

Intergovernmental Cooperation Authority for Harrisburg

Minutes of the Governing Board

Regular Meeting

August 27, 2025

Temple University Harrisburg, Strawberry Square, Harrisburg PA

hbgica.org

Members in Attendance	Mr. Doug Hill, Chair Ms. Kathy Speaker MacNett Ms. Elaine Barber	A Quorum Was Recognized
Ex-Officio Members in Attendance	Mr. Bryan McCutcheon, City of Harrisburg	
In Attendance	Mr. Jeffrey Stonehill, Authority Manager	
Meeting Begins		3:00 p.m.
Welcome by Doug Hill, Chair	Mr. Hill opened the meeting.	
Approval of the Minutes • June 25, 2025	On a motion by Ms. MacNett, Second by Ms. Barber, the minutes were approved.	The minutes were approved by a vote of 3-0.
Report by the Chair	<p>Mr. Hill informed the assembled that he had not had an opportunity to meet with the Mayor about the ICA, but he has seen her on other projects. He has been asked to sit on the panel for housing program improvements using the American Rescue Program Act funding.</p> <p>Mr. Hill reviewed the process for the creation of a comprehensive economic development plan with partners include CREDC.</p> <p>Mr. Hill noted a meeting held by PennLive to review community stakeholder opinions on economic development. Generally, he believed that there were some interesting comments made during this public meeting, and while the Lancaster comparison was not entirely accurate, Mr. Hill agreed that the citizens should be the driver of the plan; and second, community involvement should include the community's thought-leaders and entrepreneurs. Finally, the synergy of</p>	

	<p>different neighborhoods was an important point made at the meeting.</p> <p>Mr. Stonehill asked about the economic development project in Pittsburgh, but he wondered if the Pittsburgh project was more-downtown-centric. Mr. Hill said there was a downtown market plan but also a regional plan. Mr. Hill noted the difference in Harrisburg neighborhoods.</p> <p>Ms. MacNett liked the consultant comment at the meeting that no one comes downtown just to park. That parking was ancillary to downtown destinations. She also talked about the Uptown Shopping Center. She also noted the old high school.</p> <p>Mr. Hill said that CREDC is seeking an economic development consultant, and the stakeholders will develop a core work group and a set of other work groups. There is a lot of interest in a project-focused basis. He also noted the issue of residential conversions. The community is too focused on Commonwealth employees.</p> <p>The ICA Board has discussed \$50,000 in bridge funding to help launch the project while awaiting Commonwealth funding. The General Counsel is doing a legal review of that concept.</p> <p>Ms. MacNett noted that Strawberry Square is acting as a small business incubator. Interested stakeholders will be referred to CREDC. If they establish a webpage, the ICA can link to it.</p>	
Harrisburg City Controller	<p>Mr. Hill introduced Mr. Charles DeBrunner, City of Harrisburg Controller, who is in the process of completing his elected term of office and will be stepping away from public service at the end of the year. He was joined by his</p>	

