# CITY OF WILLIAMSPORT, PA
# RESOLUTION

RESOLUTION # 9897 DATE 2-27-25

TITLE

**RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF WILLIAMSPORT AND PFM GROUP CONSULTING LLC**

**WHEREAS**, the City of Williamsport seeks financial advisory services to assist with multi-year financial planning, budget management, and related consulting services; and

**WHEREAS**, PFM Group Consulting LLC has the necessary expertise to provide such services under the terms set forth in the attached Agreement; and

**WHEREAS**, the maximum budget for the scope of services described in Exhibit A shall be $121,375, which includes any charges for travel, document production, or related expenditures; and

**WHEREAS**, the hourly rates for PFM team members shall be as follows:

- Analysts: $245 per hour
- Senior Analysts: $265 per hour
- Senior Managing Consultants: $285 per hour
- Directors: $310 per hour
- Managing Directors: $345 per hour

**NOW, THEREFORE, BE IT RESOLVED** that the City hereby approves the Professional Services Agreement between the City of Williamsport and PFM Group Consulting LLC, as attached hereto. The maximum budget for these services shall not exceed $121,375, as detailed in the Agreement. The appropriate City officials are hereby authorized to execute the Agreement and take such actions as may be necessary to carry out the intent of this Resolution.

**Approved**

James M. Frank
City Clerk

Adam Yoder
President

# AGREEMENT FOR CONSULTING SERVICES

This agreement, made and entered into this 21st day of February, 2025, by and between the CITY OF WILLIAMSPORT, PENNSYLVANIA ("Client") and PFM Group Consulting LLC (hereinafter called "PFM") sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, the Client desires to obtain the services of an advisor to provide multi-year financial planning, budget management, and related consulting services; and

WHEREAS, PFM is capable of providing the necessary advisory services.

NOW, THEREFORE, in consideration of the above-mentioned premises and intending to be legally bound hereby, the Client and PFM agree as follows:

## I. SCOPE OF SERVICES

PFM shall provide, upon request of the Client, services related to multi-year financial planning and budget management, examples of which, not intended to be exclusive, are set forth in Exhibit A to this Agreement. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM that are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the Client and PFM. Upon request of Client, PFM or an affiliate of PFM may agree to additional services to be provided by PFM or an affiliate of PFM, by a separate agreement between the Client and PFM or its respective affiliate.

## II. WORK SCHEDULE

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by the Client for such service, the timing for which depends in part on securing funding through the Commonwealth of Pennsylvania's Strategic Management Planning Program (STMP).

## III. ADVISORY COMPENSATION; REIMBURSEMENT OF EXPENSES

For the services provided under this Agreement, PFM's professional fees shall be paid as provided in Exhibit B to this Agreement. All fees shall be due to PFM within thirty (30) days of the date of invoice. Any services which are not included in the scope of services set forth in Exhibit B of this Agreement will be subject to separate, mutually acceptable fee structures.

## IV. TERMS AND TERMINATION

This Agreement shall be effective from February __, 2025 until February 28, 2026 (the "Initial Term") unless terminated in writing by either party upon thirty (30) days written notice to the other party.

Upon such termination, PFM will be paid for all services performed and costs and expenses incurred up to the termination date.

## V. ASSIGNMENT

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client; provided that upon notice to Client, PFM may assign this Agreement or any interests hereunder to an entity that directly or indirectly controls, is controlled by, or is under common control with, PFM.

## VI. INFORMATION TO BE FURNISHED TO PFM.

All information, data, reports, and records in the possession of the Client or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to PFM. PFM may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

## VII. NOTICES

All notices and other communication required under this Agreement shall be in writing and may be sent by certified mail, return receipt requested, by nationally recognized courier, with written verification of receipt, or by electronic mail. Notices shall be sent to the parties at the following addresses, or to such other address as a party may furnish to the other party:

**CITY OF WILLIAMSPORT**
100 West 3rd Street
Williamsport, PA 17701
Attention: Derek Slaughter, Mayor

**PFM GROUP CONSULTING LLC**
1735 Market Street, 42nd Floor
Philadelphia, PA 19103
Attention: Gordon Mann

## VIII. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Subject to the exception described above, upon termination of this Agreement, at Client's reasonable request no later than three (3) years after the termination of this Agreement PFM shall deliver to the Client copies of any and all material pertaining to this Agreement.

## IX. PFM'S REPRESENTATIVES

1. Assignment of Named Individuals

The professional employees of PFM set forth below will provide the services set forth in this Agreement; provided that PFM may, from time to time, supplement or otherwise amend the team members set forth below.

