

# REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

## Regularly Scheduled Meeting December 17, 2024 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on December 17, 2024, in Suite 405, Conference Room of the Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chaired by Nichole Johnson.

### HRA BOARD MEMBERS PRESENT and/or via TEAMS Web-based Video Conferencing

Nichole Johnson (via TEAMS)

Crystal Brown (via TEAMS)

Alexander Reber

### ABSENT:

N/A

Also present: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Controller, and Bryan Davis, HRA Executive Director.

PUBLIC PRESENT: Samuel Sulkosky, Business Administrator-Chief of Staff for the City of Harrisburg, Jennifer Cruverkibi, Maher Duessel Auditor, Arther Jefferson, and Daran Sawyers with South Central PA Restorations, LLC.

### MINUTES

The minutes of the Regular Meeting of November 19, 2024, were presented for approval. Mr. Reber moved to approve: second by Ms. Brown. The motion passed unanimously.

### TREASURER'S REPORT

The Treasurer's Reports for September and October 2024 were presented for approval. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

### COMMUNICATIONS

Mr. Davis introduced the members from South Central PA Restorations, LLC to the Board Members.

Mr. Jefferson greeted everyone. He said we are a restoration business that mainly focuses on properties damaged from water, fire, and/or sewage. We are currently working with the City to restore some properties. Some of the properties are of low-income households. We noted the need for affordable housing in the area and decided that we wanted to help families and veterans who need affordable housing. We are looking to develop on Derry and Walnut Streets.

Mr. Davis updated the members on Governor's Square. He said the City received a stipulation of settlement from the court. The city has 30 days to petition for an appointed receiver to cover Governor Square. This deadline is January 10<sup>th</sup>.

Mr. Davis said the other component in the court stipulation is any non-urgent maintenance issues are to be handled by the debtor first. They have three days to fix the issue before City Codes can issue a citation.

Mr. Davis said he does not know who the receiver will be. He only knows they inquired with some local developers, property owners, and property managers to see if they might be interested. He will keep them informed.

**Minutes of the Regular Meeting December 17, 2024**  
**Redevelopment Authority of the City of Harrisburg**  
**Page 2 of 5**

Mr. Davis briefly mentioned the Paxton Creek project. He said we spoke on this during the Land Bank meeting. BL Companies and I met yesterday and will continue to meet bi-weekly along with Capital Region Water.

Mr. Davis relayed that Ms. Rowe apologized for not being able to attend today. Ms. Rowe wanted to tell you that she has made contact with Bill Gladstone regarding the commission on leased rent at the Harrisburg Transportation Center which we are not enjoying. We are negotiating a resolution with him.

Mr. Davis said the Board Street Market is searching for a new Manager. And they have a new treasurer. He will continue to be on the Board. This frees up his time to focus on the rebuilding of the brick building. We will keep our eyes open for any grant opportunities for which the Authority could be a conduit for the rebuilding of the Market's brick building.

Mr. Davis mentioned that the design meetings are every other week. This past week they presented their initial concepts to the Mayor for her feedback.

Mr. Davis reported that at the Swatara Park project, we instructed our new legal partner, Bret Woodburn, to proceed with the acquisition of 1437 Swatara Street. This was approved at last month's board meeting.

Mr. Davis said we are also launching the sale of five parcels located on N. 4<sup>th</sup> Street to Tri-County Housing. They received a \$750,000 Home Loan Bank of Pittsburg award. They plan to start the construction this spring.

**PUBLIC COMMENT**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

RESOLUTION NO. 27-2024 – authorizing the Authority to approve South Central Pennsylvania Restoration LLC the status of “Potential Developer” of two (2) parcels located at 1257 and 1259 Walnut Street for the project of affordable housing. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 28-2024 – authorizing the Authority to extend the Potential Developer status to June 30, 2025, for RB Development LLC's project of affordable housing located at 1175 Baily Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 29-2024 – authorizing the release of Audited Financial Statements for the year ending December 31, 2023. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

**Minutes of the Regular Meeting December 17, 2024**  
**Redevelopment Authority of the City of Harrisburg**  
**Page 3 of 5**

Mr. Davis introduced Ms. Cruverkibi to the board members.

Ms. Cruverkibi greeted everyone. She pointed out that the biggest changes for the 2023 Audit were that the Authority had to undergo a single audit and the termination of the operational agreement for the Harrisburg Transportation Center. The single audit was due to the PennDOT grant being federal. We removed the lease holding improvements and adjusted the leases to just six months.

Ms. Cruverkibi said that the Independent Auditor's Report shows we gave an unmodified opinion. This is the best that the Authority can receive, and the financial statements were properly presented under accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

Ms. Cruverkibi reported that there is what is called supplementary information this year because of the single audit. There is a schedule of expenditures for the Federal Awards. You only have one federal award so a user can look to see how much was expended from the PennDOT grant which was federal.

