

Published by the Pennsylvania Municipal League  April 2023



# Municipal Reporter



## MUNICIPAL FINANCE

“Mounting pressures call for bold solutions.”







Pennsylvania Municipal  
**League**

## **Values**

### **Local Governance**

We believe that local authority and autonomy are central to effective municipal government and we are fully committed to their protection, preservation and advancement.

### **Non-Partisan**

We welcome and respect the perspectives of all elected and appointed officials without regard to their political affiliation.

### **Diversity, Equity and Inclusion**

We value the diversity of our members and the people they serve, and are dedicated to ensuring equal respect, recognition, fairness, and access to opportunity for everyone.

### **Leadership**

We understand that highly-competent current and future local leaders are vital and we proactively support their ongoing development.

### **Service**

We listen to our members and ensure that their priorities, needs and satisfaction drive what we do.

### **Collaboration**

We work to enhance all municipalities through alliances with public entities, organizations, businesses and educational institutions.

### **Innovation**

We embrace the need to find and develop new ideas and solutions to help local governments increase their adaptability, effectiveness and impact.

### **Fiscal Integrity**

We believe that accountability, transparency and the responsible management of resources are essential for both our association and local government.



*adopted October 2020*



# Municipal Reporter



## Pennsylvania Municipal League

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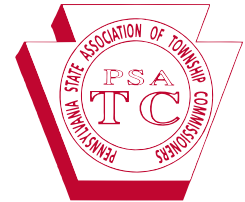
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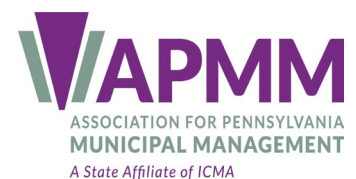
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# Our Mission

To strengthen, empower and advocate for effective local government.

The League is a nonprofit, nonpartisan organization established in 1900 as an advocate for Pennsylvania's 3rd class cities. Today, The League represents participating Pennsylvania cities, boroughs, townships and home rule communities that all share The League's municipal policy interests. Our Board of Directors oversees the administration of a wide array of municipal services including legislative advocacy (on both the state and federal levels), publications designed to educate and inform, education and training certification programs, membership research and inquiries, programs, and group insurance trusts.

We are continually monitoring the needs of our members and are committed to providing the Commonwealth's municipalities with cost-effective programs and services required to meet the distinct needs of their communities.

The *Municipal Reporter* is a publication of the Pennsylvania Municipal League, the Pennsylvania State Association of Township Commissioners and the Association for Pennsylvania Municipal Management. As of February 2023, it is being published six times a year on a bimonthly basis. Opinions

expressed by authors and advertisers are not necessarily those of the officers, members and staff of The League.

Original articles on subjects of interest to municipal officials are welcome, but subject to review by editorial staff. The publisher has the right to reject unsuitable advertising.

All inquiries should be addressed to Debbie Bitting, Director of Communications, at:

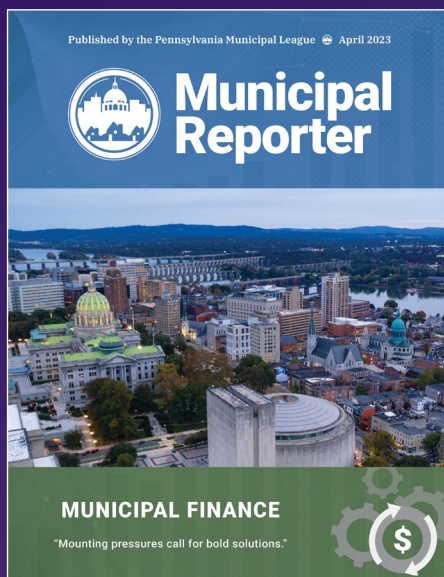
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City of Harrisburg

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# THE PENNSYLVANIA MUNICIPAL LEAGUE PROVIDES SUPPORT THROUGH ITS MANY PROGRAMS AND SERVICES.

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- Sustainable Pennsylvania Community Certification
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Members of these programs and services also receive newsletters and/or special publications designed to keep them up to date on the latest developments pertaining to these topics. For information on any of the above services, please contact us at 800-922-8063 or 717-236-9469 or visit [www.pml.org](http://www.pml.org).

\*League members receive PELRAS membership at no additional cost as a benefit of membership in The League.





# Mark Your Calendar

## League Northeast District Meeting

**April 26**

*Pittston Memorial Library, Cosgrove Room*

## League Southeast District Meeting

**April 27**

*Residence Inn Philadelphia Bala Cynwyd*

## League Southcentral District Meeting

**May 2**

*Gettysburg Hotel*

## PennPRIME Virtual Subcommittees and Board of Trustees' Meetings

**May 19**

## APMM Annual Conference

**May 22-24**

*Omni William Penn Hotel, Pittsburgh*

## U-COMP Board of Trustees' Meeting

**June 2**

*Omni Bedford Springs Resort*

## Municipal Leadership Summit

BETHLEHEM  OCTOBER 5-8, 2023



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PATH courses](#)



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Municipal  
Reporter

# The League President's Message



**MICHAEL LOMBARDO**  
**MAYOR**  
**CITY OF PITSTON**



As we progress through the second quarter of 2023, there is much work to be accomplished. We will continue to be guided by The League's mission to strengthen, empower and advocate for effective local government in an inclusive, non-partisan manner as we initiate the goals outlined in our ENVISION 2032 Forum. Our legislative priorities for this year are based in three categories: Public Safety, Municipal Finance, and Community Development and Infrastructure.

Membership in The League provides a forum for many important discussions and Municipal Finance Reform is certainly a priority issue. The collaboration between the Pennsylvania Municipal League (The League) and the Pennsylvania Economy League (PEL), "It's Not 1965 Anymore: State Tax Laws Fail to Meet Municipal Revenue Needs" illustrates through 8 municipal case studies, the atavistic nature of existing state tax laws. We must rally together to drive legislation that provides for new tools to ensure healthy fiscal operations of all our municipalities. Suggestions include increased Local Services Tax, flexibility to increase Earned Income Tax, payroll tax, county or regional sales tax, drink tax, and regular reassessment. I encourage you to review this [publication](#). The City of Pittston (one of the case studies) utilized the home rule process as the method of reform and we have seen significant benefits. This change has resulted in our ability to offer a homestead exemption, hold property taxes for 13 years, fuel downtown and neighborhood revitalization and facilitate the city receiving an investment grade credit rating. I believe municipalities should not have to go through the arduous home rule process in order to access some of the necessary financial reform tools. I remain available to share my experience with you. Additionally, The League's leadership and technical staff remain available to assist you in this effort and connect you with other municipalities that have implemented successful financial reform strategies.

As municipal staff and leaders, we continue to work our way through the residual effects of the pandemic and new economic challenges driven by market conditions, but I am certain that with continued collaboration and open communication, we can successfully meet these challenges. As local elected officials, we need to demonstrate that good leadership is most important and ultimately has nothing to do with politics or political party. Let's be the example as we build our communities from the ground up and strengthen our Commonwealth.

I continue to challenge each of you to actively engage and respectfully ask that each of you commit to bringing one new member to The League. I look forward to seeing many of you at the regional meetings, forums, trainings and the annual Municipal Leadership Summit. Together, we can grow our influence and impact.

Finally, I look forward to continuing to work with League Executive Director John Brenner and the entire talented staff of our Pennsylvania Municipal League.

Best Regards,

A handwritten signature in blue ink that reads "Michael A. Lombardo". The signature is fluid and cursive.

Michael A. Lombardo  
Mayor, City of Pittston



# The League Executive Director's Message

***"Momentum is building for an overhaul of the state tax system."***

*– ENVISION 2032 publication*

*Last year during our ENVISION 2032 initiative, municipal leaders across our Commonwealth responded that municipal finance was a top concern for communities of all sizes and classifications.*

*On the heels of the ENVISION initiative, The League and the Pennsylvania Economy League released a report titled *It's Not 1965 Anymore: State Tax Laws Fail to Meet Municipal Revenue Needs*. The report focuses on case studies that drive home the point that modern revenue options to help pay for public safety and other critical municipal services are long overdue. Following the report and last fall's general election, State Representative Smith-Wade-El from Lancaster, took the report and drafted legislation to begin addressing this longstanding issue. A former President of Lancaster City Council, the Representative understands the need for this modernization and he is getting support from other legislators.*

*This issue of the Municipal Reporter offers resources, solutions and key partners to help you manage municipal finances. Your League is pushing for municipal finance reform to help you have the necessary tools to plan for a brighter fiscal future.*

*We are pleased that Lieutenant Governor Austin Davis is actively chairing DCED's Local Government Advisory Committee (which includes other local government association leaders). His leadership and that of the entire Shapiro Administration along with legislative leaders on both sides of the aisle, is necessary for us to make progress. If you haven't met with your legislators lately and shared the PEL Report and our ENVISION publication, this is a great time to do so. Ask them to support Representative Smith-Wade-El and other House members to advance the municipal finance reform package.*

*Let's keep the momentum going!*



John S. Brenner



[JOHN BRENNER](#)

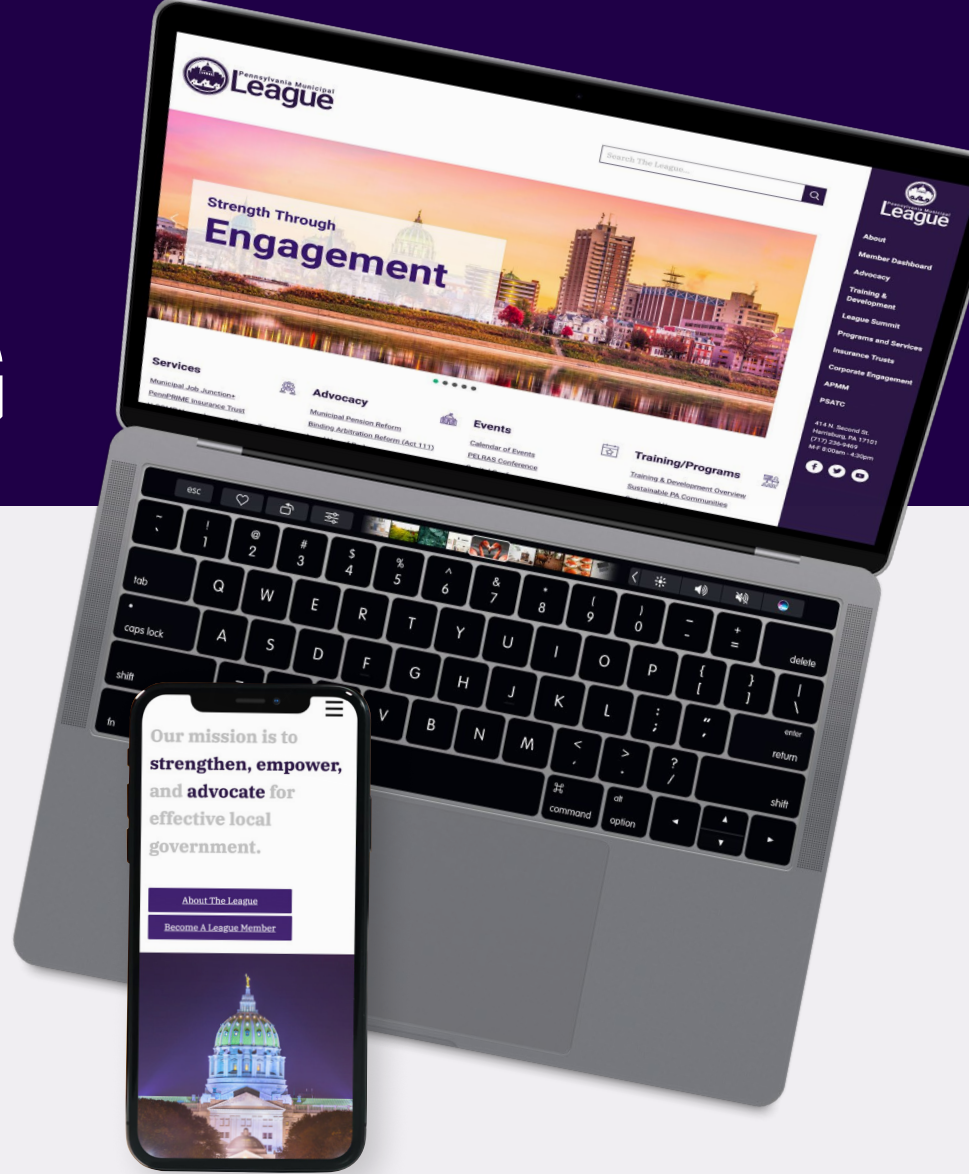


## ***Executive Director's Video Report***



# VISIT US AT PML.ORG

Our website is the embodiment of our mission to strengthen, empower, and advocate for effective local government. Visit Today!

