

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

August 28, 2024

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Ms. Audry Carter Mr. Doug Hill Ms. Kathy Speaker MacNett	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Michael Wood, Office of the Budget	
In Attendance	Mr. Michael Cassidy, General Counsel Mr. Jeffrey Stonehill Authority Manager	
Meeting Begins		4:02 p.m.
Welcome by Doug Hill, Chair	Mr. Hill opened the meeting.	
Approval of the Minutes • April 24, 2024	On a motion by Ms. MacNett, Second by Ms. Carter, the minutes were approved.	The minutes were approved by a vote of 3-0.
Report by the Chair	Mr. Hill explained this was his first meeting as Chair. He noted that due to the current fiscal stability exhibited by the City, the ICA Board does not need to meet on a monthly basis.  He noted that the ICA Board will meet twice more in 2024, once in September and a last time in December.  He pointed out that the ICA Board has a good working relationship with Mayor Wanda R.D. Williams.  Mr. Hill noted the ongoing search by the City for a new Business Administrator/Chief of Staff as well as a new Finance Director to replace retiring Marita Kelley.	
Discussion of the Mayor's Five-Year Financial Plan	Mr. Hill indicated that the purpose of today's meeting was to review the proposed 2025 Five-Year Plan. He added that the City delivered a first draft document back in June 2024. Several members sent comments back to Ms.	Motion by Ms. MacNett and a second by Ms. Carter, that the 2025 Five-Year Plan as shall be revised, be approved; and further, that the Chair and

	<p>Kelley on the draft document. In a second edition delivered on August 8, 2024, almost all the issues noted in the draft were addressed.</p> <p>Mr. Hill went on to thank Alex Bershtein and Timothy Brooks for assisting Bryan McCutcheon with revising the draft document.</p> <p>Mr. Hill reviewed a handful of things which was focused upon in the review:</p> <ul style="list-style-type: none"> <li>• The technology upgrades which are improving financial management at the City;</li> <li>• The continuing process to address the Neighborhood Services Fund;</li> <li>• Protecting the Fund Balance of the General Fund and the Neighborhood Services Fund;</li> <li>• The establishment of the OPEB Trust; and</li> <li>• The ongoing study to categorize and prioritize the capital improvement projects of the City.</li> </ul> <p>Mr. Hill asked if there were any concerns from the Members of the ICA Board that he did not cover? Ms. Carter asked about increases in trash fees. Also, she noted that the citizens of Harrisburg should not underwrite any of the intermunicipal trash arrangements with the other three boroughs. Ms. MacNett echoed comments that pay-as-you-go is not an acceptable policy for OPEB benefits, that the Harrisburg Strong Plan requires the establishment of an OPEB Trust.</p> <p>Mr. Bryan McCutcheon, Accounting Manager, presented revised data to be incorporated into the Mayor’s Five-Year Financial Plan document. Mr. McCutcheon noted that the intermunicipal trash agreements are tracked separately. He added that the</p>	<p>the Authority Manager be authorized to prepare and transmit correspondence detailing the approval and supplemental information to the City of Harrisburg, as approved 3-0.</p>
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	<p>City Solicitor could best comment on the OPEB Trust issue.</p> <p>In discussion Mr. McCutcheon mentioned that the incinerator litigation is coming close to resolution.</p> <p>Mr. McCutcheon presented new tables to the ICA Board with additional explanation of what has changed since the last release of the draft Five-Year Plan.</p> <p>Mr. Michael Cassidy asked about tax appeals. Mr. Stonehill talked about County-wide re-assessment. Mr. McCutcheon discussed diminishing revenue as a result of tax appeals of commercial buildings.</p> <p>Ms. MacNett asked about new residential construction.</p> <p>Mr. Hill asked how long it might take to update the proposed Five-Year Plan with these new numbers. Mr. McCutcheon suggested it can be done fairly efficiently.</p> <p>Ms. Carter appreciated the comment that the Five-Year Plan will be used to develop the upcoming 2025 budget.</p> <p>Ms. MacNett moved that based upon Mr. McCutcheon's presentation she is comfortable making a conditional approval of the City's Five-Year Financial Plan update; conditional upon incorporating the revised data into the final document. Ms. Carter seconded that motion.</p> <p>Mr. Stonehill asked if the motion includes authorization for the Chair and the Authority Manager to transmit correspondence accordingly? Ms. MacNett indicated that it does.</p> <p>Mr. Hill noted his appreciation to Mr. McCutcheon.</p>	
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	Mr. Stonehill explained the process and procedure for resubmission with the revised numbers. Mr. Stonehill and the ICA Board suggested that the Mayor resign the certification letter and that the revised document be shared with the Controller's Office.	
Report on City of Harrisburg Financial Activities	Mr. McCutcheon introduced Mr. Brooks.  Mr. Brooks reviewed updated City of Harrisburg revenue and expenditure numbers year-to-date.  Mr. McCutcheon compared the cash position of the City to where it was in the previous year.  They said the City is happy to present these numbers.	
Authority Manager's Report	Mr. Stonehill provided the financial report for August 2024.  Mr. Stonehill presented the proposed 2024-2025 operating budget for the ICA. He explained the differences from the 2023-2024 budget. The budget would be retroactive to July 1, 2024. Mr. Stonehill noted that monies were included to assist the City with membership in the Pennsylvania Downtown Center, if they wished.	Motion by Ms. Carter and a second by Ms. MacNett, that the 2024-2025 ICA Operating Budget be approved, as approved 3-0.
Public Comments	There were none.	
Adjourn meeting at 4:18 p.m.	Motion by Ms. MacNett. A second was not required.	Approved 3-0.