Ms. Cruverkibi said on page one of the financial statements is the Statement of Net Position. This is on a full accrual basis. It takes all your funds and records any long-term liabilities and long-term assets. The total assets decreased by about five million and a lot of that is the capital asset decrease. In addition to the depreciation that takes place each year, we removed those lease hold improvements which again were a loss of about four million. This was a one-time loss due to the termination agreement with the Harrisburg Transportation Center.

Ms. Cruverkibi said there is also due from public governments which recorded a receivable from PennDOT. This is new. This is an expenditure you incurred for that project throughout the year which is a revenue expense that should match on the financial statements. And then the lease receivables decreased due to the regularly scheduled payments contained in Footnote five.

Ms. Cruverkibi stated the liabilities increased almost by two million, half of that was an increase in accounts payable because of the PennDOT grant. When the expenditures incurred through the end of the year we recorded that as payable.

Ms. Cruverkibi said the debit decreased in accordance with the amortization schedule which is disclosed in footnote seven. And the due to primary government increased by 1.7 million also disclosed in footnote seven. The City made 1.25 million dollars in payments and the incurred interest that happens every year. Bringing you a net position which is the accumulative equity of the Authority. This increased. You have a total net income of \$445,000 on the accrual basis which is factoring all these old accrual adjustments.

Ms. Cruverkibi said page three is the General Fund. It has a net income of 5.6 million after we made some necessary audit adjustments.

Ms. Curverkibi stated some other footnotes that I did not mention are due to/froms. They were eliminated during the year because management deemed they were not collectible. All of this is listed in footnote four. Footnote six is the funds of the capital assets. Footnote ten refers to deficits in equity in fund balance.

**Minutes of the Regular Meeting December 17, 2024**  
**Redevelopment Authority of the City of Harrisburg**  
**Page 4 of 5**

Ms. Cruverkibi said after the footnotes are new to the Authority because of having the single audit. We have that schedule expenditures issue. One is the government auditing standards because you must have a single audit. So, if we come across anything that is a significant deficiency or material weakness, we must report that. We did have a material weakness on adjustments which were proposed and went over with management to various audit areas so we reported it as a material weakness. That is disclosed in this schedule of findings and question costs where you would have seen that wording in a separate management letter last year.

Ms. Cruverkibi announced our recommendation we gave the Authority is to add an additional layer of internal control through an independent review of online bank activity, and these year-end adjustments. The audit areas we adjusted were lease receivables, deferred inflows, resources, due to to/from balances, fund balance, grant revenue expenditures due from other governments, and accounts payables. In our recommendations, we included the Authority to consider hiring a consultant to help with the essential audit preparation to bring your records to accrual, so it is prepared for audit. We will facilitate the issuance of the data collection form because of the single audit side.

Mr. Reber asked Ms. Cruverkibi if they would recommend the board treasurer review online access or just have access to the bank statements. What would you recommend be better for the future.

Ms. Cruverkibi replied we would recommend the treasurer have view-only access online that way they can do periodic inspections.

Mr. Reber asked how would you want that documented for when you go to audit. Would you want a monthly checklist saying completed.

Ms. Cruverkibi agreed, saying that would be great. And to spot-check what has cleared.

Mr. Reber said we are reviewing the reconciliations too that are part of that.

Ms. Cruverkibi agreed.

Ms. Cruverkibi mentioned the other area was information technology. The Authority should remove past users in QuickBooks.

Ms. Cruverkibi said under communications they are all the same as last year except for the single audit piece. There were no other changes to your accounting policies that we needed to bring to your attention. There were no transactions entered into the year where there was a lack of authoritative guidance. The investments are similar to prior years. The disclosures are highlighted as well as the lease receivables, the debt, and the negative equities.

Ms. Cruverkibi added that they did not have any significant difficulties when working with management.

All of the Board members thanked Ms. Cruverkibi for coming and reporting on the audited financial statements.

**Minutes of the Regular Meeting December 17, 2024**  
**Redevelopment Authority of the City of Harrisburg**  
**Page 5 of 5**

RESOLUTION NO. 30-2024 – authorizing the Authority to approve the General Operating Budget for the fiscal year beginning January 1, 2025, in the approximate amount of \$678,340. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Reber noted a typo. The resolution should say for the year coming “2025” instead of 2024.

RESOLUTION NO. 31-2024 – approving the Harrisburg Redevelopment Authority Board meeting dates, place, and time for the 12-month period beginning January 2025. Mr. Reber motioned to approve; seconded by Ms. Brown. The motion passed unanimously.

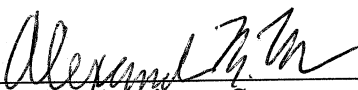
**OTHER BUSINESS**

None

**ADJOURNMENT**

The Meeting was Adjourned at 12:55 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary