

MINUTES
MEETING OF IMPACT HARRISBURG
March 20, 2018, 10:30 a.m.
Pennsylvania Housing Finance Agency
211 North Front Street, Harrisburg

Officers of the Board Present:

Neil Grover, Chair
Brian Hudson, Secretary

Board of Directors Present:

Dale Laninga, Director
Gloria Martin-Roberts, Director
Russ Montgomery, Director
Jackie Parker, Director
Karl Singleton, Director

Others Present:

Sheila Dow-Ford, Executive Director
Andrew Sheaf, DCED Policy Specialist
Anne Morrow, Recording Secretary

Officers of the Board Absent:

Doug Hill, Vice-Chair
Brittany Brock, Treasurer

Community First Fund (CFF) and Impact Harrisburg held a press release at the Pennsylvania Housing Finance Agency to announce the launch of the Harrisburg Business Opportunity Fund, a revolving business loan created to specifically assist new entrepreneurs and small business owners in the City of Harrisburg. The two contributors of the Harrisburg Business Opportunity Fund are Impact Harrisburg, in the amount of \$350,000 and a community partner, Commonwealth Cornerstone Group, a subsidiary of the Pennsylvania Finance Housing Agency, in the amount of \$650,000 bringing the grand total of the Harrisburg Business Opportunity Fund to \$1 million dollars to be used as seed money for investing in the community.

The Chair called the meeting to order at 10:53 a.m.

The Board members not in attendance were excused from the meeting.

Mr. Singleton left the meeting at 12:07 p.m.

1. Community First Fund Grant Agreement

Before the signing of the Community First Fund Grant Agreement, the Chair advised the Board of a change that came through the loan guidelines in negotiations with Community First Fund. The loan guidelines noted for small businesses, a provision initially in the loan guidelines state –

- May be used for property acquisition, purchase of equipment, other business assets, general working capital, contract financing, leasehold improvements, and other general

and customary business uses. For small businesses, refinance of prior debt is not an eligible use.

A comma along with additional language at the end of the bullet noted below in red, was added to the loan guidelines by Community First Fund. The loan guidelines will be incorporated in the Grant Agreement as Exhibit A of the contract.

- May be used for property acquisition, purchase of equipment, other business assets, general working capital, contract financing, leasehold improvements, and other general and customary business uses. For small businesses, refinance of prior debt is not an eligible use, **unless it significantly improves the cash flow of the business.**

The Chair asked if there were any questions regarding this change in CFF loan guidelines.

Mr. Singleton asked to confirm that the loan interest rate would not go over 5%. The Chair confirmed the loan interest rate would not exceed 5%.

There being no further discussion, the Chair asked for a motion to accept the partnership agreement between Impact Harrisburg, Community First Fund and Commonwealth Cornerstone Group.

It was moved by Ms. Martin-Roberts and seconded by Mr. Hudson that:

"The Board approve the Impact Harrisburg partnership agreement with three signatories - Impact Harrisburg, Community Frist Fund and Commonwealth Cornerstone Group, a subsidiary of the Pennsylvania Housing Finance Agency."

MOTION CARRIED UNANIMOUSLY

The regular Board meeting was suspended at 10:55 a.m. for the signing of the partnership agreement.

The regular Board meeting reconvened at 11:08 a.m. to continue the formal business of the Board meeting agenda.

2. Regular and Executive Meeting Minutes of February 20, 2018

It was moved by Mr. Laninga and seconded by Ms. Martin-Roberts that:

"The minutes from Impact Harrisburg Board of Directors regular meeting of February 20, 2018, be approved as printed."

MOTION CARRIED UNANIMOUSLY

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

"The minutes from Impact Harrisburg Board of Directors executive meeting of February 20, 2018, be approved as printed."

MOTION CARRIED UNANIMOUSLY

3. Treasurer's Report

Executive Director Dow-Ford reported the current balance in the Operating Account at Fulton Bank is \$541,720.24 and the current balance in the Investment Account at Wilmington Trust is \$9,009,877.11. The Treasurer is currently on vacation until the end of the month. Any urgent matters should be directed to the Executive Director. Payments will be processed and made once the Treasurer returns.

Mr. Hudson inquired if there are draws in process now. Executive Director Dow-Ford advised there are no draws currently in process. Camp Curtin YMCA is expected to submit a draw within the next week for review and payment. In addition, another draw may be submitted on the Multi-Modal project. There are still challenges around the MBE/DBE piece that the Board is trying to work out.

The Chair advised the Third Street Multi-Modal project draw should be paid directly to the contractor. Executive Director Dow-Ford confirmed payment would be made directly to the contractor.

Mr. Hudson noted he had asked Executive Director Dow-Ford to reach out to ProRank to look at how they can assist the Board with MBE/DBE participation on the Multi-Modal project as well as with the remaining projects IH is currently monitoring. PHFA uses ProRank to assist on MBE/WBE goals for their own projects. ProRank made recommendations and provided a proposal on a scope of work along with pricing. Further discussion will be documented later in the meeting.

4. Finance Committee Meeting

A Finance Committee Meeting was not held prior to the March Board meeting.