Respectfully submitted:



Jeffrey M. Stonehill, Authority Manager





## Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – August 28, 2024

Starting balance (June 1):			\$169,337.36
6/3/24	Coworking Harrisburg (June)	\$95.00	\$169,242.36
6/3/24	Digital Ocean	\$12.72	\$169,229.64
6/32/24	Digital Ocean	\$6.87	\$169,222.77
6/28/24	Monthly Interest on Checking Account	\$2.60	\$169,225.37
6/30/24	MESH PA 2 (June in Arrears)	\$4,200.00	\$165,025.37
6/30/24	Johnson Duffie (May in Arrears)	\$70.00	\$164,955.37
6/30/24	Johnson Duffie (June in Arrears)	\$542.50	\$164,412.87*
7/1/24	Digital Ocean	\$12.72	\$164,400.15
7/1/24	Digital Ocean	\$6.87	\$164,393.28
7/2/24	Coworking Harrisburg (July)	\$95.00	\$164,298.28
7/10/24	Westfield Insurance	\$500.00	\$163,798.28
7/31/24	Monthly Interest on Checking Account	\$3.05	\$163,801.33
8/1/24	Coworking Harrisburg (August)	\$95.00	\$163,706.33
8/1/24	Digital Ocean	\$12.72	\$163,693.61
8/1/24	Digital Ocean	\$6.87	\$163,686.74
8/28/24	Johnson Duffie (July)	\$647.50	\$163,039.24
8/28/24	MESH PA 2 (July - Aug - Sep)	\$14,700.00	\$148,339.24
Estimated Balance (August 28, 2024)			\$148,339.24

\* - End of ICA Fiscal Year

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR  
HARRISBURG

2024-2025 BUDGET - FISCAL YEAR SIX

(Approved August 28, 2024)

(Effective July 1, 2024)

**REVENUE**

Appropriation by the General Assembly Act 124 of 2018	\$	100,000
Interest earnings Est.	\$	50
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>100,050</b>

**EXPENSES**

Authority Manager (Contract)	\$	54,600
Legal Services	\$	15,000
Insurance (Details Below):		
-General Liability Insurance	\$	7,500
-Governing Board Public Officials Insurance	\$	2,000
Tax (1099) Processing	\$	160
Legal Advertisement	\$	3,500
Memberships/Subscriptions (PA Downtown Center)	\$	2,000
Office Space Rental	\$	2,000
Audit Services (Contract)	\$	1,700
Information Technology Licensees	\$	3,000
Information Technology Equipment	\$	<u>4,000</u>
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>95,460</b>