- Gordon Mann
- Xaykham Khamsyvoravong
- Robert McDermott
- Steven Ramirez
- Lauren Sukovich
- Lieke Janssen
- Rose Teszler

2. Changes in Advisory Team Requested by the Client

The Client has the right to request, for any reason, PFM to replace any member of the advisory staff. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

## X. INSURANCE

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

## XI. LIMITATION OF LIABILITY

Except to the extent caused by its willful misconduct, bad faith, gross negligence or reckless disregard of its obligations or duties, PFM shall have no liability arising under this Agreement.

## XII. INDEPENDENT CONTRACTOR

PFM, its employees, officers and representatives, at all times, shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of Client by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

## XIII. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the Commonwealth of Pennsylvania. PFM and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

## XIV. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate

agreement between Client and an affiliate of PFM or third party referred or introduced by PFM and/or designated by Client shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

## XV. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

IN WITNESS THEREOF, the Client and PFM have executed this Agreement as of the day and year herein above written.

**CITY OF WILLIAMSPORT, PENNSYLVANIA**

By: Derek Slaughter

Name: Derek Slaughter

Title: Mayor

Date: 3/5/25

Margaret L. Goodrich
Controller

James M. Frank
City Clerk

**PFM GROUP CONSULTING LLC**

By: Gordon J. Mann III

Name: Gordon Mann

Title: Managing Director

Date: February 20, 2025

EXHIBIT A - SCOPE OF SERVICES

# City of Williamsport
# Multi-year Financial Plan

The City of Williamsport is pushing through the hard work of stabilizing its financial performance and strengthening its financial management.

In recent years, the City's elected and appointed leaders have developed the basic building blocks of financial management by implementing modern financial software, improving data accuracy, and putting proper internal controls in place. The City is improving the accuracy of its projections to avoid overstating revenues and understating obligations, and elected leaders have meaningful discussions about how to balance the budget. Within the constraints of limited resources, the City is budgeting for some of its capital needs – vehicles, equipment, technology, facilities – without which City government cannot function.

Block by block, step by step, the City is working to increase transparency, improve accuracy, and provide residents and taxpayers a full picture of government's financial position.

One of the next steps in this effort is to develop a multi-year financial plan that addresses City's financial challenges from a longer perspective than the annual budget cycle allows. A multi-year financial plan identifies, quantifies, and diagnoses the root cause of any deficit and lays out strategies to address that shortfall. The plan describes how financial resources are allocated to fund the public safety, public works and other daily services, and the plan offers alternatives to do so more effectively or efficiently.

Most importantly, the plan lays out a strategy in support of community leaders' vision, with specific initiatives to improve financial performance so City government can improve the quality of life for its residents; be a constructive partner in economic and community development efforts; and invest in the public infrastructure the community relies upon.

The City initiated a multi-year financial plan in 2020, but that work was hindered by the lack of accurate, meaningful data. Having addressed that problem, the City is ready to restart the process with financial support from the Commonwealth of Pennsylvania's Strategic Management Planning Program (STMP).

Public Financial Management Group Consulting (or PFMGC) is ready to partner with the City on this engagement. More than two decades ago, PFMGC helped the Commonwealth develop the prototype for what became the Early Intervention Program (the predecessor to STMP), and its team members have worked on multi-year plans in Allentown, Erie, Johnstown, Lancaster, New Castle, Norristown, Pittsburgh, Reading, Wilkes-Barre, York and Upper Darby. PFMGC also led Lycoming County through a multi-year planning process in 2019 and is helping Lackawanna County in a similar financial recovery process.

We propose the following scope for this engagement.

## Proposed Scope of Work

### Task 1: Financial condition assessment and baseline projection

We always begin our engagements with client dialogue, a document request, and a kickoff meeting. We bring substantial knowledge about Pennsylvania local government into this engagement. But no one knows Williamsport as well as you. So, our first step is listen to and learn from you.

The document request ensures that we make the best use of your time by "doing our homework" beforehand instead of asking you questions we can answer on our own. We will review your recent budgets, the most recent annual audits, and any available 2024 year-end financial reports. We will also review the collective