	<p>deputy, Michael Thomas. Mr. Hill thanked them for their service.</p> <p>Mr. DeBrunner talked about those things that have changed over his tenure. He started with his view of the parking plan and the sale of City assets. He reviewed the City's municipal debt situation and the payoff of the Ambac debt. He noted the importance of the extension of the extraordinary taxing authority granted by the State. He gave his opinion of property tax system.</p> <p>In his opinion, the finances of the City are now as solid as they have been in years. Mr. DeBrunner compared the difference in financial management between when they arrived and now.</p> <p>Mr. DeBrunner noted the benefit of having no pension liability, no debt, and positive cash flow. He hopes that the City continues to live within its means.</p> <p>Ms. MacNett asked about the OPEB Trust. Mr. DeBrunner said we should be worried about other post-employment benefits debt and the lack of establishing any plan to address this liability.</p> <p>Mr. Stonehill asked about the lack of the City having any credit worthiness. Mr. DeBrunner said it would be good for the City to establish the ability to borrow, if the City were forced to borrow. Someday, he explained, there will be a project that is so compelling. However, he does not like debt and the City is managing well without the ability to borrow.</p> <p>Mr. Hill asked about other revenue issues. Mr. DeBrunner said City revenue is just about flat. He does not think that residents of the City could afford to contribute more revenue to City</p>	
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	<p>operations. He said that the State government has abandoned its responsibility to the City. He discussed the future of office and commercial real estate and residential conversions.</p> <p>He said State government is no longer the business of this town.</p> <p>Mr. Hill noted that the ICA Board is watching City reserves and the reduction in assessed value of real property.</p> <p>Mr. Stonehill said the partnership between the ICA Board and the Controller's Office has been very successful. Mr. DeBrunner said it has been an honor to help.</p> <p>Mr. Hill thanked Mr. DeBrunner and offered his best wishes for Mr. DeBrunner's future.</p>	
Report on City of Harrisburg Financial Activities	<p>Mr. Hill introduced Bryan McCutcheon, Accounting Manager. There was a handout of draft 2026 numbers for the upcoming Five-Year Plan.</p> <p>He reviewed the following information:</p> <ul style="list-style-type: none"> <li>• The proposed Executive Summary.</li> <li>• The special funds of the City, which are seven minor funds; like the Special Events Fund.</li> <li>• The Capital Fund, Host Fund, and the grant money fund for 2026 and beyond. The Host Fund is the money from the incinerator.</li> <li>• The Liquid Fuels grant fund.</li> <li>• The Broad Street Market impact on the 2026 budget.</li> <li>• The Neighborhood Services Fund.</li> </ul> <p>Mr. McCutcheon reviewed the projections for the future. He noted the Brenner Motors Litigation settlement and its impact. The hope is that the City</p>	

	<p>gets better at collection of past due balances.</p> <ul style="list-style-type: none"> <li>• Mr. McCutcheon noted that the Five-Year Plan makes a good tool.</li> <li>• Ms. Barber asked about collections in the Neighborhood Services Fund. Business Administrator, Sam Sulkosky gave his impressions on collections. Mr. Stonehill gave his opinion on outstanding trash bills.</li> <li>• Mr. McCutcheon noted the outstanding AFSCME union contract.</li> <li>• Mr. McCutcheon reviewed the Harrisburg Senator's Fund and the FNB Field upgrades. The City is contributing \$6 million and there will be a \$6 million reimbursement from a RCAP grant. The project is a little over budget at about \$12.2 million.</li> <li>• Mr. McCutcheon reviewed an analysis and projection of the General Fund.</li> <li>• Mr. McCutcheon noted the outstanding Police union contract.</li> <li>• Mr. McCutcheon noted the only debt is the pass-through for the Commonwealth Verizon Tower. The City is the guarantor.</li> <li>• There is about 18-months left on the reconstruction of the Broad Street Market. The estimate is \$19 million. Mr. McCutcheon went over a variety of other projects.</li> <li>• Mr. McCutcheon reviewed the summary tables that will appear in the 2026 Five-Year Plan.</li> <li>• The Commonwealth Capital Fire Protection contribution may rise next year; perhaps \$7 million.</li> <li>• A "premature" look seems to imply that the City will stay</li> </ul>	
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	<p>within its means for the five years.</p> <ul style="list-style-type: none"> <li>• Mr. McCutcheon said a number of narrative items still need work.</li> </ul> <p>The final submission of a proposed 2026 Five-Year Plan should be submitted to the ICA Board for review on time, but maybe on Saturday August 30<sup>th</sup>.</p> <p>Mr. Hill thanked Mr. McCutcheon for the level of work and level of detail. Individual members of the ICA Board will review the draft. We will prepare for a discussion at the meeting on September 24<sup>th</sup>.</p>	
Authority Manager's Report	Mr. Stonehill provided the financial report for August 2025.	
Update on Appointments	Mr. Hill noted the recent appointment of Kevin Hancock to take the seat being vacated by Elaine Barber. He thanked Elaine for her service to the ICA and the City. She said a few kind words. Mr. Hill noted there are two other nominees in the work for the two open positions.	
Other Business	None.	
Public Comments	There were no public comments.	
Adjourn meeting at 4:45 p.m.	<p>Motion by Ms. Barber.</p> <p>A second was not required.</p>	Approved 3-0.