**SURPLUS/DEFICIT** \$ **4,590**

**Fund Balance From Previous Year** \$ **107,940**

**Reserve for Future Year Spending** \$ **112,530**



# **City of Harrisburg**

## **5-Year Financial Plan Document**

Proposed Revisions for Consideration  
General Fund Projections

# Reformat Summary Schedule Table

- one line for total expenses
- ending cash fund balance percentage calculations

COH  
ICA Report - 5-year Financial Plan Summary  
2023 thru 2028

<u>DESCRIPTION</u>	<u>FY 2023 Actual</u>	<u>FY 2024 Projection</u>	<u>FY 2025 Projection</u>	<u>FY 2026 Projection</u>	<u>FY 2027 Projection</u>	<u>FY 2028 Projection</u>
Total Revenues	76,846,167	104,688,915	82,262,172	78,054,622	73,321,442	73,488,737
Expenses prior to Capital Expenditures	77,800,991	103,544,934	71,824,945	71,347,064	72,279,442	73,938,499
Capital Expenditures	2,547,411	8,456,870	5,771,442	6,707,558	1,042,000	1,192,000
Total Expenses	80,348,402	112,001,804	77,596,387	78,054,622	73,321,442	75,130,499
Operating Change in Cash Fund Balance	(3,502,235)	(7,312,889)	4,665,785	-	-	(1,641,762)
Beginning Cash Fund Balance	23,145,504	19,643,269	12,330,380	16,996,165	16,996,165	16,996,165
Ending Cash Fund Balance	19,643,269	12,330,380	16,996,165	16,996,165	16,996,165	15,354,403
Ending Cash Fund Balance % of Total Expenses	24%	11%	22%	22%	23%	20%
<u>Comparative Revisions</u>						
Total Revenues - per original submitted report	76,846,167	104,688,915	82,681,599	77,274,279	72,906,729	73,153,952
Total Revenues - as revised above	76,846,167	104,688,915	82,262,172	78,054,622	73,321,442	73,488,737
Increase (Decrease)	-	-	(419,427)	780,343	414,713	334,785
Cap Expenditures - per original submitted report	2,547,411	8,456,870	6,238,000	6,657,000	1,482,000	1,652,000
Capital Expenditures - as revised above	2,547,411	8,456,870	5,771,442	6,707,558	1,042,000	1,192,000
Increase (Decrease)	-	-	(466,558)	50,558	(440,000)	(460,000)
Total Expenses - per original submitted report	80,348,402	112,001,804	78,272,119	78,330,599	74,313,843	76,277,604
Total Expenses - as revised above	80,348,402	112,001,804	77,596,387	78,054,622	73,321,442	75,130,499
Increase (Decrease)	-	-	(675,732)	(275,977)	(992,401)	(1,147,105)

# City's Normal Recurring Revenue

## 2023's Actual:

- \$70.1 million (the older normal)

## 2024's Projection:

- \$72.5 million (the case for a potential newer normal)
- EIT revenue up \$1,225,000
- access more existing hotel tax revenue (approx \$300K)
- access more generated street cut revenue (\$385K)
- increase in medical stop loss revenue (\$300K), related to increased medical claim expenditures

COH  
ICA Report - 5-year Plan Summary  
2023 thru 2028 - Key Operating Revenues for the General Fund

DESCRIPTION	2023 Actual	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
Real Estate Tax	17,028,267	16,946,784	16,607,848	16,275,691	15,950,177	15,631,174
Real Estate Transfer Tax	990,262	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Hotel Tax	714,000	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432
Local Service Tax	6,638,483	6,800,000	6,834,000	6,868,170	6,902,511	6,937,023
Earned Income Tax	17,521,542	18,750,000	18,937,500	19,126,875	19,318,144	19,511,325
Mercantile/Business Privilege Tax	8,369,638	8,322,019	8,405,239	8,489,292	8,574,184	8,659,926
Department of Administration	419,016	451,634	460,667	469,880	479,278	488,863
Department of Building & Housing	2,084,111	2,100,000	2,121,000	2,142,210	2,163,632	2,185,268
Department of Public Safety	1,785,059	2,000,000	2,040,000	2,080,800	2,122,416	2,164,864
Department of Public Works	246,069	630,755	643,370	656,237	669,362	682,749
Department of Parks & Recreation	8,620	17,500	18,025	18,566	19,123	19,696
Fines & Forfeits	803,072	825,000	833,250	841,583	849,998	858,498
Licenses & Permits	431,117	450,000	463,500	477,405	491,727	506,479
Interest Income	964,631	900,000	750,000	650,000	550,000	500,000
Rental Revenue	625,938	90,000	92,700	95,481	98,345	101,296
Miscellaneous Revenue	8,028,622	3,400,000	7,560,000	7,621,200	3,183,624	3,247,296
Other Financing Sources	173,204	100,000	50,000	75,000	50,000	75,000
Intergovernmental Revenue	8,768,538	8,770,000	8,844,500	8,920,490	8,998,000	9,077,060
Interfund Transfers	1,245,978	32,135,224	6,000,000	425,000	425,000	425,000
Fund Balance Appropriation	3,502,235	7,312,889	-	1,056,320	1,407,114	3,123,652
<b>Totals</b>	<b>80,348,402</b>	<b>112,001,804</b>	<b>82,681,599</b>	<b>78,330,599</b>	<b>74,313,843</b>	<b>76,277,604</b>
Fund balance	(3,502,235)	(7,312,889)	-	(1,056,320)	(1,407,114)	(3,123,652)
ARPA and older Covid-19 grant	(1,190,000)	(30,830,265)				
PennDOT, prior hotel tax, stadium project	(540,452)	(1,200,000)	(6,000,000)	(425,000)	(425,000)	(425,000)
Unusual insurance reimbursements	(5,009,513)	(117,874)	(4,500,000)	(4,500,000)		
<b>Resulting normal recurring revenue</b>	<b>70,106,202</b>	<b>72,540,776</b>	<b>72,181,599</b>	<b>72,349,279</b>	<b>72,481,729</b>	<b>72,728,952</b>
Above total revenues without aid of FB	76,846,167	104,688,915	82,681,599	77,274,279	72,906,729	73,153,952
Current projected expenses per 5-year plan	80,348,402	112,001,804	78,272,119	78,330,599	74,313,843	76,277,604
Effect on cash fund balance	(3,502,235)	(7,312,889)	4,409,480	(1,056,320)	(1,407,114)	(3,123,652)
Beginning Cash	23,145,504	19,643,269	12,330,380	16,739,860	15,683,540	14,276,426
Ending Cash	19,643,269	12,330,380	16,739,860	15,683,540	14,276,426	11,152,774

