

**MINUTES**  
MEETING OF IMPACT HARRISBURG  
July 19, 2016, 10:30 A.M.  
Pennsylvania Housing Finance Agency  
211 North Front Street, Harrisburg

Officers of the Board Present:

Neil Grover, Chair  
Doug Hill, Vice-Chair  
Brian Hudson, Secretary  
Brittany Brock, Treasurer

Board of Directors Present:

Russ Montgomery, Director  
Jackie Parker, Director  
Karl Singleton, Director

Others Present:

Sheila Dow-Ford, Executive Director  
Fred Reddig, Coordinator for the City of Harrisburg  
Anne Morrow, Recording Secretary

Officers of the Board and Board of Directors Absent:

Dale Laninga, Director  
Gloria Martin-Roberts, Director

Mr. Grover called the meeting to order at 10:39 a.m.

**1. Regular Meeting Minutes of July 5, 2016**

It was moved by Mr. Hill and seconded by Mr. Hudson that:

**"The minutes from Impact Harrisburg's Board of Directors regular meeting of July 5, 2016 be approved as printed."**

**MOTION CARRIED UNANIMOUSLY**

**2. Treasurer's Report**

The Treasurer reported the Finance committee met yesterday for the purpose of creating the FY 2015-16 and FY 2016-17 budgets; to review the Operating and Investment accounts; Infrastructure allocations; and to discuss reimbursement procedures and investment strategies. Those present at the Finance meeting were Ms. Brock, Mr. Hudson and Mr. Hill; the Executive Director was also present at the meeting.

**Budgets:**

A copy of the FY 2015-16 and FY 2016-17 budgets were provided to the Board for further review and discussion. An "actual" column will be added to the budgets for future tracking. Once budgets are approved both budgets should be posted to the website.

**The committee recommends** the Board approve both the FY 2015-16 and FY 2016-17 budgets as presented.

Budget Discussion:

- Comprehensive Plan Fee Line Item – This was a one-time expense to the City under the Harrisburg Strong Plan for the FY 2015-16 budget only.
- Marketing and Advertising Line Item – This amount is increased for the FY 2016-17 budget; the Executive Director will utilize Ms. Peach on an as needed basis for IT and administrative assistance.
- Rent Line Item – This line item was added to the FY 2016-17 budget for office space for the Executive Director.
- Audit Line Item – This line item is included only on the FY 2016-17 budget for the Board’s yearly audit.
- Legal Fees Line Item – This line item could increase for FY 2016-17 due to litigation issues arising over the Sunshine Act.

Mr. Grover noted on July 18, at the hearing in front of Judge Leadbetter (for the Court’s approval of the amended Harrisburg Strong Plan), Judge Leadbetter raised the question whether the Court could facilitate a resolution of the matter involving Impact Harrisburg and PA Media Group regarding the Sunshine Act. The Court encouraged the parties to meet and try to resolve the matter without having the Court decide on the issue.

Operating and Investment Accounts:

The Treasurer reported the Operating account currently has a balance of \$82,578.17, less outstanding checks; the Investment account currently has a balance of \$12,092,003.46.

Infrastructure Allocation:

The Finance committee discussed the Board’s decision to allocate \$1.2 million to a Reserve account for operations. Of the \$1.2 million, 50% would be allocated to the infrastructure related expenses and the other 50% would be for economic development expenses. The Finance committee reviewed the concerns raised by the Board and believes setting aside these funds is the most fiscally responsible approach. The Board recognized that this allocation can be reviewed from time to time based on actual costs.

**The committee’s recommendation** was to award the City and Capital Region Water (CRW) \$2,743,645.25 each, totaling \$5,487,290.50 for the Multimodal Collaborative Project.

Reimbursement Procedures:

The Finance committee discussed potential reimbursement procedures, specifically for the Infrastructure fund, and believes a reimbursement procedure should be put in place for the purpose of tracking project dollars being spent and disbursed for payment.

**The committee recommends** that for the Board to maintain transparency, a reimbursement procedure be created that will allow the Board to pay third-parties directly on behalf of the City and CRW, using their pro-rata share of invoices. More discussion with the City and CRW will be necessary to determine the most efficient process for this to occur.

The Executive Director will provide clarity on the Court Order regarding fund allocations for compliance and auditing purposes.