Respectfully submitted:



Jeffrey M. Stonehill, Authority Manager







8/27/2025

Required of all attendees for an official record of public participation

[illegible]

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

Report – July 1, 2025 to August 27, 2025

Starting balance (July 1):	\$183,266.39
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7/1/25	Johnson Duffie Legal Expenses (Apr & May)	\$1,085.00
7/1/25	Pursuit Co-Working Harrisburg	\$98.15
7/1/25	Digital Ocean	\$12.72
7/1/25	Digital Ocean	\$6.87
7/25/25	Westfield Insurance	\$500.00
7/31/25	Monthly Interest on Checking Account	+\$1.55
8/1/25	Digital Ocean	\$12.72
8/1/25	Digital Ocean	\$6.87
8/1/25	Pursuit Co-Working Harrisburg	\$98.15
8/23/25	PA Media Group (August Ad)	\$172.74
8/27/25	Johnson Duffie Legal Expenses (June)	\$1,225.00
8/27/25	MESH PA 2 (September 2025)	\$5,250.00

Estimated Balance (August 27, 2025)	\$174,801.72
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**Table 1**  
**Operating Forecasts <sup>1</sup> 2024-2029**

	Actuals 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Revenues	\$104,482,463	\$89,496,884	\$79,776,395	\$76,728,748	\$75,048,851	\$75,516,807
Expenses prior to Capital Expenditures	101,682,923	71,353,679	69,956,007	71,704,193	72,896,763	74,749,573
Capital Expenditures	3,973,556	13,564,747	11,789,379	5,187,640	1,425,828	1,575,000
Total Expenses	105,656,479	84,918,426	81,745,386	76,891,833	74,322,591	76,324,573
Operating Change in Cash Fund Balance	(1,174,016)	4,578,458 <sup>2</sup>	(1,968,991)	(163,085)	726,260	(807,766)
Beginning Cash Fund Balance	19,643,269	18,469,253	23,047,711	21,078,720	20,915,635	21,641,895
Ending Cash Fund Balance	\$18,469,253	\$23,047,711	\$21,078,720	\$20,915,635	\$21,641,895	\$20,834,129
Ending Cash Fund Balance % of Total Expenses	17%	27%	26%	27%	29%	27%

<sup>1</sup> Operating forecast includes General Fund revenue and expenditure activity. For the purposes of these projections, transfers to the Debt Service Fund are reflected as operating expenses.

<sup>2</sup> Includes a reimbursement transfer of \$6,000,000 from the Harrisburg Senators Fund, relative to the FNB Field stadium upgrade project.

The projections show positive Ending Cash Fund Balances from fiscal years 2024 through 2029 and the ability to maintain levels that exceed General Fund balance targets throughout the projection period. After each fiscal year, the City will assess its fund balance relative to target minimum levels and allocate any unspent budget funds to bring them into full compliance, if necessary.

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## 4 Revenues

The table below presents a five-year history of Harrisburg's revenues by significant category from 2019 to 2023.

Historically, real estate taxes have been the city's primary revenue source, representing an average of 23.43% of all revenues. The City's three highest revenue sources, Real Estate, Earned Income, and Mercantile Business Privilege taxes, combined comprise an average of 54% of Harrisburg's operating revenues. Please remember the 2023 information provided is not the 2023 audited figures, as the annual financial audit has not yet been completed.