Submitted

COH  
ICA Report - 5-year Plan Summary  
2023 thru 2028 - Key Operating Revenues for the General Fund (adjusted projections)

DESCRIPTION	2023 Actual	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
Real Estate Tax	17,028,267	16,946,784	16,523,114	16,002,636	15,922,623	15,843,010
Real Estate Transfer Tax	990,262	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Hotel Tax	714,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Local Service Tax	6,638,483	6,800,000	6,834,000	6,868,170	6,902,511	6,937,023
Earned Income Tax	17,521,542	18,750,000	18,843,750	18,937,969	19,032,659	19,127,822
Mercantile/Business Privilege Tax	8,369,638	8,322,019	8,405,239	8,489,292	8,574,184	8,659,926
Department of Administration	419,016	451,634	460,667	469,880	479,278	488,863
Department of Building & Housing	2,084,111	2,100,000	1,900,000	1,900,000	1,900,000	1,900,000
Department of Public Safety	1,785,059	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Department of Public Works	246,069	630,755	649,677	669,168	689,243	709,920
Department of Parks & Recreation	8,620	17,500	18,025	18,566	19,123	19,696
Fines & Forfeits	803,072	825,000	841,500	858,330	875,497	893,007
Licenses & Permits	431,117	450,000	459,000	468,180	477,544	487,094
Interest Income	964,631	900,000	750,000	650,000	550,000	500,000
Rental Revenue	625,938	90,000	92,700	95,481	98,345	101,296
Miscellaneous Revenue	8,028,622	3,400,000	7,590,000	7,651,800	3,214,836	3,311,281
Other Financing Sources	173,204	100,000	50,000	75,000	50,000	75,000
Intergovernmental Revenue	8,768,538	8,770,000	8,844,500	8,920,490	8,998,000	9,077,060
Interfund Transfers	1,245,978	32,135,224	6,000,000	1,979,661	1,537,601	1,357,738
Fund Balance Appropriation	3,502,235	7,312,889	-	-	-	1,641,762
<b>Totals</b>	<b>80,348,402</b>	<b>112,001,804</b>	<b>82,262,172</b>	<b>78,054,622</b>	<b>73,321,442</b>	<b>75,130,499</b>
Fund balance	(3,502,235)	(7,312,889)	-	-	-	(1,641,762)
ARPA and older Covid-19 grant	(1,190,000)	(30,830,265)				
PennDOT, prior hotel tax, stadium project	(540,452)	(1,200,000)	(6,000,000)	(425,000)	(425,000)	(425,000)
Interest income reserve mostly from ARPA				(1,554,661)	(1,112,601)	(932,738)
Unusual insurance reimbursements	(5,009,513)	(117,874)	(4,500,000)	(4,500,000)		
<b>Resulting normal recurring revenue</b>	<b>70,106,202</b>	<b>72,540,776</b>	<b>71,762,172</b>	<b>71,574,961</b>	<b>71,783,841</b>	<b>72,130,999</b>
Above total revenues without aid of FB	76,846,167	104,688,915	82,262,172	78,054,622	73,321,442	73,488,737
Current projected expenses per 5-year plan	80,348,402	112,001,804	77,596,387	78,054,622	73,321,442	75,130,499
Effect on cash fund balance	(3,502,235)	(7,312,889)	4,665,785	(0)	0	(1,641,762)
Beginning Cash	23,145,504	19,643,269	12,330,380	16,996,165	16,996,165	16,996,165
Ending Cash	19,643,269	12,330,380	16,996,165	16,996,165	16,996,165	15,354,403

