

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

February 23, 2022

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Ms. Audry Carter Mr. Douglas Hill Ms. Karla Hodge Ms. Kathy Speaker MacNett Mr. H. Ralph Vartan	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Mark Ryan Office of the Budget Ms. Marita Kelley City of Harrisburg	
In Attendance	Ms. Anna Marie Sossong Independent Counsel Mr. Jeffrey Stonehill Authority Manager	
Meeting Begins		4:01 p.m.
Welcome by Audry Carter, Chair	Ms. Carter welcome Marita Kelley as the new Board member ex-officio representing the City of Harrisburg. Ms. Kelley is the newly appointed Director of Finance, having previously served as the Act 47 Coordinator while with the Pennsylvania Department of Community and Economic Development.	
Approval of the minutes of January 26, 2022	Ms. Carter asked for a motion to approve the minutes. A motion to approve by Ms. MacNett. A second by Mr. Hill. The motion passes.	Approved 5-0
Report by Audry Carter, Chair	Ms. Carter commented upon current activities by the new administration. She referenced the community meetings to gain input as a part of the American Rescue Plan (ARP) funding.	
Review of Updated 2022 COH Budget	Ms. Carter introduced Director of Finance Marita Kelley to review the recently updated 2022 City of Harrisburg budget. It was presented on February 1, 2022; and amended on February 7, 2022.	

	<p>On February 15, 2022, City Council re-authorized the budget.</p> <p>Ms. Carter thanked fellow Board members and Mr. Stonehill for sharing their thoughts so that it could be shared with the Mayor.</p> <p>The final document would be published shortly.</p> <p>Ms. Kelley said the budget was balanced. All funds revenue is \$113 million against \$111 million in expenditures.</p> <p>Ms. Kelley mentioned the use of a portion of the American Rescue Act funding to make up for lost revenue. The City is using \$8.8 million to help balance the budget, which is less of the ARP funding than would be permitted under Federal guidelines for revenue replacement or up to \$10 million. In fact, only \$7.8 million is being attributed to revenue replacement.</p> <p>Mr. Vartan asked about general obligation debt in 2023. Ms. Kelley acknowledged that the G.O. debt would be paid off in 2022, but the Ambac debt would begin its payoff in 2023.</p> <p>Ms. Kelley discussed the state of aging infrastructure in the City of Harrisburg.</p> <p>Ms. Kelley mentioned that the Mayor would likely be asking for a deadline extension on submission of the 2022 update of the Five-Year Plan to June 30, 2022.</p> <p>Ms. MacNett asked about the decision to combine the Building and Housing Director and the Economic Development Director into one position. She also asked about outsourcing the City Engineer position to a consultant. She also asked about the final steps to establish the OPEB Trust and the future obligations.</p> <p>Mr. Vartan asked about engineering fees. Ms. Kelley suggested ARP projects have created a shortage of engineers.</p> <p>Ms. Kelley explained the OPEB Trust Board.</p> <p>Mr. Hill commented on the combination of the Housing Director and Economic Development Director positions. He also</p>	
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	<p>asked about the ongoing goal of increasing the delinquent collection rate in the Neighborhood Services Fund.</p> <p>Mr. Hill also asked about the Solicitor’s office. Ms. Kelley confirmed that there is a new collections attorney for the Neighborhood Services Fund. She also said that the updated 2022 Budget includes no plans to increase the delinquent collection rate, but that they are open to exploring the proposal to switch to annual billing.</p> <p>Ms. Sossong asked about communication with the Governor’s office and the return of State employees to their offices.</p> <p>Ms. Carter asked about revenue projections specifically in the Neighborhood Services Fund which now shows a surplus. Ms. Kelley said she would talk to Mr. McCutcheon.</p> <p>Mr. Stonehill asked about reinstating penalties for delinquent bills in the Neighborhood Services Fund. Ms. Kelley said she would talk to Mr. Hartman about that issue.</p> <p>Mr. Vartan wanted to thank the City staff for a great job since the beginning of the year. With that, Mr. Vartan exited the meeting.</p> <p>Ms. Carter complimented the improvement of the budget over previous budgets.</p>	
<p>Update on the 2022 Update of the Mayor’s Five-Year Plan</p>	<p>Ms. Carter noted that the agreed upon deadline for submission of the annual update was April 30 of each year. However, there was some discussion of a possible delay in 2022.</p> <p>Mr. Stonehill said there is plenty of time to discuss at a future meeting though the extension would have to be approved at the March meeting.</p> <p>Mr. Hill and Ms. MacNett agreed that a delay would be reasonable.</p> <p>Mr. Stonehill said that the Mayor’s Five-Year Plan is a living document.</p>	

	<p>Ms. Carter emphasized that Mr. Stonehill's help to craft the document is available.</p>	
<p>Discussion on Whom to Invite to Future ICA Board Meetings</p>	<p>Ms. Carter opened the floor to ideas for who the ICA Board might invite to future meetings to discuss specific issues:</p> <ul style="list-style-type: none"> • With regard to the ongoing efforts to upgrade the information technology functions of the City, the Board suggested Steve Bortner. This may be a priority for us. • With regard to the economic development planning process, the Board suggested Dennise Hill. • With regard to the Neighborhood Service Fund, the Board suggested Nate Spriggs and Ms. Kelley. • With regard to the organization of duties in the Solicitor's Office as well as the collections process, the Board suggested Neil Grover. • With respect to the plans to end Act 47 status for the City and its impact, the Board suggested both Kim Bracey from Pennsylvania DCED and Neil Grover. • With respect to the Minority, Women, and Economically Disadvantaged Businesses registration, certification, and directory process, the Board suggested Hillary Greene. • With respect to the future of the Harrisburg Parking financing scheme, the Board suggested John Gass, managing director of bond administration at Trimont Real Estate Advisors, the international firm that manages Harrisburg's parking assets through its subsidiaries Standard Parking and PK Harris Advisors, LLC. • With respect to the Harrisburg Bureau of Police and the Community Service Aides program, the Board suggested Chief Carter and program manager Chardan Huston. 	