Executive Director Dow-Ford provided an update regarding the language in the Management Letter from the auditor. The Board made a recommendation to revise the language in the Management Letter that noted the auditor had "several findings" to "two findings", which the auditor agreed to make this change.

The other request made by the Executive Director to the auditor was to identify the amount the auditor noted was paid without a motion for approval. Anne Weaver Morrow researched prior minutes and found the amount of \$25 was referenced in the May 2, 2017 Board minutes, which notated a motion was made to approve payment to Cincinnati Insurance for a late fee. Executive Director Dow-Ford contacted the auditor regarding the amount for verification. A response is pending. If this is the amount in question, the May 2, 2017 minutes should satisfy the second finding in the Management Letter.

Mr. Hudson inquired if anyone has requested a copy of the audit. Executive Director Dow-Ford confirmed no requests have been received at this time.

5. Executive Director Report

Executive Director Dow-Ford thanked the Board for their hard work with making the Community First Fund (CFF) loan project come to fruition and Mr. Hudson for his partnership through Commonwealth Cornerstone Group.

A question from the reporter was "What is your vision?" and "What do you expect to see?" Executive Director Dow-Ford noted IH expects to see greater diversity when it comes to business ownership throughout the neighborhoods. An update by the Executive Director and Mr. Hudson will be presented this evening to City Council during their work session. All are welcome to attend.

Mr. Hudson noted initially the \$650,000 contributed to the Harrisburg Business Opportunity Fund was going to be a loan, however, the funds were provided as a grant to match IH's grant.

Ms. Parker noted she is interested to see how CFF will market new and existing businesses in the city. CFF set a goal of 40 new businesses. Ms. Parker wants to be sure the City is involved in those meetings. Mr. Hudson noted CFF has an outreach marketing plan in place along with IH accompanying with the community partners.

Mr. Hudson noted he would also like to see the City contribute funds to the Harrisburg Business Opportunity Fund.

The Board had a lengthy discussion revolving around MBE inclusion and oversight by the Board, Executive Director and Compliance Team. Mr. Singleton noted as a body IH will be reflective of the results that are produced.

Ms. Parker noted the City has been working since last summer with Elyse Irvis, Community First Fund Business Development Associate, with an office located at 922 North Third Street, Harrisburg, going door to door and meeting monthly.

Mr. Singleton commended Jamien Harvey, Executive Director, with the Camp Curtin YMCA as a success story in the community and an IH grant awardee. His hard work, perseverance, MBE compliant and hiring of sub-contractors to get the project completed is an excellent example to other grantees and partners. Ms. Martin-Roberts noted there are others on the list as well who can be spokespersons or surrogates for getting the word out in the community.

The Board recognized the concerns surrounding timely payments to MBEs on past City projects. Reassuring MBEs will get paid within 45 days after an invoice has been submitted for payment will instill the trust that was broken.

Mr. Montgomery suggested a potential solution for entrepreneurs to work on City projects could be for them to apply for a bridge loan through the Harrisburg Business Opportunity Fund, which will assist and guarantee funds through the initial 30-60 days of a project until payment is received. Utilizing IH's educational portal "toolbox" will be in place to provide the assistance and mentoring needed for entrepreneurs and small businesses to succeed in the revitalization of the city.

Mr. Hudson instructed Executive Director Dow-Ford to circulate ProRank's proposal to the Board for review. As previously mentioned, ProRank is a firm that can provide MBE/WBE monitoring to assist IH with current and future projects. ProRank's proposal includes three options – Option A is \$20,000 with a working scope of 30-60 days; Option 2 is \$25,000 with a working scope of 60-90 days and Option 3 is \$35,000 with a deeper working scope of 60-90 days.

Executive Director Dow-Ford confirmed Grantees have agreed to the terms and conditions of the Grant Contract, which includes IH Guidelines as an exhibit of the agreement. The expectation is that all Grantees will do a better job around DBE participation.

After further discussion, the Board considered inviting Mayor Papenfuse to the next Board meeting to see how the City and IH could partner to help increase and educate all involved with MBE/WBE participation on the Multi-Modal project as well as on future projects the City and/or CRW are involved on. By working with Mayor Papenfuse, the Administration would be encouraged to solicit disadvantaged business enterprises (DBE) on current and future City projects through educating and growing DBE participation.

Executive Director Dow-Ford noted she and Mr. Hudson would be presenting in front of City Council that evening on the status of projects IH is working on. The Board encouraged Executive Director Dow-Ford and Mr. Hudson to be candid with City Council regarding the MBE/WBE participation concerns and issues currently surrounding the Board's Guideline requirements, specifically the lack of MBE/WBE participation on the Multi-Modal project with the City and CRW.

Mr. Hudson noted his recommendation of ProRank can assist IH with this initiative.

Executive Director Dow-Ford attended CRW's Board meeting along with Ms. Parker and Mr. Singleton. A presentation was given to the Board on the status of projects. Ms. Parker noted Executive Director Dow-Ford also talked about DBE participation as a component to the Multi-Modal project.

A project status update was provided by Executive Director Dow-Ford.

