

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

June 23, 2021

Via Teleconference on the Zoom Meeting Platform

hbgica.org

Members in Attendance	Ms. Audry Carter Ms. Karla Hodge Mr. Douglas Hill Ms. Kathy Speaker MacNett Mr. H. Ralph Vartan	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Dan Connelly City of Harrisburg Mr. Mark Ryan Pennsylvania Office of the Budget	
In Attendance	Ms. Anna Marie Sossong Independent Counsel Mr. Jeffrey Stonehill Authority Manager	
Virtual Meeting Begins		4:00 p.m.
Welcome by Audry Carter, Chair		
Approval of Minutes from May 26, 2021	Moved by Ms. MacNett. Second by Mr. Hill.	Approved 4-0
Bills Paid Report by Mr. Stonehill as of June 23, 2021	Report enclosed as appendix.	
Update on the Errors & Omissions Insurance Policy		
Update on Adoption of Year Four Budget		
Update on the Location of the Next ICA Board Meeting	There was discussion. A motion was made to have the Authority Manager select the in-person site for the July 28 meeting of the ICA Board. Moved by Ms. MacNett. Second by Mr. Hill.	Approved 5-0
Report of the City	Mr. Connelly delivered some remarks.	
Status of the 2021 Five-Year Financial Plan	Ms. Carter noted that the City delivered to the ICA Board a final certified plan on Friday, June 11, 2021. "The submission was technically complete. Upon the receipt of the submission, I asked Controller Charlie DeBrunner to render an opinion on the plan, as outlined in the Act. I had hoped that he would be able submit the	

	<p>certification today. Instead, I received the following email, which is short, and I will read it to you: The Intergovernmental Cooperation Authority (ICA) has requested that my office provide an opinion on the reasonableness of the assumptions and estimates in the City of Harrisburg's five-year financial plan, as amended, and restated on June 11, 2021. We are unable to provide any comment on the plan at this time. We are still reviewing it and have questions and concerns regarding significant components of the report. Thank you.”</p> <p>There was discussion.</p> <p>In light of that email, the Chair suggested it would be imprudent to approve or disapprove the plan at this time.</p> <p>The Chair suggested that the meeting be recessed, but not concluded today; and further, that the ICA Board reconvene at a future date and complete the discussion.</p> <p>There was discussion.</p> <p>The Chair suggested Thursday, July 8, 2021, at 4:00 p.m. as a date to complete this discussion. She noted it would be via Zoom.</p>	
Other Business	None	
Public Comment	Mr. Stonehill reported.	
Close of Meeting	Motion by Ms. Carter to officially recess the June 23 meeting of the ICA Board until July 8, 2021, at 4:00 p.m., via Zoom. Second by Mr. Vartan.	Approved 5-0

Respectfully submitted:



Jeffrey M. Stonehill, Authority Manager

Appendix Documents

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – June 23, 2021

- | | | |
|--|------------|---------------|
| • Digital Ocean
<i>Website software licenses</i> | \$10.60 | June 1, 2021 |
| • Digital Ocean
<i>Web Host</i> | \$5.72 | June 1, 2021 |
| • Startup Harrisburg
<i>Virtual Office Monthly Subscription</i> | \$95.00 | June 1, 2021 |
| • Gunn & Mowery Insurance
<i>Officers' E&O Insurance Policy</i> | \$5,712.00 | June 18, 2021 |
| • PA Media Group
<i>Legal advertising (3 meetings)</i> | \$332.14 | June 18, 2021 |
| • Johnson & Duffie
<i>Independent General Counsel</i> | \$245.00 | June 23, 2021 |
| • MESH PA LLC
<i>Authority Manager</i> | \$4,200.00 | June 23, 2021 |

Starting balance: \$109,002.17

Ending balance: \$98,401.71

- | | |
|---------------------------|--------|
| • Interest earnings Y-T-D | \$7.87 |
| • Fees Y-T-D | \$0 |



**Office of the Business Administrator
The City of Harrisburg**

MLK Government Center
10 N. Second St.
Harrisburg, PA 17101

June 11, 2021

Mr. Marc Woolley
Business Administrator, City of Harrisburg
Martin Luther King, Jr. Government Center
10 N. Second Street
Harrisburg, PA 17101

Ms. Audry Carter
Chair, Intergovernmental Cooperation Authority for Harrisburg
922 North 3rd Street
Harrisburg, PA 17102

Dear Ms. Carter,

Below, please find responses to the issues and concerns identified in the ICA's correspondence dated May 20, 2021. Comments and questions from that correspondence not addressed in this letter and the Amended and Restated 2021 Five-Year Plan are matters that will be left for the incoming administration next year.

Ref #7 Promote Economic Development / Revise or explain what is the "City's Five-Year Economic Development Plan." According to previous submissions, a plan does not yet exist and is to be developed.