Revised

# Revenue Revisions 2025 thru 2028

- concern over future RE tax revenue
- peaking of increases in EIT revenue
- departmental revenue for DBHD and Public Safety, more conservative approach
- available interest income generated from deposit of received ARPA funds

COH  
ICA Report - 5-year Financial Plan Summary  
Summary of Revised Revenue Projections - 2025 thru 2028

<u>DESCRIPTION</u>	<u>FY 2025 Projection</u>	<u>FY 2026 Projection</u>	<u>FY 2027 Projection</u>	<u>FY 2028 Projection</u>
<u>Comparative Revisions</u>				
Real Estate Taxes - per original submitted report	16,607,848	16,275,691	15,950,177	15,631,174
Real Estate Taxes - as revised	16,523,114	16,002,636	15,922,623	15,843,010
Increase (Decrease)	<u>(84,734)</u>	<u>(273,055)</u>	<u>(27,554)</u>	<u>211,836</u>
EIT - per original submitted report	18,937,500	19,126,875	19,318,144	19,511,325
EIT - as revised	18,843,750	18,937,969	19,032,659	19,127,822
Increase (Decrease)	<u>(93,750)</u>	<u>(188,906)</u>	<u>(285,485)</u>	<u>(383,503)</u>
DBHD - per original submitted report	2,121,000	2,142,210	2,163,632	2,185,268
DBHD - as revised	1,900,000	1,900,000	1,900,000	1,900,000
Increase (Decrease)	<u>(221,000)</u>	<u>(242,210)</u>	<u>(263,632)</u>	<u>(285,268)</u>
Public Safety - per original submitted report	2,040,000	2,080,800	2,122,416	2,164,864
Public Safety - as revised	2,000,000	2,000,000	2,000,000	2,000,000
Increase (Decrease)	<u>(40,000)</u>	<u>(80,800)</u>	<u>(122,416)</u>	<u>(164,864)</u>
Transfers-In - per original submitted report	6,000,000	425,000	425,000	425,000
Transfers-In - as revised	6,000,000	1,979,661	1,537,601	1,357,738
Increase (Decrease)	<u>-</u>	<u>1,554,661</u>	<u>1,112,601</u>	<u>932,738</u>
Total Increase (Decrease) Effect on Revenue	<u>(439,484)</u>	<u>769,690</u>	<u>413,514</u>	<u>310,939</u>



# **Capital Expenditures - Revised 2025 thru 2028**

- A. pull-back effect of cuts to such departmental expenditures
- B. Broad Street Market fire loss restoration project, estimating future costs but also in conjunction with offsetting anticipated insurance recovery proceeds

COH

ICA Report - 5-year Financial Plan Summary

Summary of Revised Capital Expenditure Projections - 2025 thru 2028

<u>DESCRIPTION</u>	<u>FY 2025 Projection</u>	<u>FY 2026 Projection</u>	<u>FY 2027 Projection</u>	<u>FY 2028 Projection</u>
<u>Comparative Revisions</u>				
Info Technology - per original submitted report	125,000	125,000	150,000	150,000
Info Technology - as revised	125,000	125,000	90,000	90,000
Increase (Decrease)	-	-	(60,000)	(60,000)
Police - per original submitted report	338,000	282,000	282,000	252,000
Police - as revised	227,000	277,000	202,000	202,000
Increase (Decrease)	(111,000)	(5,000)	(80,000)	(50,000)
Fire - per original submitted report	300,000	900,000	100,000	300,000
Fire - as revised	250,000	900,000	50,000	275,000
Increase (Decrease)	(50,000)	-	(50,000)	(25,000)
VMC - per original submitted report	250,000	125,000	125,000	125,000
VMC - as revised	150,000	175,000	125,000	100,000
Increase (Decrease)	(100,000)	50,000	-	(25,000)
Engineering - per original submitted report	200,000	150,000	200,000	200,000
Engineering - as revised	125,000	175,000	150,000	150,000
Increase (Decrease)	(75,000)	25,000	(50,000)	(50,000)
Broad St Market - per original submitted report	4,500,000	4,500,000	-	-
Broad Street Market - as revised	4,500,000	4,500,000	-	-
Increase (Decrease)	-	-	-	-
Facilities - per original submitted report	400,000	450,000	450,000	450,000
Facilities - as revised	319,442	480,558	350,000	300,000
Increase (Decrease)	(80,558)	30,558	(100,000)	(150,000)
Parks/Recreation - per original submitted report	125,000	125,000	175,000	175,000
Parks/Recreation - as revised	75,000	75,000	75,000	75,000
Increase (Decrease)	(50,000)	(50,000)	(100,000)	(100,000)
Total Increase (Decrease) Effect on Capital	(466,558)	50,558	(440,000)	(460,000)