**Table 2**  
**Key Operating Revenues 2020-2024**

	2020	2021	2022	2023	2024	2024 Revenue %
Real Estate Tax	\$16,879,690	\$17,981,088	\$16,725,918	\$17,028,267	\$17,286,753	23.05%
Real Estate Transfer Tax	\$843,880	\$868,476	\$1,430,158	\$990,262	\$1,118,001	1.49%
Hotel Tax	\$900,000	\$1,000,000	\$700,000	\$714,000	\$1,000,000	1.33%
Local Service Tax	\$6,488,369	\$6,533,431	\$6,706,205	\$6,638,483	\$6,748,815	9.00%
Earned Income Tax	\$12,739,112	\$13,546,945	\$15,833,448	\$17,521,542	\$18,288,690	24.39%
Mercantile/Business Privilege Tax	\$7,391,790	\$7,771,048	\$8,131,977	\$8,369,638	\$8,677,371	11.57%
Department of Administration	\$317,413	\$351,853	\$308,574	\$419,016	\$429,295	0.57%
Department of Building & Housing	\$1,591,344	\$2,206,809	\$2,067,704	\$2,084,111	\$1,992,638	2.66%
Department of Public Safety	\$2,168,055	\$2,331,297	\$2,171,083	\$1,785,059	\$2,259,067	3.01%
Department of Public Works	\$616,658	\$939,491	\$322,306	\$246,069	\$53,743	0.07%
Department of Parks & Recreation	\$265	\$2,706	\$9,870	\$8,620	\$16,785	0.02%
Fines & Forfeits	\$541,528	\$889,062	\$719,628	\$803,072	\$803,980	1.07%
Licenses & Permits	\$546,713	\$516,702	\$499,166	\$431,117	\$383,019	0.51%
Interest Income	\$342,007	\$21,150	\$355,171	\$964,631	\$1,115,079	1.49%
Rental Revenue	\$35,283	\$105,835	\$90,130	\$625,938	\$84,634	0.11%
Miscellaneous Revenue	\$2,198,490	\$2,681,432	\$2,626,772	\$8,028,622	\$4,028,077	5.37%
Other Financing Sources	\$27,246	\$1,500	\$41,020	\$173,204	\$94,260	0.13%
Intergovernmental Revenue	\$8,728,062	\$8,093,511	\$8,424,522	\$8,768,538	\$9,433,324	12.58%
Interfund Transfers	\$2,856,613	\$2,966,174	\$9,958,311	\$1,245,978	\$30,668,932	N/A *
Fund Balance Appropriation	-	\$5,056,803	\$1,080,711	\$3,502,235	\$1,174,016	1.58%
<b>Total General Fund Revenue/Sources</b>	<b>\$65,212,518</b>	<b>\$73,865,313</b>	<b>\$78,202,674</b>	<b>\$80,348,402</b>	<b>\$105,656,479</b>	<b>100.00%</b>

\* \$30,668,932 in interfund transfer of ARPA funds from the Federal Grants Fund are factored out here due to being an atypical transfer to the General Fund and otherwise having a material skewing effect on all the presented revenue percentages.

## 4.1 Revenue Forecasts

Below is the multi-year revenue forecast based on historical growth trends, planned initiatives, and other available data. The 2025 projected revenues will fluctuate from the actual activity through year-end; however, based on review of actual revenue activity thus far, these revenue estimates will provide a reasonable projection.

**Table 3**  
**Operating Revenue Forecasts**  
**2025-2029**

	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Real Estate Tax	\$16,691,216	\$16,250,000	\$16,250,000	\$16,250,000	\$16,250,000
Real Estate Transfer Tax	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Hotel Tax	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Local Service Tax	\$6,834,000	\$6,868,170	\$6,902,511	\$6,937,023	\$6,971,709
Earned Income Tax	\$18,843,750	\$18,937,969	\$19,032,659	\$19,127,822	\$19,223,461
Mercantile Business Privilege Tax	\$8,675,000	\$8,700,000	\$8,743,500	\$8,787,218	\$8,831,154
Department of Administration	\$460,669	\$469,882	\$479,280	\$488,866	\$498,643
Department of Building & Housing	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
Department of Public Safety	\$1,999,997	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Department of Public Works	\$649,677	\$662,671	\$675,924	\$689,442	\$703,231
Department of Parks & Recreation	\$18,025	\$18,566	\$19,123	\$19,696	\$20,287
Fines & Forfeits	\$841,499	\$858,329	\$875,496	\$893,005	\$910,866
Licenses & Permits	\$400,000	\$408,000	\$416,160	\$424,483	\$432,973
Interest Income	\$750,000	\$650,000	\$575,000	\$525,000	\$450,000
Rental Income	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335
Miscellaneous Revenue	\$5,804,947	\$5,886,816	\$4,185,580	\$3,004,999	\$3,345,149
Other Financing Sources	\$50,000	\$75,000	\$50,000	\$75,000	\$75,000
Intergovernmental Revenue	\$11,174,793	\$11,170,000	\$11,200,000	\$11,250,000	\$11,300,000
Interfund Transfers	\$12,310,611	\$2,825,512	\$1,325,171	\$575,000	\$500,000
Fund Balance Appropriation	-	\$1,968,991	\$163,085	-	\$807,766
<b>Total General Fund Revenue/Sources</b>	<b>\$89,496,884</b>	<b>\$81,745,386</b>	<b>\$76,891,833</b>	<b>\$75,048,851</b>	<b>\$76,324,573</b>