Revised. The director of the Economic Development Bureau recently resigned and the City will need input from the incoming administration regarding a plan going forward.

Ref #10 Neighborhood Services Fund (cont'd) / In paragraph 6, and as noted in Ref. 24 and Ref. 25, the issue of NSF fund balance bears further analysis. What is the justification for "fund balance equal to one month of annual operating expenses," given notations elsewhere that the typical fund balance benchmark is two months?

The GFOA recommendation for minimum fund balance for the General Fund is two months of expenses, but the recommendation for proprietary funds, like the Neighborhood Services fund, is 45 days. The administration made the decision to establish a target at a level that is below the GFOA recommendation, but still, in its view, adequate to meet operating needs and fair to fee payers. The next administration may choose to revisit this target.

Ref #11 American Rescue Plan Act / The "estimated" allocation can be updated now that the actual amount is known. Can you provide more details on possible use of proceeds?

Actual amount inserted. There are no new details to report on possible uses.

Ref #12 Basis of Accounting / The first paragraph is convoluted and should be revised so that it is useful and informative for readers.

Made some clarifying edits to this paragraph.

Ref #15 Salaries and Wages – Projection / Please provide a breakout of overtime amounts in the different divisions. The 2% annual increase is included in the projections but the breakout is not detailed. Further, in the Expenses Initiative summary, Medical Expenses are to account for \$1 million savings annually. However, in the Expense projections, medical expenses go up every year by approximately \$500K. Please clarify.

The City has worked with its broker to secure medical insurance savings, however, these expenses are still expected to increase annually. The savings are compared to the baseline had the City not been able to achieve the reduced rates.

The City will provide a breakout of the overtime expenses in a separate future side letter.

Ref #17 Expense Forecasts / Please breakout “Debt Service” into mandatory and optional components. What contributes to the drops in Services, Supplies, and Other Operating Costs between 2021 and 2022, on their own and in comparison to the Expense Growth Assumptions chart on page 26?

Comments were inserted in the 1998 Verizon Bonds and Stadium Bond sections summarizing the conditions where debt service could deviate from the minimum amounts in the tables.

The 2021 expenses include the budget reallocations adopted by council in January 2021. These budget reallocations are mainly to account for expenses that are carried forward from 2020 into the new year. The carry forward makes the 2021 expenses appear artificially high because they reflect all anticipated 2021 expenses and a portion of 2020 expenses.

Ref #20 2020 Completed Facilities Capital Projects / Please provide budget vs. actual for all budgeted capital projects, not just facilities. Completed Facilities Capital Projects: what does that paragraph mean? Why do projects go over budget?

The City will provide budget vs. actual reports for other capital projects in a separate future side letter.

Projects will deviate from the budget for a variety of reasons including, but not limited to, differences in anticipated versus actual grant funding and matching requirements, unforeseeable project/construction challenges, and variances between planned and actual project unit costs. The City’s capital projects are closely monitored not just by City staff, but also in most cases by auditors from other state and federal agencies to ensure that project costs are justified and in compliance with applicable rules and regulations. Because of the nature of capital project budgeting, deviations from the plan are not uncommon, but are minimized and near budget on an overall basis.

Ref #21 Operating Forecasts, 2021-2025 / Please move to clerical and encourage General Fund added to table heading.

Addressed in a new footnote.

Ref #24 Extension of Special Taxing Powers / Confirm “20%” statistic. It is 19% according to the table on page 7.

Addressed.

Ref #25 Extension of Special Taxing Powers (cont’d) / Undo bold style.

Addressed.

Ref #26 Operating Results / Please add numbering for all figures, tables, etc. (e.g., Figure 1).

Addressed.

Ref #27 Ground Lease/City Priority Payments / Check this statement: “Per the asset transfer agreement, the City was [estimated?] to receive \$2.3 million [...]”

Added specific rather than rounded totals.

Ref #28 Headcount / Confirm the figure of 498.5 FTEs. The individual figures provided add up to 508.5.

Addressed.

Ref #29 Expense Growth Assumptions, 2021-2024 / “See Expense Initiatives 4.1(2) 5.1(2)”

Addressed.

Ref #30 Consider Options to Finance the Series 2005A-2 Bond Defeasance [...] / “[...] but it is the City’s intention to avoid that scenario all together altogether.”

Addressed.

Ref #31 (cont’d) / Update “\$38.8 million.”

Addressed.

Ref #32 Annual Debt Service Comparison / Check format consistency for the last row.

Addressed.

Ref #33 Debt/Liability Balance Comparison / Check format consistency for the last row.

Addressed.

Ref #34 Implement Workforce Stabilization Program / “[...] a candidate that meets all of the department’s needs as has not been identified.”

Addressed.

Regards,

A handwritten signature in black ink, appearing to read "Marc Woolley", with a long horizontal flourish extending to the right.

Mr. Marc Woolley
Business Administrator, City of Harrisburg