# **Total Expenses - Revised 2025 thru 2028**

- A. revised Personnel costs
- B. revised Services increase to 2% from 3% for consistency with Supplies increase
- C. down-graded capital expenditures, as per previous discussion

COH  
ICA Report - 5-year Financial Plan Summary  
Summary of Revised Expense Projections - 2025 thru 2028

<u>DESCRIPTION</u>	<u>FY 2025 Projection</u>	<u>FY 2026 Projection</u>	<u>FY 2027 Projection</u>	<u>FY 2028 Projection</u>
<u>Comparative Revisions</u>				
Personnel, net medical-per orig submitted report	40,113,968	41,279,883	42,383,280	43,519,779
Personnel, net of medical - as revised	40,068,446	41,186,335	42,239,098	43,322,249
Increase (Decrease)	(45,522)	(93,548)	(144,182)	(197,530)
Medical Claims - per original submitted report	12,750,000	12,200,000	11,800,000	12,000,000
Medical Claims - as revised	12,700,000	12,200,000	11,750,000	12,000,000
Increase (Decrease)	(50,000)	-	(50,000)	-
Services - per original submitted report	11,706,140	12,057,324	12,419,043	12,791,615
Services - as revised	11,592,488	11,824,337	12,060,824	12,302,041
Increase (Decrease)	(113,652)	(232,987)	(358,219)	(489,574)
Supplies - per original submitted report	3,829,796	3,906,392	3,984,520	4,064,210
Supplies - as revised	3,829,796	3,906,392	3,984,520	4,064,210
Increase (Decrease)	-	-	-	-
Debt - per original submitted report	1,250,000	1,430,000	1,445,000	1,450,000
Debt - as revised	1,250,000	1,430,000	1,445,000	1,450,000
Increase (Decrease)	-	-	-	-
Capital - per original submitted report	6,238,000	6,657,000	1,482,000	1,652,000
Capital - as revised	5,771,442	6,707,558	1,042,000	1,192,000
Increase (Decrease)	(466,558)	50,558	(440,000)	(460,000)
Transfers-out - per original submitted report	1,734,215	400,000	400,000	400,000
Transfers-out - as revised	1,734,215	400,000	400,000	400,000
Increase (Decrease)	-	-	-	-
Other Operating - per original submitted report	650,000	400,000	400,000	400,000
Other Operating - as revised	650,000	400,000	400,000	400,000
Increase (Decrease)	-	-	-	-
Total Increase (Decrease) Effect on Expenses	(675,732)	(275,977)	(992,401)	(1,147,104)

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>General Government</b>						
Personnel	1,907,801	2,123,773	2,176,867	2,231,289	2,287,071	2,344,248
Services	314,994	478,448	488,017	497,777	507,733	517,888
Supplies	54,975	99,690	101,684	103,717	105,792	107,908
Other-Debt	0	0	0	0	0	0
Other-Capital	0	0	0	0	0	0
Other-Transfers	0	0	0	0	0	0
Other-Operating	0	0	0	0	0	0
<b>Total General Government Function</b>	<b>\$2,277,770</b>	<b>\$2,701,911</b>	<b>\$2,766,568</b>	<b>\$2,832,784</b>	<b>\$2,900,596</b>	<b>\$2,970,043</b>

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Administration</b>						
Personnel (net of Medical)	4,310,092	4,439,204	4,437,411	4,528,347	4,621,555	4,717,094
Medical	13,124,343	13,725,000	12,700,000	12,200,000	11,750,000	12,000,000
Services	6,085,888	5,861,241	5,978,466	6,098,035	6,219,996	6,344,396
Supplies	393,021	606,022	618,142	630,505	643,115	655,978
Other-Debt	9,875,573	1,250,000	1,250,000	1,430,000	1,445,000	1,450,000
Other-Capital	1,074,568	791,626	125,000	125,000	90,000	90,000
Other-Transfers	2,800,000	33,283,499	1,734,215	400,000	400,000	400,000
Other-Operating	869,260	977,513	650,000	400,000	400,000	400,000
<b>Total Administration Function</b>	<b>\$38,532,745</b>	<b>\$60,934,105</b>	<b>\$27,493,234</b>	<b>\$25,811,887</b>	<b>\$25,569,666</b>	<b>\$26,057,467</b>

