreciated the friendship and faith that the ICA Board has collectively placed in me. It is quite rare to find such a group of individuals, both current and past members, which are singularly interested in the advancement of the City of Harrisburg. It has been an honor to have served you in my capacity as independent general counsel.

Sincerest Thanks,



Jeffrey B. Engle, Esq.

Copy: File
Mr. H. Ralph Vartan, Vice Chair of the ICA
Jeffrey Stonehill, Executive Director

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City of Harrisburg
Office of the City Solicitor

Via Electronic Mail ONLY
November 18, 2020

Audry Carter, Chair
ICA - Harrisburg
Harrisburg, PA
Email: ica.cartera@gmail.com

Re: Annual Five-Year Financial Plan of the City of Harrisburg

Dear Audry:

Thank for the productive discussion on Monday. In the course our discussions, we collectively touched upon the Five-Year Financial Plan recently submitted on behalf of the City by the Business Administrator. I want to further thank you for accepting the Mayor's offer to more formally present the Plan and proposed 2021 Budget to the Board after he first makes his annual budget presentation to City Council, which occurs next Tuesday. Unless I missed an email, I understand that is scheduled for December 2.

Regarding the Plan, I understand Board members have several questions. I already received questions from Ralph and understand Jeffrey will be providing others. I will facilitate answers as best I can.

In light of our discussions and the follow-up email from Jeffrey, I am on behalf of the City formalizing our discussions on Monday and herein agree that the Plan submittal be considered a draft by the Board and the City in order to better facilitate discussions and hopefully clarify matters on which the Board may have concerns.

Audry Carter, Chair
ICA – HBG
November 18, 2020
Page two

Finally, please excuse the oversight of the Certification. The Law Bureau is arranging for a review and execution of the required document.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil A. Grover". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Neil A. Grover
City Solicitor/Designee to ICA-HBG

cc: Eric Papenfuse, Mayor
Marc Wooley, Business Administrator
Wanda R.D. Williams, Council President
ICA- HBG, Board
Jeffrey Stonehill
Jeff Engle, Esquire
Tiffanie E. Baldock, Sr. Deputy Solicitor