- TLC Construction and Renovations will finalize their project in April. An invoice should be received in April for the remaining funds in the amount of \$57,000.
- Camp Curtin YMCA grant award was increased to \$500,000; the retrofit of the pool area is being completed quickly; Camp Curtin is using Reynolds as their prime contractor and TLC Construction as a sub-contractor.
- Salvation Army is looking for tax credits and possibly some alternative fundraising. The Board requested an update on how Salvation Army plans to move forward with funding.
- Ms. Parker provided an update on the Redevelopment Authority and noted the City attended a School Board meeting with the anticipation of speaking to the Board about the repository property fee that's being imposed on the Redevelopment Authority in the amount of \$500 per property, when prior payments were only \$100. The City was dropped from the agenda and asked to come back next month.
- City of Harrisburg playground resurfacing project sent out a 2nd bid to increase the DBE participation on the project.
- Tri-County Housing project continues; draws will be forthcoming; clarification to see if Tri-County Housing was able to bridge the estimated \$60,000 gap; an application was submitted through the City for funding assistance; technical aspects of funding has also been provided.
- Tri-County Action project will begin work in the fall of 2018; currently involved in the Mulder Square project.
- Gamut Theatre is reviewing IH's Grant contract with their lawyer. The project is ready to begin in April.

- East Shore YMCA project is moving forward.
- Community First Fund signed the Grant contract today.

IMPACT HARRISBURG GRANT AWARDS

Grantee Name	Dollar Amount	Date of Executed Contracts from Grantee	Date of Fully Executed Contracts
City of Harrisburg Microsoft Office 365	\$250,000.00	4/5/2017	4/18/2017
Infrastructure Contingency Grant TOTAL:	\$250,000.00		
Capital Region Water Multi-Modal Collaborative Facility	\$2,743,645.25	12/20/2017	2/7/2018
City of Harrisburg Multi-Modal Collaborative Facility	\$2,743,645.25	4/3/2017	4/18/2017
Infrastructure Improvement Grants TOTAL:	\$5,487,290.50		
Community First Fund	\$350,000.00	3/20/2018	3/20/2018
East Shore YMCA	\$138,592.00	4/11/2017	6/20/2017
Gamut Theatre	\$250,000.00	Pending	
Tri-County Community Action Commission	\$204,759.00	3/31/2017	3/31/2017
Tri-County Housing Development Corporation	\$350,000.00	4/24/2017	6/20/2017
Community Building Grants TOTAL:	\$1,293,351.00		
City of Harrisburg, Playground Resurfacing	\$250,000.00	10/22/2017	10/25/2017
Harrisburg Redevelopment Authority	\$500,000.00	4/27/2017	5/2/2017
Harrisburg River Rescue	\$81,369.00	1/26/2017	4/4/2017
Paxton Street Home Benevolent Society	\$100,000.00	2/2/2017	2/14/2017
Salvation Army	\$500,000.00	12/5/2016	4/4/2017
TLC Construction and Renovations	\$500,000.00	12/14/2016	4/4/2017
Webpage FX, Inc.	\$500,000.00	3/28/2017	4/4/2017
YMCA-Camp Curtin	\$500,000.00	Executed	Pending
Large Economic Development Grants TOTAL:	\$2,931,369.00		

Ms. Parker inquired on the status of Milligan & Company’s contract that expires in April. The Chair noted this item will be discussed in an executive session.

Mr. Hudson recommended the Executive Director speak with Mr. Segal and Ms. Byrnes regarding what type of reduced role(s) there would be, if any, and that a new proposal be submitted within the next two weeks for review by the Finance Committee prior to the April 17 Board meeting.

The Chair inquired if an expense allocation policy and time allocation form are being created for tracking Executive Director Dow-Ford’s time? Executive Director Dow-Ford will circulate a policy and form to the Board at the April Board meeting.

6. Other Business

The Board agreed to go into executive session.

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

"The Board voted to go into executive session for the discussion of the Executive Director and Milligan & Company's contract and compensation. The executive session began at 12:34 p.m. and ended at 12:38 p.m."

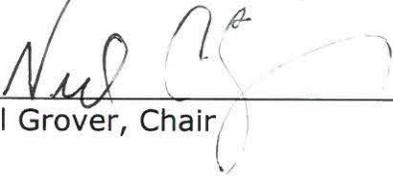
MOTION CARRIED UNANIMOUSLY

There being no other business to discuss, the Chair adjourned the meeting at 12:39 p.m.

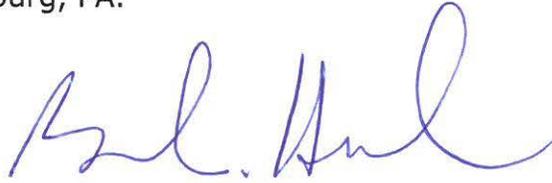
Meeting minutes were submitted by Recording Secretary, Anne Morrow.

The next Board meeting is scheduled for April 17, 2018 at 10:30 a.m. at the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, PA.

Approved this 17th day of April 2018.



Mr. Neil Grover, Chair



Mr. Brian Hudson, Secretary