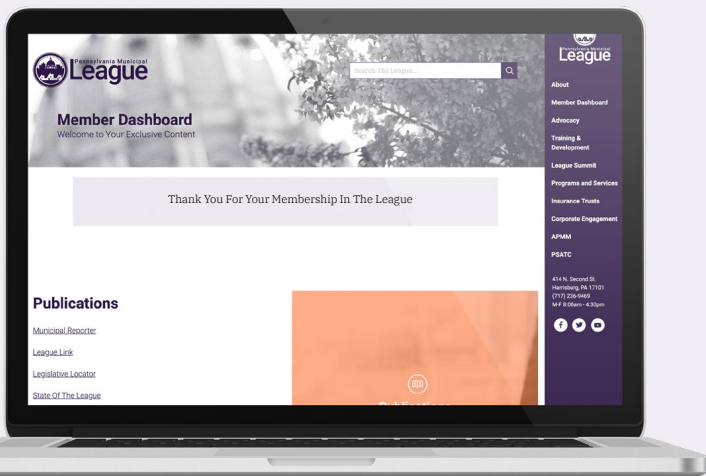


## YOUR BENEFITS

### THE MEMBER DASHBOARD

As a member, you have access to a large range of exclusive services and resources. **Log in today and see how your Membership(s) can empower you!**

Visit [PML.org/pml-member-dashboard](https://pml.org/pml-member-dashboard) now.



### FAST & INTUITIVE EXPERIENCE

PML.org was built with our membership in mind. It's **easy to navigate** with the important information just a click away. **See upcoming League Events, Services, Training Programs** and have **access to the information your community needs**.

### FIRST-CLASS MOBILE CONVENIENCE

A website falls flat if you're not able to make it work on mobile. At PML.org, you have the strength of The League in your pocket. This ensures you can engage with The League wherever you are.

### STAY UP-TO-DATE

The latest and greatest news and events are easily found. With a constantly changing landscape, count on us to be your number one resource to stay on top of it all. No more hunting around different places. It's all at PML.org!



# Inside The League



**ABE AMORÓS**  
**DEPUTY EXECUTIVE DIRECTOR -**  
**OPERATIONS**

*As the former Managing Director for the City of Reading and having also been Director of Community Development and Councilman for the City of York, I have first-hand knowledge on how critical a municipality's bottom line is.*

*There is no substitute for having strong and competent financial management in place whether it's a Business Administrator, Director of Finance, Auditor, Comptroller or any financial officer. Municipal finances are critical to the success (or detriment) of any municipality.*

*It's not only imperative to hire (or elect) the right persons for these monumental tasks of keeping track of every penny in every line item for every program, but there also needs to be strong internal controls to ensure maximum accountability and transparency for the public. After all, it's THEIR money, not the elected or appointed officials'.*

*Having internal controls ensures that public funds are administered properly and are compliant with local, state and federal laws and regulations. There needs to be checks and balances in place to guarantee that money is spent wisely on programs that have been publicly approved and advertised. One thing that business and government accounting have in place is accurate reporting standards.*

*Having strong internal controls creates a separation of accountability and custodianship. Employees or municipal officials who keep financial records should not be the same person with custody of assets. In the wonderful world of accounting, the person who handles deposits should not be the same person handling bank statements or making changes to those accounts via reconciliation.*

*Strong internal controls and financial policies always exist in writing and serve as reminders to those who may not have a strong financial management background. There are five pillars to internal controls that every municipality should have in place:*

1. Education
2. Prevention and Resolution of Conflicts
3. Continuity and Efficiency
4. Guidance
5. Transparency and Confidence

*Each one guarantees that taxpayer dollars are spent wisely, prudently and with the strictest accountability standards in place. After all, our constituents deserve no less than full transparency in how their hard-earned tax dollars are spent for their benefit.*

*From Inside The League,*

*Abe Amorós*

Abe Amorós

# Municipal Leadership Summit

BETHLEHEM  OCTOBER 5-8, 2023



## Topics To Include: *(subject to change)*

- LCAP - Local Climate Action Plan
- Sanitary System - New Lawsuits Between Municipalities
- Working Together Between Manager and Elected Officials
- American Rescue Plan Fund
- Fire and Borough Interaction and Growth
- Hiring Law Enforcement and Retention
- Creating Affordable Housing for Your Community
- Long-Term Regional Planning



## Fairview Park Playground Build

October 2-4

#MunicipalLeadershipSummit23



## Wind Creek Bethlehem

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Bethlehem, PA 18015

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# Q&A with League Leader

## Mayor Ezra Nanes State College Borough Director-at-Large



*This Q&A feature section of the Municipal Reporter highlights an individual local leader who has been involved and engaged with their community and The League.*



Pennsylvania Municipal  
**League**

### **Q: Mayor, thank you for your service as mayor of State College Borough. How did you get involved in local government?**

*It's an honor to serve the people of State College as Mayor. My wife, Mieke, and I believe passionately that government should respect, protect and empower all members of our communities. We recognize that we must actively participate in electoral politics, governance and service to ensure this happens. We began by organizing a group of action-oriented members of our neighborhood, ultimately leading to my running for PA State Senate in 2018. I did not win that election. However, we ran a winning campaign (an important distinction I make), and our involvement in and engagement with our community grew from there. After working for the next couple of years out of the spotlight, so to speak, supporting other candidates and organizing, and seeing that there were important seats on Council and the Mayor's office open, we determined that it was time to step up to run once again.*

### **Q: What leadership advice do you have for other local leaders?**

*I am loathe to give advice to my esteemed colleagues and peers in local leadership, however, I will offer that in my experience, the greatest challenge impacting local governments (and organizations and companies) is often focus. Local governments face a bewildering array of community priorities at all times, and it is therefore vital as a leader to bring focus to your communication and to articulate a clear vision that enables action through always-limited budgets, ordinances and investments. As Mayor, I have chosen to consistently and intentionally amplify one single action item – I want to see our*





community invest in a big way in infrastructure for bike and pedestrian safety, access and efficiency. This investment is central to our ability to grow sustainably for the future and provide the best quality of life for our community. I always start with this topic when I am asked about priorities and goals. I make it a part of every discussion, where applicable, in our Council meetings, and over time, this has, I believe, made an impact. Important projects are now underway with priority that were not previously.

**Q: What has been your most rewarding experience as a municipal official?**

Showing up for the community – giving my best from the heart – and having that really make a difference for people. When someone says that something I said or my presence at an event really meant something to them, helped them achieve a goal, or simply lifted them up or made them feel acknowledged, appreciated or valued, that is the most incredible reward for service.

**Q: What has been the greatest challenge in your position?**

As a part-time, volunteer mayor, who also works at a full-time job, is committed to maintaining a happy and healthy marriage with my amazing wife, being an actively engaged and loving dad to our two wonderful daughters of 10 and 13, and pursuing competitive athletics and adventure sports – I am signed up to race the Ironman 70.3 Triathlon coming to Happy Valley this July 2 – time management or pressure on limited time is the greatest challenge.

**Q: Thank you for serving on The League Board as a Director-at-Large. How has your involvement with The League helped you and your community?**

I have been uplifted by my experience as a member of The League Board. To be, and to truly feel, that I am a part of this community of leaders across our great Commonwealth and to



work with such talented professional staff at The League, has been so empowering. I now have the ability to elevate the legislative priorities of our region to the Statewide level via The League's powerful advocacy and learn that we share many issues and goals with our peer municipalities of every size. I have loved getting to know my fellow Mayors and Councilmembers and seeing how truly diverse our leaders are in PA. It's given me a lot of pride in PA and hope for our future.

fresh locally grown produce, great healthcare and we have immediate access to boundless nature – we are surrounded by three State Forests, with lakes, trails, vistas and so much adventure just waiting to be experienced. Our outdoor scene, from skiing, to biking, to running, swimming, hiking, to boating and fishing, is incredible. And our people just care about one another – you can see this in the quality and number of our service organizations of every type. People of every background, identity, age, race, gender, religion and ability are welcome and appreciated here.

**Q: What advice do you have for people considering municipal government as a career?**

Our communities, our cities, our state, our nation all depend on the work and commitment of people who choose municipal government as a career, or as a pathway to service. Your decision to serve or even your consideration of a run for office or application for a role in municipal government really matters to all of us. You can never fully separate your own interests from your selfless interests in serving, however, look deep inside, and if the driving force there is to solve a problem or achieve an important goal for your community, to help people, to realize a vision that uplifts everyone around you, or simply to make a small difference in people's lives every day, then I encourage you to keep taking steps forward. We need you!

**Q: What programs or practices has State College implemented to address this edition's topic of "Municipal Finance?"**

We take great care in our budgeting process – our Manager and Administration do a fantastic job of structuring and preparing this process – and we are committed by policy to a structurally balanced budget. Our level of reserves is also specified by policy, and these together ensure we remain on sound financial footing. □

**Q: As a proud mayor, what would you say are some of State College's greatest attributes?**

How many pages do I have? We love this town, this region, so much. We have a major international center of learning and culture in Penn State situated in the heart of some of the most beautiful PA farmlands and historic towns. We have legendary local businesses, a vibrant arts scene,

# Municipal Finance



This year the *Municipal Reporter* will be covering the issues of highest concern that municipal leaders identified during The League's [ENVISION 2032 initiative](#), which included a broad survey and statewide forums. We will be sharing articles and information relating to these very important topics of concern — Infrastructure, Municipal Finance, Equity and Civic

Engagement, Community Development, Sustainability, Public Health & Safety, and Economic Vitality.

This April edition, our second issue this year, covers the topic of Municipal Finance.

As noted in our [ENVISION 2032 publication](#):

Achieving and maintaining financial stability is a paramount issue facing local governments. Top concerns cited by municipal leaders during the ENVISION forums included: contending with rising costs due to inflation, pensions and other legacy costs, unfunded mandates, as well as the growing need to finance infrastructure repairs and improvements and pay for professional fire and emergency services that can no longer rely on volunteers.

Support is growing for cost-sharing approaches, with more than 54% of respondents to The League's 2021 survey reporting they are actively addressing how to equitably share the costs of public safety and infrastructure across all users. And 8 in 10 municipalities also say they currently engage in regional problem-solving efforts or plan to do so.

Local leaders share a sense of urgency that now is the time to modernize the financial tools available to municipalities. Well over half of the survey respondents are actively advocating or planning to advocate for updates to Pennsylvania's municipal finance laws and practices to prevent municipal distress. A recurring theme at the ENVISION Forums was a call for a major overhaul of the state's local tax structure to open up possibilities for more sustainable, locally controlled sources of revenue.

Please see the excerpt on Municipal Finance from ENVISION 2032 on the following two pages. For more information and municipal actions, check out our [ENVISION 2032 publication](#).



*Charting the Future for  
Pennsylvania's Municipalities*



# MUNICIPAL FINANCE

*“Mounting pressures call for bold solutions.”*

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## TODAY'S REALITIES

- ◆ **Passing balanced budgets is increasingly challenging for Pennsylvania's municipalities.** Rising costs, particularly those related to maintaining adequate public safety and emergency services, often force municipalities to tap their reserves as they simultaneously work to increase efficiencies and productivity within every department. Many are making decisions regarding whether to lease or sell their assets. Regional approaches to cost sharing are also being developed, with promising results for the longer term.
- ◆ **Municipalities are pursuing additional short and long-term revenue sources to address funding gaps.** Local governments are prioritizing efforts to qualify for and access the remaining ARPA funds and obtain one-time project funding that Pennsylvania will receive through the 2021 federal Infrastructure and Jobs Act. Given limited alternatives for raising funding, many municipalities are focusing on the primary tool under local control: real estate taxes. They are engaging in local and county efforts to update property valuation and reassessment practices to be more accurate and predictable.
- ◆ **Momentum is building for an overhaul of the state tax system.** Since 1965, Pennsylvania's municipalities have operated under the provisions of the Local Tax Enabling Act, which prescribes how local authorities can collect fees and taxes. The Pennsylvania Economy League (PEL), considered Pennsylvania's premier public policy think tank, undertook a comprehensive study and evaluation of the Commonwealth's tax structure. The PEL report, issued in 2022, documents a wide range of outdated and inequitable statutes and regulations that severely limit the ability of local municipalities to generate revenues that can keep up with rising costs and meet the needs of communities that have experienced unprecedented levels of change in their demographics and economic base.

## MOVING FORWARD

Municipalities' plans to restore or maintain financial health include:

- ◆ Engaging in formal long-term fiscal planning.
- ◆ Introducing more sophisticated financial tools and technology.
- ◆ Continuing to explore creative solutions to regional cost sharing.
- ◆ Working with counties to make property re-assessment a routine and automatic function.
- ◆ Considering the possibility of transitioning to Home Rule.

**The 2022 PEL report makes a powerful case for revamping the Commonwealth's fundamental approach to fiscal health and stability.** The current system requires waiting until communities are in a downward spiral and then only provides temporary tools. Going forward, it will be essential to understand the “big picture” causes of systemic, structural distress and work to break the cycle. Potential models outlined in the report involve eliminating or raising rate caps, increasing flat fees, using non-resident options, and conducting regular property assessments.



# Municipalities In Action

- ◆ **Several boroughs in Pennsylvania and towns in Ohio have joined together to add electric generation to their public power systems.** Pennsylvania Municipal Electric Association members are investing in new equipment that will be installed in cooperation with American Municipal Power (a nonprofit joint action agency). The regional and interstate project will provide systemwide peak hour electricity, reducing demand and lowering costs for 27 communities.
- ◆ **The City of Erie found a way to avoid significantly raising taxes.** By negotiating a prepayment of the Erie Water Authority's lease through 2060, the city received a sum that enabled it to pay down more than half its municipal debt, invest in a business development fund to bring more jobs and people to Erie, and save the city's budget over \$1 million per year.
- ◆ **The City of Easton was on the verge of filing for Act 47 in 2007, when it adopted a Home Rule charter.** It aimed to "secure honest, efficient, accountable local self-government that builds a system of professionalized, efficient and fiscally sound management." Since then, the city has achieved fiscal stability, which includes 12 straight years with no increase in real estate taxes and regular year-end surpluses. An economic development program brought over \$800 million in public and private investment and created hundreds of new jobs. The city's population is growing for the first time in nearly five decades.
- ◆ **The City of Altoona became the quickest municipality to exit Act 47 in 2017.** In a 5-year collaboration involving elected officials, city staff, and DCED, the city implemented a multifaceted recovery plan that included a detailed housing strategy to address blight, upgrading the city's administrative and technology capabilities, and an investment plan that transformed the downtown into an attractive business district. One of their most pivotal decisions was not selling their water and sewer systems for a one-time gain. Instead, they created a new, ongoing revenue source by negotiating a long-term lease of this vital asset.
- ◆ **The City of Harrisburg will soon fully exit Act 47 and, in 2022, reported its first budget surplus, with no tax or fee increases for residents.** Leaders attribute the city's progress to disciplined implementation of the comprehensive Harrisburg Strong Plan, filed in 2013. The plan included establishing funds to cover long-term, unfunded healthcare costs for retired city workers and creating a new regional transportation authority.

## About Act 47

Act 47 provides a safety net for severely distressed municipalities. The Act applies to municipalities with three years of deficits of one percent or more, expenditures exceeding revenues, and decreased quality and quantity of municipal services. A DCED team oversees the development of a recovery plan, arranges loans, and can grant waivers to allow changes in the collection of fees and taxes. As of September 2022, 18 municipalities have successfully exited Act 47 status since its inception, and twelve are currently operating under its provisions.

## POLICY PERSPECTIVES

We call on the Commonwealth to establish policies that seek to prevent municipal fiscal distress.

The League supports:

- ◆ Modernizing our local taxing structure to accomplish positive change for local communities.
- ◆ Alleviating the inequities of hosting large percentages of tax-exempt entities.
- ◆ Invigorating land-locked tax bases to benefit struggling core communities.
- ◆ Streamlining municipal processes to get properties back on the tax rolls (e.g., reselling properties with delinquent real estate taxes).
- ◆ Adopting the recommended models outlined in the 2022 PEL report.

The League encourages municipalities to explore cost-sharing with neighboring communities and counties for infrastructure and services. While structuring these agreements requires effort, it may prove to be time well spent, as costs are projected to rise significantly in the coming years.

For communities whose circumstances have changed in ways that make their current municipal codes insufficient, converting to a Home Rule charter may be a prudent choice to consider.



# The Benefits and Challenges of Municipal Mergers and Consolidations

BY BROOKE CURRAN, LEAGUE 2023 SPRING INTERN IN COLLABORATION  
WITH AMY STURGES, LEAGUE DEPUTY EXECUTIVE DIRECTOR - ADVOCACY

Municipal mergers and consolidations are uncommon both nationally and at the state level. Yet two sets of western Pennsylvania communities are currently working through the challenges of merger and consolidation with the goal of more efficiency and a broader tax base. A merger is simply where one municipality takes over another, and a consolidation forms a completely new municipality and government. In Mercer County, the City of Hermitage and Wheatland Borough are set to complete the merger process by January 1, 2024, after voters approved the action by referendum in 2022. Alternatively, in Clearfield County, the consolidation of the City of DuBois and Sandy Township was approved by the voters in 2021 after three prior attempts. The consolidation into a new municipality is expected to be completed by 2026.

Pennsylvania is comprised of over 2,500 municipalities. State law does not permit unincorporated territory, meaning that every area must be governed as part of a municipality. There is no procedure for a municipality to disincorporate its territory, even if service provision, financial deficits, decreasing population or other struggles

are hindering the effective governance of the community. For these communities, the local choice to merge or consolidate with another municipality may be seen as the best option, but it does not happen often due to many complexities. Title 53 requires merger and consolidation proposals to follow initiative and referendum procedures. Therefore, a proposal must make it on to an election ballot and be approved by the voters in each affected municipality. The real work begins once a proposal is passed. Governments on both sides of the process must work together to decide how they will form a new community. Citizens may feel unsure of the process and be concerned about losing a sense of community identity. Yet local government officials may view merger or consolidation as an efficient and better way of running a community. Larger tax bases can be formed, duplicated services can be reduced, populations can grow, economic opportunities can expand and overall fiscal health can be improved. In the cases of Hermitage, Wheatland, DuBois and Sandy, all are focused on improving their municipalities both economically and for their citizens.

Near the Ohio border, Wheatland Borough's population is just under 600, while neighboring City of Hermitage is over 16,000. Hermitage is currently 29.56 square miles and surrounds Wheatland on three sides, while Wheatland is .87 square miles. Hermitage and Wheatland are both currently home rule municipalities, operating under their own charters. When the merger is complete, Hermitage will continue to operate under home rule. Wheatland's population has been diminishing since 1930, and the borough experienced a large drop due to a tornado in 1985. This decrease has also led to financial distress. In the 2018 [Early Intervention Program Report of Wheatland](#), the Pennsylvania Economy League (PEL) found that Wheatland was likely to continue experiencing annual financial deficits and predicted the general fund to be depleted by 2025. Merging with Hermitage will save the borough around \$100,000 yearly. For residents, Earned Income Tax rates will increase from 1% to 1.75%. Real estate taxes, however, will sharply decline from 24.75 mills to Hermitage's rate of 5 mills. Post-merger, Wheatland's residents will gain the benefits of a full-service community managed by a professional municipal manager.



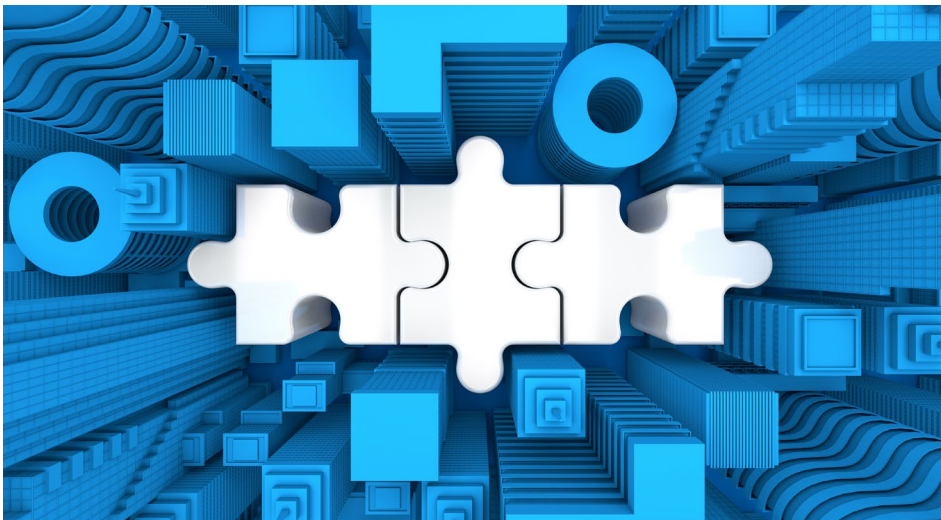
During the process of a merger or consolidation, transparency from officials is necessary to assure citizens that their voices are being heard and to ensure a smooth transition. In an interview with Hermitage City Manager Gary Hinkson, he noted the merger is a positive move. Hinkson explained there has been little pushback from citizens and pointed to the positive voter response in the 2022 election. From the city's point of view, officials did not try to sell a "campaign" for the merger, they only provided facts and left the decision fully up to citizens. Hinkson currently reports to a five-member board

decide on the best use for what will be the former Wheatland Borough building.

After three attempts in 1989, 1995 and 2002, DuBois and Sandy Township voters agreed to a consolidation in 2021. DuBois currently operates as an optional charter city of the third class. Sandy is a township of the second class. DuBois' population is over 7,500, and Sandy's is around 11,800. As DuBois is landlocked at 3.5 square miles and surrounded by Sandy's 53 square miles, the city cannot physically expand. A consolidation will bring room for growth and

and Sandy experienced financial deficits three out of the five years between 2015 to 2019. The study recommended the elimination of duplicate services and positions and estimated that savings from a consolidation would amount to \$500,000 annually. Sandy Township cannot raise tax rates to generate revenue because it is at the cap set by the Second Class Township Code and Act 511.

Following voter approval for consolidation, DuBois received a grant from the Department of Community and Economic Development (DCED) of \$2.5 million in December 2022, to help begin consolidating services within both communities. DuBois officials have emphasized that both the city and township will benefit from the consolidation. Officials and citizens alike hope that the new municipality will run more efficiently. A DuBois official noted that they have tried to communicate that the consolidation will benefit everyone and provide a positive fiscal environment and resources for future economic growth.



of commissioners and sees his position as manager remaining the same. Hermitage has provided street maintenance and police services to the borough for several years to assist with its finances. Hinkson said that the history of shared services was one of the "overall benefits for both communities" and more partnerships are beneficial for everyone. Other issues left to address before 2024 include a revised zoning map to which Hinkson mentioned wanting the public's opinion on. Officials also will have to merge tax records and

economic development. Voter approval of the consolidation was not overwhelming, and citizens are split on the issue, with many feeling that the change will be too hard to adapt to, as DuBois and Sandy operate much differently. The consolidation is expected to be completed by January 1, 2026, with both fire departments consolidated by 2025. A major reason for the consolidation lies within the communities' similar financial situations. PEL's October 2021 analysis "City of DuBois and Sandy Township Consolidation Study" found that both DuBois

Mergers and consolidations are not taken lightly by local government officials or citizens, hence the struggle for approval. The road there is often marked by a declining population and tax base, reduced or stagnant services, and reduced quality of life for residents. PEL's research and guidance on both mergers and consolidations helps provide officials and citizens with information on how to move forward successfully. PEL specializes in public policy research, civic education and technical assistance to local



governments. PEL's Chief Executive Officer LeeAnne Rogers noted in an interview that PEL works with local elected officials and municipal staff to analyze "municipal finances, community demographics, services, tax rates and provides communities with a picture of what [a merger or consolidation] would look like had it happened already." This analysis allows communities to see what the ultimate outcome can be once a merger or consolidation is complete.

PEL's Senior Research Fellow Gerald Cross emphasized the importance of positive local leadership and public education during the merger or consolidation process. Citizen concerns can be allayed by a "willingness to succeed" from officials. PEL

anticipates more mergers and consolidations in the future.

The League believes the Commonwealth's role in supporting mergers and consolidations is essential to more success stories. Pennsylvania should provide financial assistance to interested communities throughout the entire process and even after the merger or consolidation is complete. Additionally, modifications to current laws would alleviate common stumbling blocks associated with combining public safety services, personnel and pensions, and combining local tax structures.

For municipalities facing fiscal challenges, merger or consolidation can be a worthwhile

solution. Wheatland's residents will benefit from the advantages of residing in the stronger and more fiscally sound City of Hermitage. The City of DuBois, Sandy Township and their residents will strengthen each other through their ultimate consolidation which will provide not only efficiencies in day-to-day operations but foster renewed opportunities for growth. In either case, the goal is a stronger, more resilient community, capable of tackling issues before they escalate and providing quality services to residents, businesses and visitors alike. □



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ANYMORE:  
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Pennsylvania's municipal tax authorizations have failed to keep pace with modern realities. Municipalities need more flexible revenue options just to keep the lights on.