## 5 Expenses

The table below presents a five-year history of the City's expenses by major category. Personnel and Medical expenses are the main cost drivers, representing 69.05% of 2024 actual operating expenses having a significant grappling effect on flexibility of budget planning.

**Table 4**  
**Key Operating Expenses 2020-2024**

	2020	2021	2022	2023	2024	Pct. of 2024 Total
Personnel, net of Medical	\$31,457,827	\$33,311,449	\$33,443,622	\$37,212,169	\$39,515,348	49.76%
Medical	9,387,608	9,764,674	11,755,194	13,124,343	15,318,149	19.29%
Services	5,587,092	5,972,562	7,214,154	10,631,125	9,156,068	11.53%
Supplies	2,061,570	2,148,222	2,454,068	3,288,521	3,483,335	4.39%
Debt Service	10,541,493	19,209,980	22,073,638	9,875,573	1,250,000	1.57%
Other Operating	1,073,165	785,734	577,666	869,260	967,553	1.22%
Transfers	324,432	285,822	0	2,800,000	31,992,470	7.23% *
<b>Tot Exps (Pre-Capital)</b>	<b>60,433,187</b>	<b>71,478,443</b>	<b>77,518,342</b>	<b>77,800,991</b>	<b>101,682,923</b>	
Capital Expenditures	1,055,384	2,386,870	684,332	2,547,411	3,973,556	5.01%
<b>Total Expenses</b>	<b>\$61,488,571</b>	<b>\$73,865,313</b>	<b>\$78,202,674</b>	<b>\$80,348,402</b>	<b>105,656,479</b>	<b>100.00%</b>

\* Interfund transfers are reduced by \$26,250,000 so as to factor out such transfers to the State Grants Fund for funding of projects, initiatives, or activities not typically funded by the General Fund on an annual basis; this adjustment prevents a material skewing effect on the presented expense percentages.

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## 5.2 Expense Forecasts

Below is the multi-year expense forecast based on historical growth trends, planned initiatives, and other available data. The data includes fiscal forecasts from FY 2025 through FY 2029.

As for the Personnel costs, these costs are anticipated to increase by 2.3% in 2025, 2.8% the following year, and then stagnate at increases of 2.6% thereafter. Medical expenses will increase by 7.5% initially, but lessen significantly in the following years. Services and Supplies expenses are anticipated to increase by 3% and 2%, respectively. It is expected that the price increase will be in line with the current CPI. Other Operating Expenses and Transfers are contingent on budgetary activity. Debt Service costs will significantly be reduced as the Ambac Forbearance payments are eliminated, and this event reduces debt to a pre-distressed level. Capital costs are contingent on the necessary capital needs of each City Department.