**ACTION: The Executive Director will review the Court Order regarding how fund allocations are to be distributed and will follow-up with the auditor to obtain their guidance. A response will be given to the Board by the next Board meeting, if not before, to make sure everyone is in compliance.**

Investment Strategy:

Currently 44% of the funds are invested in fixed income assets while 56% remain in cash. More of the funds have been held in highly liquid vehicles due to the uncertainty of timing for grant reimbursements. The Investment Manager has been instructed as bonds mature to roll the funds into commercial paper or money market accounts until the Board has more certainty on the timing of disbursements.

The Treasurer sent a request to the Investment Manager to determine what the "net yield" was for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2016. An investment grade level of AA or better is required.

**The committee recommends** the asset allocation remain at 44% in fixed income and 56% in cash. As bonds mature, funds would be rolled into new short-term fixed income bonds with low premiums and with maturities of 1-year or less.

It was moved by Mr. Hudson and seconded by Mr. Hill that:

**"The Board accepts the reports of the Treasurer and Finance Committee."**

**MOTION CARRIED UNANIMOUSLY**

The Treasurer received the following invoices for payment:

1. Enders Insurance, \$1,570 – renewal of D&O liability insurance
2. McNees Wallace & Nurick, \$13,000 – litigation services for writing the brief related to the Sunshine Act litigation
3. Pinnacle Health, \$12.80 – monthly phone service
4. Gift & Associates, \$315 – June monthly fee for accounting services

It was moved by Mr. Hudson and seconded by Mr. Montgomery that:

**"The list of bills recited by the Treasurer be approved for payment."**

**MOTION CARRIED 7-1;  
Opposed - Mr. Singleton**

**ACTION: The Executive Director will cancel the phone service with Pinnacle Health.**

**3. Executive Director Report**

The Executive Director reported she circulated a draft copy of a Grant contract to the Chair, Mr. Hudson and Mr. Reddig for review. A meeting will be scheduled later this week or early next week to review the draft Grant contract in a more detailed fashion.

Verbal notification was provided to the City and CRW regarding the Infrastructure project grant awards for the Multimodal Collaborative Projects. The award letters will now be distributed to the City and CRW.

Board members asked the Executive Director to obtain further information from the City and CRW on the Multimodal Collaborative Projects that will explain exactly how these projects will impact city residents. Both entities will be asked to attend a future meeting to further discuss the benefits to city residents.

A press release will go out today notifying the public of the funds that were awarded to the City and CRW.

Economic Development Large Program and Community Building Grant applications were due by July 15, 2016. A list of these project applications was provided to the Board.

#### Applications Received

- 10 Economic Development Large Program applications,
- 11 Community Building Grant applications and
- 1 Economic Contingency application – City of Harrisburg

The Executive Director will work with the Board to decide what the best mechanism will be for reviewing the project applications. The entire Board will participate in the review process for the Economic Development Large Program and Community Building Grant applications. The Board expects this review process will take approximately 2 months.

The Chair asked the Executive Director to bring to the Board's attention any projects that may have a "short-date" for work to be done.

The Chair noted that a vote should be taken at the next Board meeting regarding a review process that will provide a timeline table for applicants.

The Executive Director will be meeting with HACC today to discuss available office space. Also, website maintenance is ongoing.

#### **4. Other Business**

Mr. Montgomery inquired as to the current level of economic development in the City. Ms. Parker noted she believes the level of economic activity has been increasing in the City. New companies are locating downtown and there has been an increase in the amount of calls she has been receiving from smaller non-profits.

It was moved by Ms. Brock and seconded by Mr. Montgomery that:

**"The Board voted to go into executive session to further discuss a legal matter. The executive session began at 11:38 a.m. and ended at 12:06 p.m."**

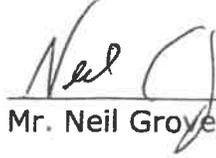
**MOTION CARRIED UNANIMOUSLY**

The Chair adjourned the meeting at 12:07 p.m.

Meeting minutes were submitted by Recording Secretary, Anne Morrow.

The August 2<sup>nd</sup> Board meeting was cancelled due to scheduling conflicts. The next Board meeting is scheduled for August 16<sup>th</sup> at 10:30 a.m. at the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, PA.

Approved this 16<sup>th</sup> day of August, 2016.



Mr. Neil Grover, Chair



Mr. Brian Hudson, Secretary