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# Benefits of Using Outsourced Accounting Services for Municipalities

BY BRIAN R. MARCHUCK, CPA, PRINCIPAL, BROWN SCHULTZ SHERIDAN & FRITZ,  
LEAGUE BUSINESS LEADERS NETWORK MEMBER

The importance of maintaining accurate financial records cannot be overstated, especially for municipalities and local governments. However, the lack of experienced accountants has put many municipalities at risk of falling behind in their financial reporting. According to [a recent Bloomberg report](#), many municipalities are facing the risk of lower credit ratings due to a shortage of qualified accountants and resources. This shortage is causing significant delays in financial reporting and is making it difficult for municipalities to manage their finances effectively.

## When Should Municipalities Consider Utilizing Outsourced Accounting Services?

There could be many reasons why an organization may want to consider using outsourced accounting services. Below are some of the scenarios that may trigger the need to explore these services:

- **An organization experiences staff turnover or retirements of key accounting personnel.** In the event of a transition, outsourcing accounting services can provide a seamless solution to minimize disruption to financial operations.

- **The municipality requires specialized expertise.** If an organization is in need of specialized experience, it could benefit from utilizing a firm with a high degree of knowledge in government accounting practices. Outsourcing can provide a cost-effective solution to allow the municipality to allocate resources more effectively.
- **Limited financial resources are available to hire a full-time Chief Financial Officer (CFO).** Some municipalities may not have the budget to hire a full-time CFO. In that instance, the organization could supplement current accounting staff with a CFO-level accounting advisor, providing access to qualified and experienced professionals without the payroll costs associated.

## What are the Advantages of Using Outsourced CFO and Accounting Services?

Outsourcing accounting services can help municipalities overcome these challenges and maintain their financial stability. Here are some of the benefits of outsourcing accounting services for municipalities and local governments:

### Expertise and Cost Savings

Outsourcing accounting services allows municipalities to benefit from the expertise of accountants who specialize in government accounting. These professionals are well-versed in government accounting standards and stay up to date with federal, state and local regulatory and compliance requirements, helping to ensure that financial statements are accurate and comply with regulations.

Utilizing these services can also be cost-effective for municipalities. By outsourcing, municipalities can avoid the costs associated with salary and benefits, as well as avoid the time related to training on governmental accounting. Additionally, outsourcing allows municipalities to pay only for the services they need, which can help reduce overall costs.

In addition to saving costs, utilizing outsourced accounting services can also improve a municipality's bottom line through exposure to new funding sources. Outsourced accountants are well-informed on a library of federal, state and local grant funding opportunities which municipalities may qualify for and serve to benefit from but may otherwise be unaware.

## Timely and Automated Financial Reporting

Outsourcing accounting services can help municipalities to ensure timely, automated financial reporting. Experienced accountants can help municipalities implement automation techniques to increase efficiencies, ensuring that financial statements are prepared quickly and accurately, and financial reports are submitted on time. This is a significant method to reduce overhead costs related to financial reporting. It is also particularly important for municipalities that need to report financial information to bondholders or rating agencies. Timely financial reporting can help maintain or improve credit ratings, which can ultimately reduce borrowing costs for municipalities.

## Improved Financial Management

By relying on an accounting firm, municipalities can also improve their financial management.

Outsourced accounting services grant on-demand access to a team thoroughly knowledgeable in financial best practices for local governments. These experienced accountants can provide valuable insights into a municipality's financial health, helping to identify areas where expenses can be reduced, or revenue can be increased.


These insights significantly reduce the amount of research time wasted by the municipality's management. They can also help municipalities create more data-driven, long-term financial plans and budgets. By having a clear understanding of their financial situation, municipalities can make informed decisions about how to allocate resources and manage their finances effectively.

Outsourcing accounting services can provide numerous benefits for municipalities and local governments. By leveraging

the expertise of experienced accountants, municipalities can improve their financial reporting, reduce costs and improve their financial management. In the face of a shortage of experienced accountants, outsourcing accounting services may be the best option for municipalities looking to maintain their financial stability and avoid credit rating downgrades.

Interested in working with an outsourced accounting advisor? [Contact the team at BSSF](#) today.

*[Brian R. Marchuck, CPA](#), is a Principal at BSSF and a key member of the Firm's local government and nonprofit auditing team. He has over 15 years of experience providing accounting, auditing and tax services to local governments, school districts and nonprofit organizations. He also specializes in providing outsourced Chief Financial Officer (CFO) services for municipalities. □*





**May 9  
11:00am EDT**

### From Data to Funding: Accelerating 10-Minute Walk in Pennsylvania

Local, state and federal funding sources are critical to preserving Pennsylvania's green spaces, land, water, and natural character, and to develop parks for current and future residents throughout the state. This webinar will look at statewide 10-minute walk data, Pennsylvania's park equity gaps, potential funding sources, and examples of successful grants and projects.

**REGISTER: [bit.ly/3zbMkJd](https://bit.ly/3zbMkJd)**

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DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES

 **10-Minute Walk**







# The Value of a Managed Energy Purchasing Strategy

SUBMITTED BY CONSTELLATION, LEAGUE BUSINESS LEADERS NETWORK MEMBER

Power prices are always moving. The past several years, we've seen historically high energy prices as natural gas supply and demand has reached record highs, conflict in Europe has caused increased exports and weather patterns are becoming more volatile and unpredictable. Natural gas fired power plants are expected to be the largest source of power generation in the U.S. at about 38% of the market in 2023, according to the EIA's Short-Term Energy Outlook (STEO).

Staying on top of these factors and more makes power procurement a daunting task at times. Even full-time stock analysts and sports handicappers are right about 50% of the time. A single "bad" choice on when to lock-in forward power supply can cost your company thousands of dollars today, and into the future, depending on how long your retail contract lasts. So, how do energy buyers mitigate such risk?

***A "bad" choice on when to buy can cost your company thousands of dollars today...and into the future.***

## Why a Managed Purchasing Strategy Works

By deploying a managed, or layered power purchasing strategy, energy buyers can effectively manage risk and price. A managed strategy can take a variety of forms—from simple and manual to very complex and automated. The key is that you take a managed approach when buying portions of your future power usage or load.

One simple purchasing strategy to consider is this: instead of looking at buying energy once a year, or every other year, spread your risk and purchasing over time by layering or locking in percentages of your load over time, thereby proactively managing exposure to fluctuating market rates. Doing so provides increased control over energy price changes and spreads out overall risk in both price and timing.

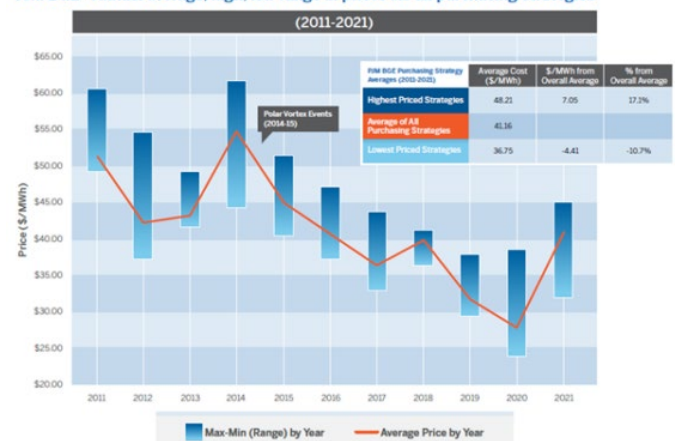
To be successful, decision-makers in the competitive power markets will need to become increasingly market savvy when it comes to their procurement strategies. Use of more complex market-based concepts and layering-in strategies will become increasingly important. Power buyers will also need to become increasingly familiar with how the financial markets are influencing the capital investments in the energy production sector with changing ROI expectations and the increasing emphasis on ESG. Constellation will continue to monitor and report on these metrics and provide our customers the latest trends impacting power purchasing decisions.

Check out Figure 2A from Constellation's recently published [Energy Purchasing White Paper](#) below where you can see that impact of having a managed purchasing strategy in place can not only significantly lower risk but can also make a big difference in the final outcome in overall costs.

**Figure 2A. Constellation's Evaluating Power Purchasing Strategies for Your Business White Paper**

Figure 2A

PJM BGE - Annual average, high, low range in prices for all purchasing strategies



Download our Evaluating Power Purchasing Strategies for Your Business for a detailed look into how managed strategies performed over a 10-year period.

### How to Get Started on Your Strategy

To get started on creating a managed strategy, you should first look at your power usage monthly, seasonality and possibly even at the hourly level. From there, your business' financial budget is an important driver. At that point, we estimate an effective strategy can be developed with about 20 hours per year of effort, and your Constellation business development manager can guide you along the way.

Additionally, look at the economic and natural gas and power conditions, as well as upcoming weather forecasts impacting energy prices. Constellation updates energy managers with this information every month during our [Energy Market Intel Webinars](#). Knowing the current trends and what's expected to come are all important to consider when strengthening your energy strategy.

For customers that want further assistance, we also provide a variety of tools to help plan, measure and

adjust their strategy over time. Our [Information-to-implementation \(i2i\)](#) is a no-cost reporting service to help you plan your budget and make informed purchasing decisions. One component of the service is the Energy Strategy Planner, which shows your usage and cost over a period of time, typically five years, identifying your expected budget costs under a variety of plans.

In moving forward with a power purchasing strategy, it's important for customers to have a clear understanding of their load shape, risk tolerance and pricing goals and then put in place a managed strategy to both the layering in of purchases at fixed prices and any portions of the load at index prices. By thoughtfully approaching these factors, you can implement a plan that makes the most sense for your business. For help with your power purchasing strategy, contact Matthew Shortall at 443-602-5755. □



Taking steps to prevent labor and employment issues is a far better strategy than trying to mitigate them after the fact. We partner with municipalities in every corner of the Commonwealth, helping them address potential risks and create work environments where people and public service can thrive. We'd like to do the same for you.



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# Public Funding Pitfalls and Myths



BY JESSE SUDERS, MPS, GISP - DIRECTOR OF MUNICIPAL SERVICES / COMMUNITY AND ECONOMIC DEVELOPMENT PLANNER, GOVERNMENT FINANCE SOLUTIONS – A DIVISION OF DAWOOD, LEAGUE BUSINESS LEADERS NETWORK MEMBER

**Introduction:** Public funding applications are most successful when they are rooted in community vision and expectation, are outlined by a strategic or comprehensive plan, incorporate capital improvement plan timelines, and are organized within a public funding strategy.

This is true, not only because funding agencies often look for community engagement and big picture strategy, but because it reduces the burden placed on staff as they pursue funding. Having these elements in place lays a foundation for success. The absence of this foundation creates pitfalls and perpetuates myths.

**Pitfall - Throwing spaghetti at the wall:** The random application for public funding at high volumes with the hope that “something sticks” may lead to success, but that success comes at a cost of limited return on investment and may lead to grant fatigue.

If you are paying a consultant to apply for grants without a strategy, it tends to be more expensive. This is because you tend to over-apply, over-invest matching funds, and miss opportunities for reducing match requirements. Additionally, quality tends to degrade because of this approach.

If your in-house staff are applying for grants randomly and at volume, they may burnout or suffer mental defeat when applications are not successful. This leads to grant fatigue. Symptoms of grant fatigue include statements like, “we don’t have capacity to...”; “we are never successful at...”; “they don’t give money to...”; “that’s only for cities...”

**Pitfall - Leaving money on the table:** Leaving money on the table is common, and easy to do. Timing and matching are two primary culprits. Executing projects too quickly in the absence of a public funding strategy may preclude work completed from qualifying for additional grants. Additionally, some grants can be used as matching funds against match requirements for other grants. For example, a DCNR C2P2 grant funded by the LCWF can be used as a match for a DCED GTRP grant (Federal dollars matched against state dollars). Without a strategy, you may miss out on these opportunities.

**Pitfall - Lack of engagement and/or engagement follow through:** Engagement isn’t about generating support for a grant application. Engagement is about generating interest, a sense of purpose, and

an opportunity to contribute to a mission. Engagement of agencies, public, and elected officials should begin at the comprehensive planning level, be included as part of the capital improvement plan, and status updates should be incorporated into each public meeting. Elected officials and funding agencies should be kept aware of current public funding pursuits, as well as how expenditures of past awards are being applied. This demonstrates to the official how their efforts in supporting your municipality are doing remarkable things for their constituency. Not only will this foster continued support for current and future projects, it helps to avoid community planning fatigue by demonstrating planning in action, results driven approaches, and success.

**Myth 1 - Only urban communities receive grant funding.** This is simply not true. I recently aided a community in rural Tioga County Pennsylvania in receiving a C2P2 grant for a public park. The community within which I live in rural south-central Pennsylvania just received a similar award. It’s about need and how that need is conveyed, as well as who you engage for support.