**Table 14**  
**Operating Expense Forecast**

	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Personnel (less Medical)	\$40,081,371	\$41,133,507	\$42,213,262	\$43,321,360	\$44,458,545
Medical Claim Expenses	13,000,000	13,097,500	13,195,731	13,294,699	13,394,409
Services	9,500,000	9,690,000	9,883,800	10,081,476	10,283,106
Supplies	3,500,000	3,570,000	3,641,400	3,714,228	3,788,513
Other Operating	965,789	975,000	975,000	975,000	975,000
Transfers	3,056,519	60,000	350,000	60,000	350,000
Debt Service	1,250,000	1,430,000	1,445,000	1,450,000	1,500,000
<b>Total Expenses (Pre-Capital)</b>	<b>71,353,679</b>	<b>69,956,007</b>	<b>71,704,193</b>	<b>72,896,763</b>	<b>74,749,573</b>
Capital Expenditures	13,564,747	11,789,379	5,187,640	1,425,828	1,575,000
<b>Total Expenses</b>	<b>\$84,918,426</b>	<b>\$81,745,386</b>	<b>\$76,891,833</b>	<b>\$74,322,591</b>	<b>\$76,324,573</b>

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## 7 Capital Improvement Plan

The City has a backlog of deferred maintenance and unfunded capital needs, which far exceed funding capacity. Most critically important capital needs will remain unfunded unless operating projections outperform expectations or new funding sources are identified.

The tables below show the **baseline** capital projects the City plans to fund with General Fund transfers and other sources. The baseline projections are consistent with those presented in the 2023 Five-Year Plan. The Projections and Forecasts for capital improvement projects for 2024- 2028 are included below.

**Table 15**  
**Baseline Capital Improvement Expenditures - General Fund**

Project Name	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Total
<b>Bureau of Information Technology</b>						
IT Equipment – Data Processing	\$663,315	\$497,486	\$331,657	\$165,828	\$125,000	\$1,783,286
<b>Bureau of Human Resources</b>						
Human Resource Management System	-	50,000	-	-	-	50,000
<b>Bureau of Police</b>						
Police Patrol Vehicles	-	291,000	-	175,000	175,000	641,000
Other Police Vehicles	308,471	40,000	-	-	-	348,471
Building Renovations	-	80,000	-	-	-	80,000
Other Police Equipment	34,017	-	25,000	40,000	50,000	149,017
<b>Bureau of Fire</b>						
Apparatus Replacement	-	675,000	-	400,000	400,000	1,475,000
Fire House Upgrades	-	-	50,000	75,000	75,000	200,000
Other Operations Equipment	31,144	140,000	-	50,000	50,000	271,144
<b>Vehicle Management Center</b>						
Vehicles	80,072	-	75,000	-	-	155,072
Building Improvements	27,797	550,000	-	-	-	577,797
<b>Office of Engineering</b>						
Traffic Bucket Truck	53,550	-	-	-	-	53,550
Operations Equipment	153,415	-	175,000	-	175,000	503,415
<b>Facilities Maintenance and Special Projects</b>						
Broad Street Market Project	10,533,451	8,636,893	2,878,965	-	-	22,049,309
Various - Other	1,679,515	744,000	1,652,018	445,000	525,000	5,045,533
<b>Parks, Recreation and Enrichment</b>						
Other	-	85,000	-	75,000	-	160,000
<b>Subtotal</b>	<b>\$13,564,747</b>	<b>\$11,789,379</b>	<b>\$5,187,640</b>	<b>\$1,425,828</b>	<b>\$1,575,000</b>	<b>\$33,542,594</b>

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## 9 Principal Proprietary Funds

The City maintains two main proprietary funds, which account for activities that involve business-like transactions: the Neighborhood Services Fund and the Harrisburg Senators Fund.

### 9.1 Neighborhood Services Fund

Created in 2016, the Neighborhood Services Fund (“NSF”) accounts for the revenues and expenses associated with the provision of refuse collection and disposal services to residential, commercial, and industrial establishments of the City, as well as Parks and Recreation maintenance services, and road repair services, as those are related to the facilitation of refuse collection and disposal services.