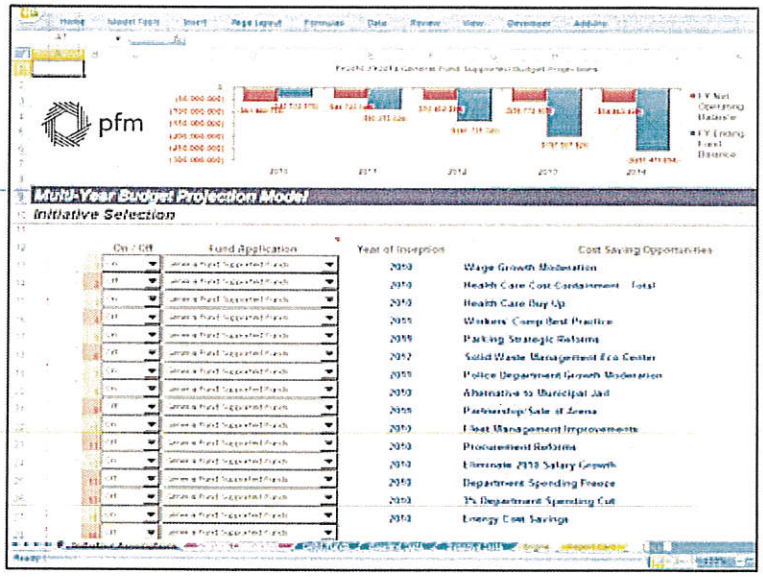
bargaining agreements since they likely drive a large share of your expenditures. We will then schedule a kickoff meeting to ensure that we understand your goals for this process.

For this engagement, we will develop an Excel-based multi-year financial projection model that covers the City's revenues and expenditures through the next five years. We will use the model to forecast your revenues and expenditures, stress-test your fiscal health under various economic conditions, and discuss your needs and goals for maintaining adequate reserves.

We recommend focusing this process on the General Fund, though we will also review the operations funded outside the General Fund, such as the debt service fund and the City Hall operating budget. We will review those other funds from the perspective of understanding how they interact with the General Fund now and how any anticipated changes in their financial performance would impact the General Fund in the future.

The model will organize and present the City's baseline fiscal condition (i.e. assuming no changes from the status quo) at different levels of detail. We will also analyze the critical factors and key trends that drive City government's financial performance.

As we identify potential initiatives through the management audit (see below), we may program them into the model so they can be turned on and off using a drop down switch with the associated financial impact graphically demonstrated (see screen shot to the right).




To help the City integrate the multi-year planning process into the annual budget cycle, and if City officials are interested, we will build the model for delivery at the end of the engagement and provide one day of training so the City can use the model on its own for future financial planning efforts.

We will present our major findings from the financial condition assessment and trend analysis in a PowerPoint report.

The multi-year Plan document will include a narrative version of our analysis that summarizes City government's past financial performance and the key trends and variables that are likely to drive future performance.

**Task 2: Management review**

Once we have developed the financial condition assessment and baseline projection, we will begin the management review. We will talk with your department leaders about their operations – what they do, how they do it, and why they do it – and discuss how the major financial trends identified in the prior step impact those individual departments.

We believe that your mission and goals – what you ultimately want City government to be and do – should shape your approach to making the hard decisions ahead. Using the Government Finance Officers Association's recommendations for strategic planning, we will facilitate a focused discussion to define the following early in our engagement:

- The **mission statement,** which is a clear, concise statement of purpose for City government

- **Critical challenges** that need to be addressed to achieve the mission
- Specific **goals** for the next five years that account for the City's vision and resource limitations

We will then use this information as a guide for interviewing each of the department directors and major bureau managers to discuss what services they currently provide, how resources are allocated to those activities, and how well those activities align with the City's goals. We will also discuss the key financial trends identified in the Financial Condition Assessment as they relate to each department.

The second chapter of the multi-year plan will have a narrative discussion of the City's mission and goals and analysis of how that mission and those goals align with the City's current operations and historical spending patterns. We will include the key findings and recommendations for improving departmental operations in the plan's next section.

**Task 3: Initiative and plan development**

Once we have completed the financial condition assessment and management review, we will guide you through a discussion of potential strategies to address your financial challenges. We always work closely with local officials as we develop initiatives to ensure that they meet community standards while "pushing the envelope" where appropriate.

While our approach is flexible, and we will adapt it as we go through the process, we anticipate reviewing the following areas:

- **Public safety:** Like most Pennsylvania cities, Williamsport spends most of its General Fund budget on public safety operations. The departmental budgets for police ($11.3 million), fire ($7.9 million) and code enforcement ($0.9 million) account for nearly two-thirds of the 2025 operating budget. We will review the services provided by each of these departments, discuss how service demands and community needs are changing, and evaluate how resources are allocated to meet those needs. Staff from PFM's Center for Justice and Safety Finance may participate in this process if we identify opportunities for efficiency gains or organizational improvements early in the process.