**Myth 2 - Only municipalities with large budgets can afford to apply for grants.** It is true that you need matching funds for a grant application. Also, if the program is a reimbursable one, you will need to pay for project components and then apply for reimbursement. You should plan for that as part of your public funding strategy. There are public-private partnerships and stakeholders that can support projects financially. In fact, I recently aided a municipality in developing a partnership with a school district to cover 50% of matching costs for a grant. So, trust me when I say, it can and has been done.

**Myth 3 - All grants and grant writers are created equal.** Every grant is different and grant guidelines can change from year to year. A public funding strategy takes this into account by developing a monitoring matrix that is used as a living document and updated regularly. To the second point, not all grant writers are created equal. There are generalists and specialists. Some grants need a specialist. For example, the Redevelopment Assistance Capital Program (RACP) is a complex multifaceted application process that has a host of conditions and criteria that must be met for a project to be eligible. A public funding strategy should identify these needs and suggest resources.

**Myth 4 - A good looking and well-written application means success is at hand.** I have seen beautifully written grant applications for fantastic projects be denied, and others with

nothing more than bullet points get awarded. Some agencies want you to wax poetic, while others want bullet points and statistics. A public funding strategy helps to define how applications are historically judged and awarded. This helps guide application development, plan for capacity, and improve efficiency.

**Myth 5 - You should ask about a grant writer's success rate.** Reputation is important, but success rate is misleading. **THERE IS NO GUARANTEE OF SUCCESS FOR PUBLIC FUNDING.** I have seen projects which, on paper, showcased amazing opportunities with mountains of community support be denied, while others that lack this information are awarded. A public funding strategist and grant writer may not take on projects that lack support, merit, or simply have a low probability of success. Therefore, their success rate would be higher. You may not know if your project is a suitable candidate or not. A public funding strategy should include a feasibility evaluation that outlines the level of decision maker support and merit.

**Recommendation:** Public funding applications are most successful when they are rooted in community vision and expectation, are outlined by a strategic or comprehensive plan, incorporate capital improvement plan timelines, and are organized in a public funding strategy. This will help you to avoid the pitfalls and myths listed above.

Additionally, money spent on a well-planned public funding

strategy reduces long-term costs by narrowing focus and increasing efficiency. Every dollar spent on grant pursuits is offset by an award. A \$600,000.00 award offsets a \$5k strategy and \$10k application preparation fee, and still leaves you with \$585,000.00 that you didn't have before. Even if an application requires a resubmission, the second submission should cost significantly less to execute (because it has already been written for the previous submission) and the award will still significantly offset the cost.

Have a question? Feel free to contact me, Jesse Suders, at [Jesse.suders@dawood.net](mailto:Jesse.suders@dawood.net) to discuss your public funding needs. □





# Creating Advantages in a Difficult Bidding Environment

## Bidding Considerations for Adapting to a 'Different Normal'

SUBMITTED BY PENNBID, LEAGUE BUSINESS LEADERS NETWORK MEMBER

To say that today's bidding environment is difficult is a bit of an understatement. From supply chain logistics to material and labor shortages, rising fuel costs, geopolitical instability and global market volatility and inflation, the variables are stacked against municipalities like dominos on an old card table with wobbly legs.

This "perfect storm" of conditions has presented a host of new challenges for public agencies to manage, all while continuing to embrace fiscal responsibility on behalf of their tax/rate-payers.

### Impacts on municipalities

As with most public infrastructure needs, public agencies can't easily put their projects on hold. Chances are, if you've put anything out to bid lately, you have been negatively impacted by one or more of the following: fewer bids, higher prices, extended timelines, or the need to rebid or postpone the project. You are not alone.

While not everyone does their bidding electronically, PennBid sees enough volume – from more than 1,700 public agencies and design firms – to provide a good representation of what the industry is experiencing. Evaluating the number of sealed bids received per solicitation during the past four years shows a 15% reduction during 2022. This is very significant! Additionally,

the number of projects being rejected or those receiving less than three sealed bids have also increased.

Clearly, this can create angst when you're trying to evaluate budgets, scopes and completion times for projects; however, not all impacts have been bad. For starters, competitive interest rates, coupled with American Recovery Plan (ARP) stimulus dollars and other monies, have enabled municipalities to secure funding for many of their projects. Signs also point to price decreases for materials in the near future.

### Understanding impacts on bidders

To attract bidders and create conditions for competitive pricing, you must understand what is appealing to them.

Faced with labor shortages, difficulties getting materials and increasing costs for equipment and fuel, bidders are often trying to manage suppliers and subcontractors who won't, or can't, hold the line on pricing due to volatility and availability. With many projects postponed due to the pandemic in recent years, bidders have experienced significantly more projects becoming available in 2022 – a trend that continues in 2023. While good for the economy, this backlog has created demand that exceeds the supply of available, qualified contractors in some areas.

Bidders are also being asked to hold their prices for extended periods, which increases their risk. If they're uncomfortable with your project's schedule, pricing or material deliveries, bidders will either inflate their prices to absorb unknown risks – or simply not bid.

### Adaptability and flexibility

To manage these impacts, municipalities must adapt – possibly, by being flexible in areas not previously considered. Public agencies cannot control what bidders will do, but they can create conditions that will attract them. To that end, we have dissected the bidding process and come up with four key elements that municipalities can focus on for a competitive edge:

#### *Timing*

Time: It's the most valuable of commodities.

You want your projects to start on time and be completed quickly with minimal down time, right? In an ideal world, that would be the norm, but with so many issues impacting projects today, you may need to consider other timing options, such as:

- Bidding during the off-season or nontraditional times, which may enable more bidders to participate.

- Paying attention to nearby municipalities and their projects. If they are bidding at the same time, you are likely competing for the same contractors.
- Extending your timeframes when advertising for bids. If bidders don't have adequate time to consider the details – especially on more complex projects, they will either walk away or inflate their prices.

### ***Incentives / disincentives***

Providing incentives along with disincentives (liquidated damages) can have a profound impact on bidder participation and project completion. In other words, it can be a highly effective strategy.

While incentive clauses are rare and have the potential to raise the overall cost of projects, they can serve as attractive “carrots” for bidders when used judiciously and applied to critical projects or milestones.

### ***Cost escalation clauses***

Historically, public agencies have shied away from escalation clauses since they open the door to potential price increases, and everyone wants predictable and stable budgets. However, with the unprecedented volatility of material and fuel costs, it's impossible for bidders to accurately predict expenses for long periods. If you don't accommodate the reality that the cost of some items are beyond bidders' control, they will either not bid or over-inflate prices.

Escalation clauses can be powerful in demonstrating that you understand market conditions and are willing to incorporate reasonable steps to lower bidders' risks in volatile areas.

If you are considering incorporating escalation clauses, here are some things to consider:

- Clearly define the specific materials, products and situations that will be considered, along with triggers and thresholds and percentage-increase maximums.
- Be clear that escalation clauses do NOT apply to profit margins or labor – only materials, supplies, etc.
- Establish what kind of documentation bidders will need to provide and when.
- Allow for cost reductions if market conditions change. (This isn't likely, but if costs do come down, the municipality should benefit.)
- Be prepared for the extra time required to review and manage these escalation requests.

### ***Supply chain considerations***

Today's environment is placing a premium on supply-chain relationship management (SRM). Therefore, understanding what materials and equipment could be problematic during project planning, design and even bidding can be a lifesaver. Here are a few recommendations:

- Make sure the engineer, architect and installer communicate often with manufacturers and suppliers to determine the availability of materials and equipment.
- If there are suspected longer-than-usual lead-time items, ask for substitutions or alternates (during the bidding process at the latest). This will usually mean additional review time and costs; however, the effort might just save your project.
- In some instances, it may be appropriate to require all materials to be delivered and on-site before the project's start. This will minimize the chances of delivery delays affecting the

completion time, although it may require increased staging or laydown areas.

### ***Final considerations***

Yes, this is an unusually difficult bidding environment that will, at times, call for unconventional steps to be successful. If considering some of the changes outlined above, be sure to involve all members of your team: the designers, consultants, solicitor, funding sources and even potential bidders.

Municipalities have routinely answered the call to innovate and adapt to challenges and changing conditions. Embracing more flexible or creative approaches is just another step in the evolution of bid management.

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### ***About PennBid***

*A trusted partner of The League and member of the Business Leaders Network, PennBid is the region's leader in e-procurement and online bid management programs. Provided at absolutely no cost to public agencies and design/consulting firms, PennBid has opened doors for many to take advantage of electronic procurement tools generally not available due to high cost and system complexity. For more information about PennBid or to arrange an overview of the program, visit our website at <https://pennbid.net>. □*







# Navigating Pennsylvania's New Data Breach Notification Law: Act 151 for Municipal Administrators

SUBMITTED BY INFRADAPT, LEAGUE BUSINESS LEADERS NETWORK MEMBER

The rapid advancement of technology has led to an increase in network vulnerabilities and cyber threats. Municipal and law enforcement agencies in Pennsylvania, including townships, boroughs, police departments and authorities, must prepare for new regulations governing data breaches. Former Governor Tom Wolf signed the PA Senate Bill 696, amending Act 151 (Breach of Personal Information Notification Act), which goes into effect on May 22nd, 2023. This new law imposes significant changes and obligations when handling cyber incidents involving Personally Identifiable Information (PII), including developing and maintaining policies for data transmission and storage.

## The Importance of Act 151

Act 151 aims to strengthen the protection of personal information held by local entities and increase transparency in the event of a data breach. As a result, municipalities must adapt their processes and procedures to comply with the new law. This includes notifying affected individuals within seven days of determining a breach, and notifying the local district attorney within three days. Administrators must also

establish policies for data transmission and storage of PII, reviewing and updating them annually or as necessary.

## Defining Personal Information

The definition of personal information has been expanded under Act 151 and now includes health insurance information, medical information, and username/password combinations with security questions and answers. The law clarifies that personal information does not encompass data made publicly available from government records or widely distributed media. This distinction is crucial when determining which information requires protection.

## Developing and Maintaining Transmission and Storage Policies

Act 151 requires PA State agencies to develop and maintain policies governing the proper encryption or other appropriate security measures for data transmission and storage. These policies should be reviewed annually and updated as necessary. The core pillars of this policy should include:

**Transmission Policy:** A protocol must be established to govern the proper encryption or other appropriate security measures for data transmission by state agencies.

**Storage Policy:** Develop a strategy to govern the reasonably proper storage of personal information, with the goal of reducing the risk of future breaches.

When developing these policies, key staff must consider similar existing federal policies, best practices identified by other states, and relevant studies and other sources in accordance with best practices established by the federal government and the Commonwealth.



## Vendor Responsibilities and Local Entity Obligations

Under the new law, vendors that maintain, store, or manage computerized data on behalf of a local government institution must notify those effected upon discovering a data breach. However, the administration is ultimately responsible for determining the breach and discharging any remaining duties under Act 151. As a result, administrators must ensure that their vendors are aware of their obligations and have appropriate measures in place to prevent and address such events.

## Electronic Notification Procedure and Substitute Notice

Act 151 introduces an electronic notification procedure, in addition to the existing options of providing notice via letter, phone call, or email. This new procedure allows municipalities to instruct affected individuals to change their password and security credentials and take other appropriate steps to protect their information. This addition aims to streamline the notification process and make it more efficient for both public administrators and impacted individuals.

## Encryption and Compliance

All institutions maintaining, storing, or managing computerized personal information on behalf of the Commonwealth must utilize encryption. These organizations must also adhere to policies relating to the transmission and storage of personal information, which were previously developed by the Governor's Office of Administration.

If subject to and compliant with specific healthcare and federal privacy laws, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), networks are considered compliant with Act 151. This provision helps to streamline regulatory compliance for administrations that already follow other stringent data protection laws.

## Preparing for Act 151

As the deadline for Act 151's implementation approaches, organizations must familiarize themselves with the new requirements and be mindful of the personal information they hold. They should ensure that their vendors are aware of their obligations, establish encryption protocols, and develop and maintain data transmission and storage policies, reviewing and updating them annually or as necessary. Additionally, an internal risk mitigation and management team should develop contingency plans to address such events promptly and effectively.

These modifications represent a significant change in data breach notification and protection laws. Leaders throughout the public sector must adapt to these new requirements to maintain compliance and ensure the security of personal information. By developing and maintaining policies for data transmission and storage, administrators can enhance their security measures and reduce the risk of future breaches. This proactive approach not only helps ensure compliance with Act 151 but also fosters trust and confidence among the constituents they serve.

*Center, Legislative Data Processing. "Bill Information - Senate Bill 696; Regular Session 2021-2022." The Official Website for the Pennsylvania General Assembly, <https://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2021&body=S&type=B&bn=696>. □*



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# Quitting Your Job and Unemployment Eligibility

**SUBMITTED BY ELIZABETH HENRY, TRUSTS MEMBER SERVICES MANAGER**

**WITH CONTRIBUTIONS BY JOHN FIORELLI, EXPERIAN SENIOR CUSTOMER SUCCESS MANAGER**

In order for an individual to quit their job and be found eligible for unemployment, they must show that they had good cause and exhausted all options.

Pennsylvania employers are often surprised to hear that an employee who voluntarily resigned for another job is deemed eligible for unemployment. Under Pennsylvania Unemployment Compensation Law, if the claimant had an “affirmative job offer” from another employer and for whatever reason that job fell through, they can be eligible to collect unemployment. The best way to combat this situation would be to ask the employee to put in writing as to the reason for their resignation. This will prevent the employee from changing their story if the claim should go to an unemployment hearing. In an unemployment hearing, the claimant or former employee will be held to whatever reason they provided to the employer in their resignation letter. In addition, the unemployment hearing will provide the employer the opportunity to ask questions about the alleged “affirmative job

offer” they received, and it will also provide the Referee the ability to assess the credibility of the claimant through their responses and body language.

Voluntary Quit Examples Considered Good Cause for unemployment eligibility:

1. Health Reasons - For this reason the claimant will also have to show that they can still work in some capacity to be eligible for unemployment.
2. Transportation Problems - This would apply if, for example, the employee took public transportation which was no longer being provided.
3. Spouse Following Spouse - An example would be a spouse in the military being transferred to another base. When one spouse has a job transfer, and the other spouse follows to the new location, the spouse following may be eligible for benefits.
4. Personal Reasons - This would depend on whether the claimant exhausted all possible options.

5. To Attend School - This only applies if the claimant is quitting under the Trade Readjustment Act. This act indicates that the work must be of equal or higher skill level than the past job.
6. Unsuitable Work - This is referring to changes in the job description that the claimant did not agree to upon hire.

For more information, please go to the Pennsylvania Unemployment Compensation website:

<https://www.uc.pa.gov/unemployment-benefits/Am-I-Eligible/benefit-eligibility/Pages/Voluntary-Quit.aspx>

Information such as above is available to all U•COMP Members. Please contact Elizabeth Henry, Trusts Member Services Manager, [ehenry@pml.org](mailto:ehenry@pml.org) / 717-236-9469, ext. \*250, for a free non-binding quote. □



**PELRAS**  
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# 41<sup>st</sup> Annual PELRAS Conference Wrap-Up

BY MARY COSTIK, CMP, LEAGUE MEETING MANAGER

If you were lucky enough to attend this year's 41st Annual PELRAS Conference, you know what a valuable learning experience this training conference is for your community. With the attendance numbers reaching the 500-person limit, this conference was standing room only!

The goal of the PELRAS program is to share workable solutions on how to avoid lawsuits, mitigate labor and management tensions, and improve service delivery ensuring that municipalities of any size effectively and proactively manage their workforces.

On that note, the experts from Campbell Durrant, P.C. provided exceptional training on cutting-edge topics such as: *Dealing with the Habitual "Minor Rule" Breaker*; *Post-Pandemic Mental Health Issues in the Workplace*; *Crisis Management & Public Relations in the Social Media Age*; *Subtle Sexual Harassment: The Evolution of the Workplace*; and *Employee Criminal Conduct: How to Investigate and Discipline*. Long-

standing topics such as Bargaining Issues, Unfair Labor Practices, Drug Testing and Arbitration continued to be hot topics again in 2023.

Comments from this year's event included: "As a newly elected official, I found it incredibly helpful to learn about municipal law and all the things my manager has to deal with; The sessions were top-notch and the networking was very valuable; A solid educational opportunity presented in a professional and intelligent manner."

Thinking about attending next year's conference? It will be March 13-15, 2024 at The Penn Stater Conference Center Hotel.

For more information on how your municipality can receive legal representation and attend the annual conference at reduced rates by joining PELRAS, please visit The League's website at [PML.org/PELRAS](https://PML.org/PELRAS). □







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## League First Vice President Mayor Douglas Baker, Franklin, and League Members Recognized with 2023 Governor's Awards for Local Government Excellence

SOURCE: PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

On behalf of Governor Josh Shapiro, Department of Community and Economic Development (DCED) Acting Secretary Rick Siger recognized municipalities and local government officials for their dedication to strengthening their communities and better serving their residents.

On April 12, 15 communities, 5 organizations, and 8 individuals from across the commonwealth were recognized for excellent service as part of the 27th Annual Governor's Awards for Local Government Excellence. Information about the recipients can be found on [DCED's website](#).

"The important work done by local officials across our Commonwealth has the power to impact Pennsylvania families every day," said Governor Shapiro. "Each of this year's recipients have shown exceptional dedication to improving public services through innovative initiatives and a continued focus on getting things done for their communities. The individuals, municipalities, organizations, and counties being recognized represent the best of us, and public service is not just what they do – it's who they are."

The recognitions occur each year on Pennsylvania Local Government Day, which focuses attention on the need for strong, independent, and active local government in the Commonwealth and celebrates the valuable contributions made by residents serving their communities.

"As someone who spent several years working in county government, I've seen firsthand the important work that is done at the local level – building community partnerships, responding to adversity, creating health and wellness initiatives and promoting community and economic revitalization," said Lieutenant Governor Austin Davis. "This critical work could not occur without the dedicated individuals making it happen, day in and day out."

Congratulations to **League First Vice President Mayor Douglas Baker**, City of Franklin, for his individual award recognizing his dedication to public service and improving the quality of life for the residents of his community.

Municipalities, organizations and counties were recognized for finding creative ways to improve their communities in the following categories: Building Community Partnerships; Fiscal Accountability and Best Management Practices; Health and Wellness Initiatives; Information Technology; Innovative Community/Governmental Initiatives; Innovative Planning and Sound Land Use Practices; Intergovernmental Cooperation; Promoting Community/Economic Revitalization; Responding to Adversity; and Municipal Leadership.

Congratulations to the following League members who were recognized for their successful local government initiatives:

The **City of Beaver Falls** created "The City of Beaver Falls Innovation Corridor" and **Upper Chichester Township** developed the "Upper Chichester Township Heart and Soul." Both received awards for Promoting Community/Economic Revitalization.

The **City of Hermitage** (and the Borough of Wheatland) received an award for Intergovernmental Cooperation for their "City of Hermitage and Borough of Wheatland Municipal Merger."

The **City of St. Marys** received an award in the category of Information Technology for their "My St. Marys App."

"The Shapiro Administration is thrilled to celebrate these local governments – and passionate people that serve them – that provide the highest level of service to their communities across this Commonwealth," said Acting Secretary Siger. "Local government has the greatest impact on our day-to-day lives. The projects and individuals recognized are essential in helping to make Pennsylvania the best place to live, work, and prosper."

DCED's Governor's Center for Local Government Services sponsors Local Government Day annually to honor local governments and officials who serve their communities and improve their quality of life.

Video, audio, and photos from the event are available at [PACast.com](#). □





# Legislative Status Report STATE



PREPARED BY AMY STURGES, LEAGUE DEPUTY EXECUTIVE DIRECTOR – ADVOCACY – [asturges@pml.org](mailto:asturges@pml.org)

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*All legislation can be found on the General Assembly's website:*

[legis.state.pa.us](https://legis.state.pa.us)

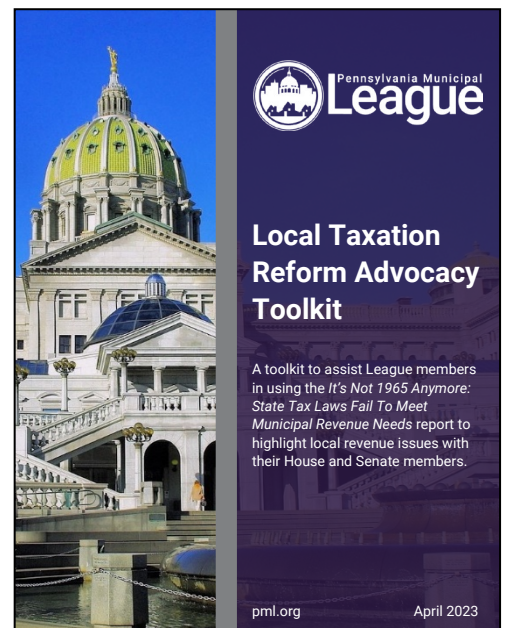
## Legislative Update

### Local Taxation Reform Advocacy Toolkit

The Pennsylvania Economy League published the [It's Not 1965 Anymore: State Tax Laws Fail To Meet Municipal Revenue Needs](#) report in collaboration with The League, highlighting the limitations of the local taxation system in the 21st century.

The League developed the toolkit to complement the report and assist members with educating their legislators about the bleak financial reality local governments face across the Commonwealth as a result of antiquated tax laws.

Take action now by downloading the [toolkit](#) and using its resources to advocate for your municipality.





## Cosponsor Memos Affecting Local Government

### Police and Fire COVID-19 Benefits Under Act 17 of 2020

Representative Sheryl Delozier has announced intention to introduce legislation amending Act 17 of 2020 clarifying that the sick leave benefits provided are only available to police and fire personnel during a declaration of disaster emergency for COVID-19.

### Increasing Funding for Emergency Services

Representative Jim Rigby has announced intention to introduce legislation increasing the permissible leverage of property taxes from .5 to 1.5 mills to fund emergency services for boroughs, first class and second class townships.

### County Property Code Enforcement

Representative Alec Ryncavage has announced intention to introduce legislation allowing counties to enact and enforce property maintenance codes when a municipality does not have the means to do so on their own.

## Legislation Affecting Local Government

### Continuous Maintenance Permit

***House Environmental Resources and Energy Committee, March 9, 2023***

[House Bill 200](#) (PN 158), reintroduced by Representative Clint Owlett, would amend the Dam Safety and Encroachments Act creating an optional continuous maintenance permit that can be requested by a municipality or the Department of Transportation.

The bill would require the Department of Environmental Protection (DEP) to develop a 10-year continuous maintenance permit that allows municipalities as permittees to accept responsibility to maintain, inspect and monitor watercourses, water obstructions, appurtenant works and encroachments. Eligible municipalities must not have a history of consistent and significant permit violations. Once approval is granted, the permittee is not required to seek preapproval or authorization from DEP for maintenance conducted under the permit. Work must be performed in a manner consistent with prepared plans as signed and certified by a registered professional engineer. Work performed under such plans will not be considered a permit violation, and permittees would be required to provide annual reports to DEP of work undertaken. Permits may be extended for another 10-year period after the initial permit ends.

### Flood Hazard Notification Act

***House Committee on Local Government, March 10, 2023***

[House Bill 246](#) (PN 209), introduced by Representative Tina Davis, would create the Flood Hazard Notification Act. A municipality that receives notification of a preliminary special flood plain map change from the Federal Emergency Management Act (FEMA) must provide all impacted residential, commercial, mixed-use, industrial, agricultural or special use property owners with written notification of the change within 90 days. It must include the name and contact information for the municipal corporation's flood plain administrator, as well as the webpage, phone number and address for the National Flood Insurance Program. Counties would also be required to provide written notification to affected property owners within 90

days of receiving the final flood plan map.

The municipality and county would be required to send first class mail to each effected property owner to comply with the written notification requirements in the bill. Neither the municipality nor the county will be held responsible for the failure of a property owner's receipt of a notice due to a service disruption from the U.S. Postal Service.

### Requiring PennDOT to Track Communications from Municipalities

***House Committee on Transportation, March 23, 2023***

[House Bill 671](#) (PN 614), introduced by Representative Tarah Probst, would amend Title 75 (Vehicles) requiring PennDOT to develop and maintain an online database to track communications from municipalities to its regional offices. The database must contain the name of the municipality that contacted a regional office, the location of the regional office, a summary explaining why the office was contacted, a description of how the department assisted the municipality and whether the office was able to resolve the municipality's issue.

PennDOT would be required to update the database within 72 hours of a municipality contacting the office.

### Public Safety Authorities

***Senate Veterans Affairs and Emergency Preparedness Committee, March 14, 2023***

[Senate Bills 501](#) (PN 469) and [502](#) (PN 470), introduced by Senators Lisa Baker and Tim Kearney respectively, would amend the Municipality Authorities Act providing for two types of public safety authorities – fire and EMS.



A county may establish a public safety authority for fire or EMS services - police services are excluded under the bills. Senate Bill 501 would authorize EMS authorities and Senate Bill 502 would authorize fire authorities. No more than two authorities, of each type, can be created within a county. Under the bills, an existing public safety authority would be permitted to continue to operate without any limitation.

Municipalities may join a county public safety authority by opting into a contract by ordinance. Additionally, if a county does not intend to create an authority, the bill provides municipalities with a process to initiate and establish a public safety authority. Petitioning municipalities would be allowed to form the public safety authority if the county fails to respond to the petition within 120 days.

A public safety authority would be able to fix, alter, charge and collect reasonable and uniform rates and other charges for the services the authority provides. Public safety authorities would not be permitted to directly employ firefighters or directly provide fire protection services.

Lastly, the Pennsylvania Department of Community and Economic Development, in consultation with the State Fire Commissioner and the Director of the Bureau of Emergency Medical Services of the Department of Health, would develop guidance and contract with partners to aid counties in the creation of public safety authorities.


## Local Government Week and Day

### ***Senate Rules and Executive Nominations Committee, March 6, 2023***

**[Senate Resolution 61 \(PN 396\)](#)**, introduced by Senator Rosemary Brown, would designate April 9 through 15, 2023, as Local Government Week and April 12 as Local Government Day.

The resolution would show appreciation towards Pennsylvania's local governing bodies, officials and other employees. There are over 4,500 individual governmental units in the Commonwealth. Citizens rely on the services provided by these dedicated individuals and their contributions to communities. ☐

## House and Senate Session Days 2023

<u>House</u>		<u>Senate</u>
<b>May</b> 1-3, 22-24		<b>May</b> 1-3, 8-10
<b>June</b> 5-7, 12-14, 20-22, 26-30		<b>June</b> 5-7, 19-23, 26-30

*\*reminder  
session dates are subject to change*





## Engaging Youth Workforce through Sustainable Career Paths

BY NYA ANTHONY, GRADUATE INTERN, RESEARCH AND DATA - CENTER FOR MUNICIPAL PRACTICE AND APPLIED RESEARCH, NATIONAL LEAGUE OF CITIES

Cities are facing unprecedented labor shortages, with the COVID-19 pandemic contributing to a surge of more than 3.5 million retirements since 2020. Moreover, the Bureau of Labor Statistics (BLS) forecasts that labor force participation among youth [ages 16 to 24 will likely decline by more than 4 percent](#) between 2020 and 2030. Meeting the needs of tomorrow's governments, businesses and families will require charting a more decisive course for youth workforce development.

As youth enter the workforce, many are looking for careers in [the growing sustainability field](#), which is ever more relevant with recent federal investments in climate-resilient infrastructure. Additionally, these roles, or “green jobs,” exist within an industry sustained by natural resources where opportunities are unlikely to diminish in the short or long term, especially as [the demand for green talent \(8%\) will soon outpace supply \(6%\)](#). Green jobs include careers in environmental science, renewable energy and resource management, as well as less apparent jobs such as urban planning, sustainable fashion, transportation and other areas with transferrable skills across sectors.

As local governments look to attract and retain the next generation of workers, they should consider ways

to engage this increasingly environmentally engaged generation of talent. Currently, [98 percent](#) of youth feel governments should do more to tackle climate change. This interest, combined with the greater demand for green-skilled labor and [high-earning potential of these green jobs](#), should incentivize local governments to incorporate these roles into the municipal workforce. When developing these roles, local leaders should consider ways to create stronger pathways between youth and long-term labor participation.

### Federal Funding Allows Green Jobs for Youth

Federal initiatives such as the American Rescue Plan Act (ARPA) and the Bipartisan Infrastructure Law (BIL) allow for further investment in youth engagement in paid work that meets [infrastructure](#) and conservation needs in communities. These needs are significant, as local infrastructure around the country [needs repair](#), and infrastructure jobs are [more challenging to fill](#) than non-infrastructure jobs. Currently, 60 percent of infrastructure jobs require six months of training or less and can provide a fast on-ramp to well-paying and stable careers, yet the pathways into them remain largely unfilled.



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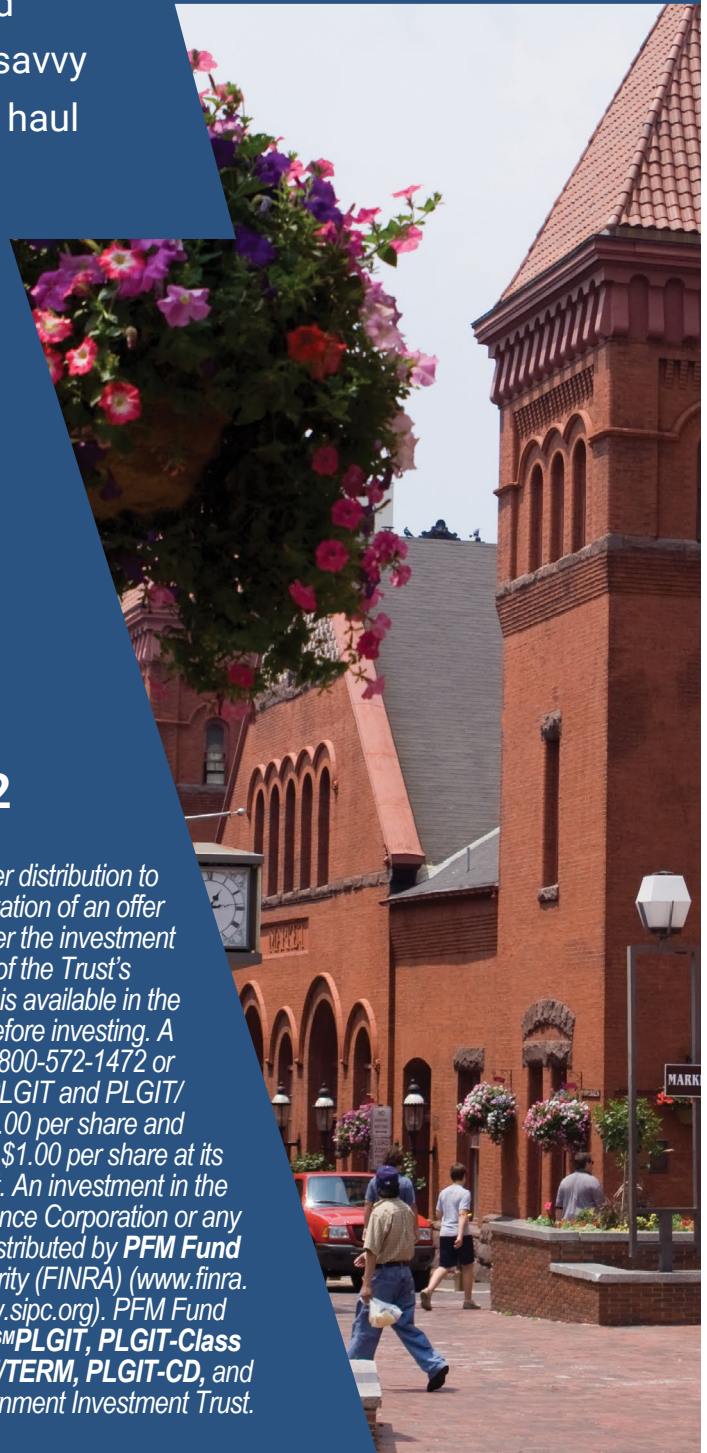
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Localities that leverage their younger workers to fill these critical jobs may increase their economic competitiveness and improve the economic trajectories of their residents. In addition to the broadly flexible ARPA State and Local Fiscal Recovery Funds (SLFRF), BIL specifically cites youth conservation corps as eligible entities to address climate-related infrastructure needs.

The [Healthy Streets Program](#) authorizes contracting priorities to youth and conservation corps members from disadvantaged communities. These youth help with tasks like mitigating the negative impacts of heat in urban areas, improving air quality, and installing permeable road surfaces that reduce the risk of flooding from stormwater runoff.

Additionally, BIL's [Wildfire Risk Reduction](#) program provides \$200 million to contract workers from existing local organizations like youth and conservation corps that engage young adults, especially native youth. For this initiative, youth workers help clear flammable vegetation on federal lands and produce biochar, a product that can mitigate the climate effects of carbon emissions.

### Cities Encourage Youth Innovation

Many cities are already leading the way by connecting youth to these promising careers. The Office of Emergency Management, Planning Department and Mayor John Cooper's Office in Nashville, TN, budgeted \$150,000 of their SLFRF allocations to meet youth engagement and community development needs. The city collaborated with [FUSE Corps to hire fellows](#) to support extracurricular learning opportunities for Nashville's youth and implement strategies to mitigate disaster and build long-term urban resilience.

Local leaders have also fostered youth interest in sustainability issues through more grassroots efforts. In 2022, San Antonio, TX, celebrated its [fourth annual Student Sustainability Showcase](#), where K-12 students presented ideas for environmental improvement and civic engagement. Projects included recycling initiatives and community gardens. Some participants, who were also members of Mayor Ron Nirenberg's Youth Engagement Council for Climate Initiatives, won grant funding from local environmentally conscious organizations for their projects.

### Next Steps

As summer approaches, local leaders should capitalize on the potential of youth seeking employment and provide sustainability skills-building opportunities. This can be accomplished in a variety of ways.

- **Developing public sector roles** like those in seasonal parks and facilities maintenance or apprenticeships in municipal water or energy plants in youth employment programs. Positions such as these expose youth to careers in energy, land use and resource management, which are essential to a sustainable future.
- **Collaborating with community partners** to develop more youth employment opportunities. City-corps partnerships can support workforce demands by [promoting children's connections to nature](#) through exploratory learning and mentorship. San José, CA, mobilized its corps to provide labor in support of their local food system needs, which can lead to more sustainable agricultural practices. As interest in green jobs increases, [sustainable agriculture cultivation](#) is one of the many industries projected to experience high job demand growth by 2030.

Today's youth are the future stewards of the environment. It's vital to deliver programs and access to roles where they can build skills that help prepare them for careers that interest them. As the sustainability field continues to grow, providing specific opportunities to develop the skills necessary for green jobs early on can better prepare youth for their future. Municipal leaders can leverage local resources and federal funding and collaborate with community partnerships to engage our nation's youth as the future of the green workforce.

NLC is poised to support your city's efforts to reengage youth in educational programs and develop high-demand employment programs. Learn more here about [Youth Excel: Cities Advancing Equitable Youth Economic Recovery and Empowerment](#), [The Reengaging Opportunity Youth in the South Initiative](#), and [Building a Municipal Workforce for the Future](#). □



## Shapiro Administration Plans To Improve Broadband Infrastructure Through Apprenticeship Grant Funding

[Learn More](#)





# Public Finance

## MARKET UPDATE: PLGIT'S OVERVIEW OF MARKET CONDITIONS FROM Q4 2022 INTO Q1 2023

BY TAMARA KEMMLER, PLGIT SENIOR MARKETING REPRESENTATIVE

By the close of 2022, the Federal Open Market Committee (FOMC) had raised benchmark rates by 4.5 percentage points as inflation hit its highest level in some 41 years.

Following four consecutive 0.75% interest rate hikes, the Federal Reserve (the Fed) downshifted the pace of monetary policy tightening, stepping down to a 0.50% increase in December. In doing so, the U.S. Central Bank signaled the potential for additional rate hikes in the coming meetings which could take overnight rates above 5%. Following the meeting, Fed officials seemed to express optimism for the possibility of an economic “soft-landing” as end-of-year inflation data had been encouraging.

Market participants were encouraged by potential progress on inflation when the Consumer Price Index (CPI) slowed to 6.5% in December while the Producer

Price Index (PPI) eased to 7.4%. These statistics fed into a belief that inflation had peaked, which helped drive U.S. equity markets higher during Q4. While there were still warning signs like weak consumer confidence and an inverted yield curve, a resilient labor market, characterized by low unemployment and strong wage growth, offered a contrasting positive message.<sup>1</sup>

However, after all the data-indicators suggesting that the Fed may have been right, January 2023's figures reminded economists that inflation still had some life left in it.

One of the Fed's other inflation gauges, the Personal Consumption Expenditures (PCE) Price Index, rose 5.4 % in January from a year earlier, an unexpected rise from 5.3% the prior month and more than the 5% economists had expected.<sup>2</sup> Even so, the Fed continued to loosen its rate-

tightening, raising rates just 0.25% at its February 2023 meeting.

*What does this mean?* While the ultimate course for rates will depend on incoming data in the coming months, the data suggests inflation accelerated to start the new year, putting the Fed in a position where it likely will continue to raise interest rates.

Once again, the labor front in January demonstrated continued strength in the U.S. jobs market as the U.S. economy added approximately 517,000 jobs during that month. The unemployment rate also fell during the period to 3.4%, a 54-year low.

### **What is currently driving interest rates?**

Rates for bonds that will mature in less than one year often referred to as money market rates, continue to reflect market expectations of additional rate increases during

<sup>1</sup> Rowe, Jeffrey, CPA; *PLGIT Perspectives*, Volume 35, Issue 4.