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Building and Housing</b>						
Personnel	242,051	411,437	421,723	432,266	443,073	454,149
Services	106,322	95,000	96,900	98,838	100,815	102,831
Supplies	235	5,500	5,610	5,722	5,837	5,953
Other-Debt	0	0	0	0	0	0
Other-Capital	0	0	0	0	0	0
Other-Transfers	0	0	0	0	0	0
Other-Operating	0	0	0	0	0	0
<b>Total Building and Housing Function</b>	<b>\$348,608</b>	<b>\$511,937</b>	<b>\$524,233</b>	<b>\$536,826</b>	<b>\$549,724</b>	<b>\$562,934</b>

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Public Safety</b>						
Personnel	28,112,236	29,194,119	29,936,429	30,821,017	31,634,648	32,472,687
Services	1,362,986	1,908,611	1,946,783	1,985,719	2,025,433	2,065,942
Supplies	696,667	545,000	555,900	567,018	578,358	589,926
Other-Debt	0	0	0	0	0	0
Other-Capital	798,530	1,425,000	477,000	1,177,000	252,000	477,000
Other-Transfers	0	0	0	0	0	0
Other-Operating	0	0	0	0	0	0
<b>Total Public Safety Function</b>	<b>\$30,970,419</b>	<b>\$33,072,730</b>	<b>\$32,916,112</b>	<b>\$34,550,754</b>	<b>\$34,490,440</b>	<b>\$35,605,554</b>

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Public Works</b>						
Personnel	1,098,277	2,137,608	2,191,048	2,245,824	2,301,970	2,359,519
Services	1,969,816	2,733,547	2,788,218	2,843,982	2,900,862	2,958,879

Supplies	1,810,093	2,361,702	2,408,936	2,457,115	2,506,257	2,556,382
Other-Debt	0	0	0	0	0	0
Other-Capital	136,727	6,204,516	5,094,442	5,330,558	625,000	550,000
Other-Transfers	0	0	0	0	0	0
Other-Operating	0	0	0	0	0	0
<b>Total Public Works Function</b>	<b>\$5,014,913</b>	<b>\$13,437,373</b>	<b>\$12,482,644</b>	<b>\$12,877,479</b>	<b>\$8,334,089</b>	<b>\$8,424,781</b>

	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
<b>Parks and Recreation</b>						
Personnel	1,541,712	882,895	904,967	927,592	950,781	974,551
Services	791,119	288,337	294,104	299,986	305,986	312,105
Supplies	333,530	136,788	139,524	142,314	145,161	148,064
Other-Debt	0	0	0	0	0	0
Other-Capital	537,586	35,728	75,000	75,000	75,000	75,000
Other-Transfers	0	0	0	0	0	0
Other-Operating	0	0	0	0	0	0
<b>Total Parks and Recreation Function</b>	<b>\$3,203,947</b>	<b>\$1,343,748</b>	<b>\$1,413,595</b>	<b>\$1,444,892</b>	<b>\$1,476,927</b>	<b>\$1,509,720</b>

<b>Total General Fund Expenditures</b>	<b>\$80,348,402</b>	<b>\$112,001,804</b>	<b>\$77,596,387</b>	<b>\$78,054,622</b>	<b>\$73,321,442</b>	<b>\$75,130,499</b>
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<b>General Fund Revenue</b>	<b>76,846,167</b>	<b>104,688,915</b>	<b>82,262,172</b>	<b>78,054,622</b>	<b>73,321,442</b>	<b>73,488,737</b>
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<b>Utilize Cash Fund Balance</b>	<b>(3,502,235)</b>	<b>(7,312,889)</b>	<b>4,665,785</b>	<b>(0)</b>	<b>(0)</b>	<b>(1,641,762)</b>
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<b>Beginning Cash Fund Balance</b>	<b>23,145,504</b>	<b>19,643,269</b>	<b>12,330,380</b>	<b>16,996,165</b>	<b>16,996,165</b>	<b>16,996,165</b>
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<b>Ending Cash Fund Balance</b>	<b>19,643,269</b>	<b>12,330,380</b>	<b>16,996,165</b>	<b>16,996,165</b>	<b>16,996,165</b>	<b>15,354,403</b>
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# Take-Aways