- **Community and economic development:** While this area accounts for a relatively small part of the 2025 budget ($481,000 or 1.6 percent), the impact of community and economic development goes far beyond that. City government needs its tax base – specifically its assessed value of taxable property and resident earnings – to grow enough to offset the natural increase in operating costs. Williamsport residents need job opportunities and safe, healthy neighborhoods to live and raise families. Businesses want opportunities to grow and an available workforce to contribute to that growth. We will review the programs offered in these areas, how those programs align with the community's needs, and help City leaders define what "success" means in community and economic development (and how you measure it). This will help the City allocate its limited resources and build more effective partnerships in these areas.

- **Infrastructure investment:** Williamsport's leaders have wisely recognized that a strong community must invest in public assets – facilities, equipment, vehicles, roads, parks and other assets that residents, visitors and City employees use every day. The 2025 General Fund budget allocates $1.3 million to capital projects. It includes a thoughtful list of projected needs over the next five years and a couple funding sources (Liquid Fuels, Act 13 impact fee revenue, debt service). It is very likely that much more investment is needed, and there is also at least one major facility project on the horizon related to City Hall. We will review the City's identified projects, estimated costs, and funding sources and integrate the capital budget into the multi-year projection. We will also identify any opportunities to increase or diversify funding in this area.

Our goal is to deliver a five-year financial plan that reflects Williamsport's strategic vision, service needs, and financial realities in a document that can be adopted, implemented, and adjusted over time. We will include an implementation timeline that prioritizes major initiatives.

## Deliverables

The related deliverables will be:

- Presentation on the major findings from the financial condition assessment and trend analysis, including the baseline *status quo* five-year projection;
- Presentation on the final Five-Year Financial Management Plan initiatives;
- An Excel financial planning model together with one day of training (optional); and,
- A professional Plan document with three sections:
    - Section I: Financial condition assessment and baseline financial projection
    - Section II: Management review
    - Section III: Prioritized strategies to address the trends and challenges identified in the first two sections

# EXHIBIT B - COMPENSATION FOR SERVICES

The maximum budget for the scope of services described in Exhibit A shall be $121,375 which includes any charges for travel, document production or related expenditures.

The hourly rates for PFM team members are $245 for Analysts, $265 for Senior Analysts, $285 for Senior Managing Consultants, $310 for Directors, and $345 for Managing Directors.

| | Analyst/ Sr. Analyst | | Sr. Managing Consultant | | Director / Managing Director | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Hours | Cost | Hours | Cost | Hours | Cost | Hours | Cost |
| Financial condition assessment & baseline projection | 100 | $25,500 | 40 | $11,400 | 10 | $3,450 | 150 | $40,350 |
| Management review | 60 | $15,300 | 45 | $12,825 | 40 | $13,450 | 145 | $41,575 |
| Plan development and delivery | 55 | $14,025 | 65 | $18,525 | 20 | $6,900 | 140 | $39,450 |
| **Total professional hours and fees** | **215** | **$54,825** | **150** | **$42,750** | **70** | **$23,800** | **435** | **$121,375** |

PFM will submit monthly invoices that list the professional hours and fees by person and position title.

## EXHIBIT C - INSURANCE

PFM Group Consulting LLC ("PFM") maintains property, casualty, general liability, automobile liability and workers compensation insurance. PFM's professional liability and fidelity bond coverages total $40 million and $25 million single loss/ $50 million aggregate, respectively.

PFM also carries a $10 million cyber liability policy. Our professional liability policy is a "claims made" policy and general liability policy claims would be made by occurrence.

Deductibles/SIR

Automobile $250 comprehensive & $250 collision
Cyber Liability $25,000
General Liability $0
Professional Liability (E&O) $1,000,000
Financial Institution Bond $75,000

Insurance Company & AM Best Rating

Professional Liability (E&O).....Endurance American Insurance Company; (A+; XV)
.....Argonaut Insurance Company; (A-: XIV)
.....Everest National Insurance Company; (A+; XV)
.....XL Specialty Insurance Company; (A+; XV)
.....Starr Indemnity & Liability Company; (A; XV)
.....QBE Insurance Corporation; (A; XV)
.....ACE American Insurance Company; (A++;XV)
Financial Institution Bond. .....Federal Insurance Company; (A++; XV)
.....Great American Insurance Company; (A+; XV)
.....U.S. Fire Insurance Company; (A; XV)
Cyber Liability. .....Greenwich Insurance Company (A+; XV)
.....Arch Insurance Company; (A+; XV)
General Liability. .....Great Northern Insurance Company; (A++; XV)
Automobile Liability.....Great Northern Insurance Company; (A++; XV)
Excess /Umbrella Liability.....Federal Insurance Company; (A++; XV)
Workers Compensation.....Vigilant Insurance Company; (A++; XV)
& Employers Liability