<sup>2</sup> Smialek, Jeanna, and Casselman, Ben; *The Fed's Preferred Inflation Gauge Sped Back Up*. *New York Times*. 24 February 2023.



the first half of 2023. The FOMC updated its official forecasts in December and stated that rates are expected to end 2023 above 5%. Market participants, who had been skeptical the Fed would be able to keep rates at a 5% peak throughout 2023, are starting to acknowledge this rate potential following the unexpectedly strong January labor report.

## What can a municipality do?

The FOMC's historic interest-rate-tightening campaign radically changed short-term interest rates in 2022. During this time, money market funds and short-duration/stable net asset value Local Government Investment Pools (LGIPs) provided stability to fixed income investors during a tumultuous period in fixed income markets. We began 2023 with a money market environment that offers 4-5% yields, an opportunity not seen in the past 15 years. This is a welcome change for those with idle funds as income potential has returned to the cash markets.

Regardless of market conditions, local governments may consider an investment plan based on safety and their specific cash flow needs — and stick to it. It's tempting to make a drastic change to try and hedge against what's happening in markets. It takes time and effort to monitor rates and stay on top of changes, among the myriad of other tasks on a municipal manager's list. Municipalities may wish to consider an investment approach based on future cash flow needs and a mix of investments, liquid and fixed-rate options, that provide for adequate liquidity for upcoming needs.

If you have questions about market conditions and how they might affect your PLGIT investments, contact your PLGIT representative.

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*Tamara Kemmler is a Senior Marketing Representative with PLGIT, serving investors in the western part of the state.*

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# PSATC President's Message



[SAM JULIANO](#)  
[COMMISSIONER](#)  
[NORTH VERSAILLES](#)  
[TOWNSHIP](#)



**[PML.org/PSATC](https://PML.org/PSATC)**

*Dear Commissioners:*

*PSATC's leadership and advocacy on issues such as local use of radar, public notice advertising and updating Act 511 was on full display on April 25! Your Executive Committee hosted a legislative breakfast and we are pleased that a significant number of state senators and representatives attended. We presented our legislative priorities and gained a receptive response. [Click here](#) to view PSATC's 2023 Legislative Priorities. However, we cannot do it alone.*

*Always remember, our work does not end at our municipal boundaries, it must reach into the halls of the Capitol Building. I encourage each of you to contact your senator and representative. Engage in meaningful conversation with them about these important issues. Encourage your boards to pass resolutions supporting these important initiatives. We can and will continue to make an impact. With so many new faces in the General Assembly, it is imperative that we educate the members on the important role First Class Townships play in our Commonwealth.*

*Advocacy and constituent services are two of the major roles of a township commissioner. Yet, our third responsibility of self-education must never cease. Each year, in conjunction with our friends at the Pennsylvania Municipal League, we jointly host a Municipal Leadership Summit. This year, our Summit will be held October 5-8 in Bethlehem, Pennsylvania. I invite you to attend. Learn not only from the speakers, but most importantly, from your municipal colleagues. We all face similar challenges and can learn from each other. It is a great experience. I hope to see you there!*

*Truly yours,*

*Sam Juliano*

## PSATC President, Commissioner Sam Juliano, North Versailles Township, and PSATC Members Recognized with 2023 Governor's Awards for Local Government Excellence

SOURCE: PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

On behalf of Governor Josh Shapiro, Department of Community and Economic Development (DCED) Acting Secretary Rick Siger recognized municipalities and local government officials for their dedication to strengthening their communities and better serving their residents.

On April 12, 15 communities, 5 organizations, and 8 individuals from across the commonwealth were recognized for excellent service as part of the 27th Annual Governor's Awards for Local Government Excellence. Information about the recipients can be found on [DCED's website](#).

"The important work done by local officials across our Commonwealth has the power to impact Pennsylvania families every day," said Governor Shapiro. "Each of this year's recipients have shown exceptional dedication to improving public services through innovative initiatives and a continued focus on getting things done for their communities. The individuals, municipalities, organizations, and counties being recognized represent the best of us, and public service is not just what they do – it's who they are."

The recognitions occur each year on Pennsylvania Local Government Day, which focuses attention on the need for strong, independent, and active local government in the Commonwealth and celebrates the valuable contributions made by residents serving their communities.

"As someone who spent several years working in county government, I've seen firsthand the important work that is done at the local level – building community partnerships, responding to adversity, creating health and wellness initiatives and promoting community and economic revitalization," said Lieutenant Governor Austin Davis. "This critical work could not occur without the dedicated individuals making it happen, day in and day out."

Congratulations to **PSATC President, Commissioner Sam Juliano**, North Versailles Township, on his award recognizing his dedication to public service and improving the quality of life for the residents of his community.

Municipalities, organizations and counties were recognized for finding creative ways to improve their communities in the following categories: Building Community Partnerships; Fiscal Accountability and Best Management Practices; Health and Wellness Initiatives; Information Technology; Innovative Community/Governmental Initiatives; Innovative Planning and Sound Land Use Practices; Intergovernmental Cooperation; Promoting Community/Economic Revitalization; Responding to Adversity; and Municipal Leadership.

Congratulations to the following PSATC members who were recognized for their successful local government initiatives:

**Aleppo Township** received an award for their "Meeting Digests" in the category of Information Technology.

**Lower Moreland Township** (and Bryn Athyn Borough) received an award for Intergovernmental Cooperation for their "Forward Together – Emergency Response Services Intergovernmental Agreement."

**Springfield Township** received an award in the category of Innovative Planning and Sound Land Use Practices for their "Township Park Revitalization Initiative."

"The Shapiro Administration is thrilled to celebrate these local governments – and passionate people that serve them – that provide the highest level of service to their communities across this Commonwealth," said Acting Secretary Siger. "Local government has the greatest impact on our day-to-day lives. The projects and individuals recognized are essential in helping to make Pennsylvania the best place to live, work, and prosper."

DCED's Governor's Center for Local Government Services sponsors Local Government Day annually to honor local governments and officials who serve their communities and improve their quality of life.

Video, audio, and photos from the event are available at [Pacast.com](#). □



Commissioner Sam Juliano



Lower Moreland Township



Aleppo Township



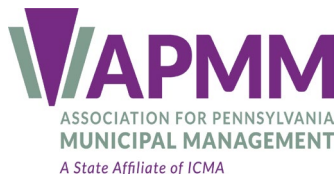
Springfield Township



# APMM President's Message



**GREGORY A. PRIMM**  
**MANAGER**  
**ALLEGHENY TOWNSHIP**



**APMM.net**

*The year has flown by my friends! Hard to believe spring is here and we are a month away from the Annual APMM Conference in Pittsburgh. This also means my time as President is also winding down. I hope I represented you well this year. I would like to take a moment and share some observations from this past year.*

*APMM membership is comprised of some of the very best leaders I have had the privilege to work with. Our Executive Board is a great mix of veteran and younger managers that together create a very dynamic working group that is full of great ideas and tremendous work ethic. It is clear to me that we need to continue marketing our profession and recruit younger people coming into the workforce to become professional managers. Just like most of our community demographics, we are an aging population as managers. There needs to be a bigger push to encourage and help new graduates see the value and rewards of municipal management.*

*I have learned that many of us are living in a new era of our profession, where civility and decency have left the building and bad behavior is becoming more of the norm. Our challenges are bigger than we have ever had. Yet we overcome and we do what is necessary because we are professionals and many of us live by a strict code of ethics. One thing is certain, we will always ensure that our municipalities maintain their services, programs and facilities that meet the needs of our communities in a fiscally responsible manner.*

*Recently, our profession took a little bit of a black eye as a manager in Pennsylvania was charged with several counts of theft of money from their community. As I read about this in the various media outlets, the first thing that stood out to me was, this manager wasn't a member of APMM or ICMA. This manager wasn't living by a strict code of ethics, this man wasn't receiving professional development and ongoing educational opportunities, he didn't have a network of peers to engage with professionally. All these things we are very fortunate to have with our membership to APMM and ICMA. Now,*

*I don't know if this would have changed this man's alleged behavior at all, but I do have to wonder when you engage with your peers and we hold each other to a strict code of conduct, if that wouldn't have created pause for making bad choices that end up reflecting badly on us all.*

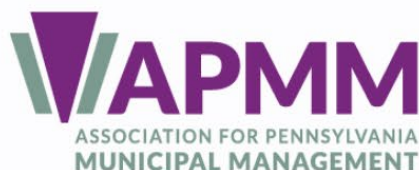
*Because of this situation, your executive board met and we decided to address the allegations through the creation of a statement from APMM to release publicly. We wanted to assure the public that the conduct described in the media is completely outside of normally accepted behavior and is without precedent in our profession. Nothing could justify these actions. If the allegations against the manager are true, we condemn his behavior in the strongest way possible. We also took the opportunity to educate on professional management and create a positive impact statement in support of professional managers. I would be happy to share the statement with any of our membership.*

*I hope to see you all in Pittsburgh at the end of May; until then stay strong, dedicated and above all take care of yourselves.*

Gregory A. Primm

REGISTER  
NOW!

# 2023 APMM ANNUAL CONFERENCE



Omni William Penn Hotel  
Pittsburgh, Pennsylvania  
May 22nd-24th  
[www.apmm.net](http://www.apmm.net)

## PRESENTATIONS:

Our Keynote Speaker, Nicole Lance will be discussing her book; ***Be Intentional: Bypassing Burnout & Dealing with Dumpster Fires.***

Nicole Lance  
Keynote Speaker



As well as our General Sessions including:

- Social Media/PR/Marketing - Promoting Your Community
- Attracting & Retaining a Modern Workforce
- Why Work/Life Integration Holds the Key to Your Success
- The "New" Realities of the Capital Market
- ICMA Update and Overview of CM Credentials and more.

## EVENTS:

- Golf Outing
- Andy Warhol Museum Tour with a lunch at Southern Tier Brewery
- Baseball Game and Mixer at PNC Park
- First Timers Breakfast
- Conference Chairperson Passport



The Omni William Penn Hotel's reservation deadline is fast-approaching. Reserve your hotel room before **Friday, April 28th**. Registration for APMM will close on **May 12th**.





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## Book Review

# ***Good to Great* By Jim Collins**

**BY ABRAHAM AMORÓS, LEAGUE DEPUTY EXECUTIVE DIRECTOR – OPERATIONS**

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As public officials, time is precious and there simply isn't enough of it during the regular work week, evenings and even weekends.

Aside from having to perform to project deadlines and filling requests from constituents, very little time is left for self-improvement. And while many of us read for leisure, it's usually a newspaper, a blog, a social media site but seldomly – gasp – a book.

If you only read one book this year, please consider picking up *Good to Great* by Jim Collins. Yes, it's considered a business book by industry standards but the valuable lessons shared by Collins, a world renowned author whose book has been translated into 29 languages, addresses how we can all become better public servants by asking one simple question: "What can we do to go from 'good' to 'great'?"

You've probably heard the phrase, "Good is the enemy of great." We wind up settling on "good schools," "good government" or even a "good life."

The book begins by asking what kind of leadership you have within your organization and how individuals are perceived: It begins at the bottom of a structural pyramid with "highly capable individuals" and progresses to "contributing team member," "competent manager," "effective leader" and ends with "executive."

We all value our workforce and choose individuals to perform specific functions according to their skill sets. Yet, we sometimes overlook the subtle differences that set these individuals apart. Do we look for ways to challenge them? Do we look to see if we can assist them to improve their productivity? Lastly, how do we look at ourselves as supervisors? Every good leader should possess the ability to self-scrutinize, when necessary. Humility allows us to take a step back, see something different from the perspective of an employee and allows us to candidly ask for their input without any fear of retribution. Great leaders take their work seriously yet have enough room to not take themselves as such all of the time.

Another fundamental observation in the book challenges us to lead by asking questions. How many times have you, as leaders, been in meetings where orders and instructions were handed out only to find that those we're talking to were sitting there with their eyes glazed? By asking pointed questions, leaders engage their workforce by asking "what's working so far?" "what isn't working and why?" and "what can we do better?"

Another key point in the book highlights the need for "discipline." How many times have you heard your teammates say, "Boy, I just don't feel

motivated today." Motivation is not something that lasts very long. This is where discipline to accomplish a task comes in by breaking things down into manageable, bite-sized chunks of work that lead to an entire work product. Create a culture of discipline. As the book states:

"A culture of discipline is not just about action. It's about getting disciplined people who in engage in disciplined thought and who then take disciplined action."

Pause and reflect on that for a moment.

While the book focuses on mostly Fortune 500 companies, the lessons learned, along with an easy-to-follow synopsis at the end of each chapter, allows the reader to pick up nuggets of wisdom that have not only been researched, but honed to perfection in some instances.

As public servants, providing world-class constituent services and programs for our residents should always be taken seriously.

Aspire to be "great." Sadly, too many of our local government units – despite their best efforts – don't fall into that category.

Prove them wrong. □

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