- minimize effect of utilizing too much cash fund balance over future years
- do not act upon all at once the available interest income reserve generated from the ARPA funds
- better stabilization of the City's ending cash fund balances over future years
- use plan as a helpful evaluation source for assisting budget preparation



DRAFT

The Intergovernmental Cooperation Authority  
for Harrisburg  
922 N 3rd Street  
Harrisburg, PA 17102

August 29, 2024

The Honorable Wanda R.D. Williams  
Mayor, City of Harrisburg  
Dr. Martin Luther King, Jr., Government Center  
10 N. Second Street  
Harrisburg, PA 17101

Re: Approval of the City of Harrisburg's 2025 Five-Year Financial Plan

Dear Mayor Williams:

Thank you for your submission of the City of Harrisburg's 2025 Five-Year Financial Plan ("Plan") as dated August 2, 2024.

I am pleased to inform you that at its meeting of August 28, 2024, the Intergovernmental Cooperation Authority for Harrisburg (the "Authority") reviewed and conditionally approved the Plan pursuant to Act 124 of 2018. This Plan represents a satisfactory submission for the 2025 plan year. The report is well presented, drawing from prior plans, and providing progress updates. The plan document is well-structured. We appreciate the ongoing much-needed technology transition, the improvements in staffing support for the law office, the related task of improving Neighborhood Services Fund collections, the prospects for meaningful work on completion of a comprehensive Economic Development Plan, and a graded review of capital assets and needs.

The Authority is tasked with making additional recommendations to the City regarding the Plan. The following is a summary of the Authority's recommendations:

- Fund Balance – The largest overall concerns are trend lines showing declining operational results in both the general fund and, to an even larger degree, the Neighborhood Services Fund. The former runs into the negative in the out years, coupled with the need to pull capital expenses from the fund balance, reducing the fund balance to barely minimum levels. A revised set of



projections was presented to us in advance of the meeting, and with their incorporation the numbers become more supportable and we support that update to the final document. In any case, a focus on stabilizing the trend in declining revenue and avoiding fund balance depletion should remain a priority for the City.

- Neighborhood Services Fund (“NSF”) – We recommend redoubling the effort to shore up the financial stability of the NSF, with a focus on past due receivables, as well as achieving a rate of collection on current receivables above 95% as soon as possible. In light of the evaluation of the service rates both inside the City and for services supplied to neighboring communities, the sanitation rates should be annually reviewed for sufficiency to meet expenses and avoid drawing from reserves. This review should also be done in a way that assures rates for our neighboring communities are sufficient to fund those services in their entirety, both individually and collectively; the City customers should not absorb any of the contract costs. Relatedly, we recommend planning to restore the interfund administrative fee, discontinued during the 2019 Plan year, to compensate the General Fund for administrative services.
- Economic Development Plan – The Authority encourages your Administration to prioritize the development of a comprehensive Economic Development Plan. Apart from its importance for the vitality and opportunity it affords the downtown and our neighborhoods, it is an integral tool for the City to build long-term economic growth in the face of future trends the Plan projects in City revenue.
- Other Post-Employment Benefits Trust Fund – The project to establish the OPEB Trust Fund should be fast-tracked as it is needed for the City’s planned exit from Act 47 as well as satisfying the requirements of Act 124 and the Strong Plan.

On a related matter, the Board applauds the City on beginning its efforts to rebuild the Broad Street Market. Not only is this a landmark asset, it is a symbol of community resilience, and an economic anchor for our community.

Thank you for the opportunity to present these recommendations to the City of Harrisburg in response to the approved Plan.

Finally, we acknowledge that the City is going through a senior staffing transition, and we want to thank former Chief of Staff and Business Administrator Dan Hartman, former Director of Finance Marita Kelley, and long-serving Accounting Manager Bryan McCutcheon for their outstanding work on behalf of the City of Harrisburg. We hope you are successful in finding personnel to replace the extraordinary talent and knowledge that was lost with the departure of Mr. Hartman and Ms. Kelley.

Please feel free to reach out to me if you have any questions.

Sincerely,

Douglas E. Hill, Chair

c.c. Authority Members

Danielle Bowers, President, City Council, City of Harrisburg

Ausha Green, Vice-President, City Council, City of Harrisburg

Charlie DeBrunner, Controller, City of Harrisburg

Dan Miller, Treasurer, City of Harrisburg

Bryan McCutcheon, City of Harrisburg