



# The City of York Pennsylvania

101 South George Street ❖ PO Box 509 ❖ York, PA 17405

[www.yorkcity.org](http://www.yorkcity.org)

*Honorable C. Kim Bracey, Mayor*

## **INVITATION TO BID BUSINESS ADMINISTRATION**

Sealed bids for the financial study for the City of York, will be received by the City of York, York County, Pennsylvania, at the office of the City of York, 101 South George Street, PO Box 509, York, PA 17401 until 10:00 am (prevailing time), Monday, September 15, 2014.

All bids must include:

- 1) Flat rate quote
- 2) Listing of individuals to work on the project and hourly rates for each individual
- 3) Short bios on each individual to work on project
- 4) Projected staff time on-site / off site used to make quote
- 5) Information related to one or more financial studies performed
  - a. Begin / end dates
  - b. Client references
  - c. % of recommendations implemented and \$ improvements (projected vs. actual)
  - d. Copy of final report

Notice is hereby given to bidders that this project is subject to the provisions of the Pennsylvania Prevailing Wage Act approved August 15, 1961 (Act No. 442, P.L. 987), as amended.

City of York reserves the right to accept any bid or reject any or all bids.

City of York

Francine Jackson, Grants Coordinator

Publish Dates:

## PART 1: FINANCIAL PROJECTIONS – BASELINE

The first task is an update to all financial projections created as part of the Early Intervention Program Multi-Year Financial Plan completed in October, 2011. The earlier study covered the 2006 – 2016 time period; this update will cover the 2010 – 2020 time period.

Included in this part will be some additional projections not done in the earlier study.

- 1) A partial list of the financial projections to be updated is as follows:
  - Operating surplus / deficit
  - Cumulative fund balances
  - Revenues / expenses – general fund
- 2) New financial information not included in earlier study:
  - Pension fund statistics – historical and projected
    - Assets, liabilities, minimum municipal obligation (MMO)
    - Deferred MMO payments + interest payments
  - Cash flows – historical and projected
- 3) York financial history on the above measures will be compared with other Pennsylvania Third Class cities
- 4) Summary presentations of the above results may be given to internal and external audiences such as York City Council or Town Meetings

## PART 2: FINANCIAL IMPROVEMENT INITIATIVES – SHORT TERM

The second task may run concurrently with the first task so that recommendations may be considered as part of the city's 2015 budget process if at all possible.

These recommendations will include:

- 1) Increased Earned Income Tax (EIT) for city residents and non-resident city workers
  - a. This will be referred to as a Public Safety Pension Tax – permitted to York City under Act 205 because of city's pension status (police, fire, other) as a "moderately distressed pension" (58% funding level as of January 1, 2013)
- 2) Implementation of new Microsoft Dynamics financial system (see EIP grant # \_\_\_\_\_)
- 3) Other short term initiatives to be included in 2015 budget proposal
- 5) Summary presentations of the above results may be given to internal and external audiences such as York City Council or Town Meetings

### PART 3: FINANCIAL IMPROVEMENT INITIATIVES – LONGER TERM

In addition to 2015 budget improvements identified in Part 2, the EIP II study will include analytical work on a wide variety of alternative steps that may be available to create a healthy long term financial plan. This plan will identify initiatives which may be used to achieve one or all of the following:

- 1) Bring Minimum Municipal Obligation (MMO) payments current and maintain contributions in the future required by future MMO levels
- 2) Move pension funding status out of “moderate distress” designation – if possible, fully fund all three pension funds - \$64.7 million underfunded at 1/1/2013
- 3) Retire 1995 pension debt - \$36.6 million at 12/31/2013)
- 4) Reduce other long term debt obligations
- 5) Eliminate all current negative fund levels
- 6) Bring city into projected annual net operating surplus position

To achieve these aggressive goals, all possible actions need to be examined. It is anticipated that the study will present successful actions taken by other distressed municipalities for consideration. While the list of these alternatives is not known at this time, it is anticipated that that analytical work will be done on the following options:

- 1) Sewer operations
  - a. Current Intermunicipal agreements governing sewer flow into York City sewer plant
  - b. Potential sale/lease of wastewater collection system
  - c. Potential sale/lease of York City sewer plant
- 2) Other asset monetization (e.g. parking)
- 3) Financial assistance from York County
- 4) Regionalization opportunities
- 5) Competitive contracting / other cost reduction opportunities
- 6) Pros / cons of making application to enter Act 47 status
- 7) Summary presentations of the above results may be given to internal and external audiences such as York City Council or Town Meetings

## Requests for Proposal

In addition to the above scope of work presented in the DCED grant application, York will prepare and distribute a Request for Proposal to at least three firms. Some of the requirements in this RFP will include:

- 6) Two weeks turnaround from date RFP sent out
- 7) Project start date and projected completion date
- 8) Flat rate quote
- 9) Individuals to work on the project and hourly rates for each individual
- 10) Short bios on each individual to work on project
- 11) Projected staff time on-site / off site used to make quote
- 12) Information related to one or more EIP studies performed
  - a. Begin / end dates
  - b. Client references
  - c. % of recommendations implemented and \$ improvements (projected vs. actual)
- 13) Copy of final report