	<ul style="list-style-type: none"> • With respect to the ongoing relationship between Public Works and CRW, the Board suggested Nate Spriggs, Director of Public Works, and Charlotte Katzenmoyer, CRW CEO. • With respect to the ongoing relationship between the Sanitation Department and LCSWMA, the Board suggested Nate Spriggs, Director of Public Works, and Bob Zorbaugh, LCSMWA CEO. 	
Authority Manager's Report	Mr. Stonehill presented the bills paid report through January 23, 2022.	
Public Comment	<p>Mr. Stonehill opened the floor.</p> <p>Mr. Epstein from Rock the Capital asked about the Neighborhood Services Fund status.</p> <p>Mr. Epstein also asked about the American Rescue Plan (ARP) money.</p> <p>Ms. Stonehill responded.</p> <p>Mr. Epstein expounded.</p> <p>Ms. Hill from Rock the Capital asked about the staffing in the Solicitor's office.</p> <p>Ms. Kelley responded.</p> <p>Ms. Hill explained her question.</p> <p>Mr. Epstein asked about self-certification in the with respect to the Minority, Women, and Economically Disadvantaged Businesses.</p> <p>Ms. Sossong responded.</p>	
Adjourn meeting at 4:53 p.m.	Motion by Mr. Hill. Second by Ms. Hodge.	Approved 4-0

Respectfully submitted:



Jeffrey M. Stonehill, Authority Manager

Appendix Documents

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – February 23, 2022

- Digital Ocean \$10.60 February 1, 2022
Website software licenses
- Digital Ocean \$5.72 February 1, 2022
Web Host
- Startup Harrisburg \$95.00 February 1, 2022
Virtual Office Monthly Subscription
- PA Media Group \$129.09 February 15, 2022
Legal Advertisements
- Johnson & Duffie \$2,071.35 February 23, 2022
Independent General Counsel
- MESH PA LLC \$4,200.00 February 23, 2022
Authority Manager

Starting balance: \$152,335.64

Ending balance: \$145,818.88

- Interest earnings Y-T-D \$2.79
- Fees Y-T-D \$0



The Intergovernmental Cooperation Authority
for Harrisburg
922 N 3rd Street
Harrisburg, PA 17102

February 15, 2022

The Honorable Wanda Williams
Mayor, City of Harrisburg
Dr. Martin Luther King, Jr., Government Center
10 N. Second Street
Harrisburg, PA 17101

Dear Mayor Williams:

Pursuant to the Intergovernmental Cooperation Authorities Act for Cities of the Third Class (Act 124 of 2018), the Intergovernmental Cooperation Authority for Harrisburg (the "Authority") is tasked to review and make recommendations concerning the budgetary and fiscal affairs of the City of Harrisburg.

The Authority received and reviewed the proposed 2022 budget and additional information provided by the City for conformance with the criteria set forth in Act 124. Additionally we have observed the City Council's budget hearings and workshops. Two observations of note follow:

- The General Fund budget is functional and flexible despite significant uncertainties and constraints and most importantly, remains balanced without the appropriation of any Fund balance. This disciplined approach results in a decrease from last year's budget while still tackling new initiatives. The promised implementation of performance metrics will allow better evaluation of outcomes for FY22.
- Unfortunately the Neighborhood Services Fund, long a concern for the Authority, still does rely on Fund Balance appropriation to balance its budget. There is hope that with added energy for improving the collections rate, this reliance could be reversed.

The following is a general outline of the proposed budget as compared to the City's current Five-Year Financial Plan as amended and restated on June 11, 2021 (the "Five-Year Plan"). We look forward to working with you on an updated plan at the appropriate time.

General Fund

- Revenues of \$72,523,000, compared to \$65,358,263 in the Five-Year Plan. The budget includes federal grant proceeds of \$8,863,000.
- Expenditures of \$71,294,728, compared to \$71,758,470 in the Five-Year Plan.
- Capital Expenditures of \$2,069,864 compared to \$1,617,000 in the Five-Year Plan.
- Fund Balance appropriation of \$0, compared to \$7,400,208 in the Five-Year Plan.

Neighborhood Services Fund

- Revenues (excluding cash carryover) of \$18,262,224, compared to \$17,036,321 in the Five-Year Plan.
- Expenditures of \$18,029,799, compared to \$17,927,774 in the Five-Year Plan.
- Capital Expenditures of \$644,203 compared to \$1,948,521 in the Five-Year Plan.
- Appropriation of Fund Balance of \$1,025,949 compared to \$891,453 in the Five-Year Plan.

Capital Projects Fund

- Capital Expenditures of \$8,981,337 compared to \$1,290,554 in the Five-Year Plan.

The Authority Board members have acknowledged that the City's proposed revised and restated 2022 budget meets or exceeds the Authority's expectations for the proper financial management of the City of Harrisburg. As a whole, we also applaud your assembled Financial Management team whose talents are a refreshing change and which lends immediate credibility to the City's financial management.

We look forward to working with you as we move forward in collaboration for the benefit of the citizens of Harrisburg.

Sincerely,



Audry Carter
Chair

cc: Authority Members
Honorable Danielle Bowers
Honorable Ausha Green
Honorable Charles DeBrunner
Honorable Dan Miller