**Table 20**  
**Neighborhood Services Fund-Actuals**  
**2020-2024**

	2020	2021	2022	2023	2024
Department of Public Works	1,747	22,315	0	18,955	0
Collection and Disposal Fees	15,336,996	16,112,684	16,207,892	16,592,807	17,444,964
Miscellaneous	460,390	228,288	524,903	507,900	460,241
Intergovernmental	58,724	0	49,354	59,120	0
Transfers	0	0	0	0	540,452
<b>Total Revenue</b>	<b>\$15,857,857</b>	<b>\$16,363,287</b>	<b>\$16,782,149</b>	<b>\$17,178,782</b>	<b>\$18,445,657</b>
Personnel	5,269,184	5,541,753	5,509,391	6,373,848	6,378,606
Services	8,548,808	8,839,004	8,987,077	9,969,986	11,339,460
Supplies	898,240	591,118	481,064	568,438	506,734
Other - Capital	1,983,192	1,411,580	1,190,212	1,010,139	757,661
Other – Transfers	0	0	0	55,978	0
Prior Year Encumbrances	0	162,133	0	0	0
<b>Total Expenditures</b>	<b>\$16,699,424</b>	<b>\$16,545,588</b>	<b>\$16,631,735</b>	<b>\$17,978,389</b>	<b>\$18,982,461</b>
Change in Cash Fund Balance	(841,567)	(182,301)	150,414	(799,607)	(536,804)
Cash FB - Beginning of Year	7,828,890	6,987,323	6,805,022	6,955,436	6,155,829
<b>Cash FB - End of Year</b>	<b>\$6,987,323</b>	<b>\$6,805,022</b>	<b>\$6,955,436</b>	<b>\$6,155,829</b>	<b>\$5,619,025</b>

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**Table 21**  
**Neighborhood Services Fund Forecasts**  
**2025 - 2029**

	2025	2026	2027	2028	2029
	Forecast	Forecast	Forecast	Forecast	Forecast
Department of Public Works	20,000	20,000	20,000	20,000	20,000
Collection and Disposal Fees <sup>1</sup>	17,819,950	18,498,849	19,191,955	19,931,527	20,673,966
Miscellaneous	436,500	427,700	424,100	415,600	412,300
Intergovernmental	60,000	0	60,000	0	60,000
Transfers	4,285,441	410,000	350,000	410,000	350,000
<b>Total Revenue</b>	<b>\$22,621,891</b>	<b>\$19,356,549</b>	<b>\$20,046,055</b>	<b>\$20,777,127</b>	<b>\$21,516,266</b>
Personnel	7,100,073	7,286,450	7,477,719	7,674,009	7,875,452
Services	12,917,871	11,220,000	11,444,400	11,673,288	11,906,754
Supplies	600,000	612,000	624,240	636,725	649,459
Other - Capital	654,206	770,714	853,000	600,000	800,000
<b>Total Expenditures</b>	<b>\$21,272,150</b>	<b>\$19,889,164</b>	<b>\$20,399,359</b>	<b>\$20,584,022</b>	<b>\$21,231,665</b>
Change in Cash Fund Balance	1,349,741	(532,615)	(353,304)	193,105	284,601
Cash FB - Beginning of Year	5,619,025	6,968,766	6,436,150	6,082,846	6,275,951
Cash FB - End of Year	<b>\$6,968,766</b>	<b>\$6,436,150</b>	<b>\$6,082,846</b>	<b>\$6,275,951</b>	<b>\$6,560,552</b>

<sup>1</sup> With the new attorney overseeing delinquent collections and a new lien specialist filing liens with both commercial and residential properties we do expect a decline in delinquent trash payments.

The NSF's primary revenue sources are garbage collection and disposal fees. For fiscal year 2023, the City budgets \$16.6 million in garbage collection and disposal fees. The City projects the need for fee increases in the coming years to address rising capital costs.

**The figures above anticipate a fee increase.** In addition, the Finance team will suggest further fee increases for Capital in the forecast years, so as to meet the future needs for new trash trucks and other necessary sanitation-related capital items. The Grants Manager will also continue to seek available funding through available grant sources. The City will set the goal of increasing the collection rate to 91% beginning in 2023.

Also, the City has reached a contract agreement to continue Sanitation Services with the Borough of Steelton. The City is also in negotiations with Penbrook and Paxtang Boroughs. Further, though fully contained within the Neighborhood Services Fund, the City continues to account for the transaction activity of these municipal Boroughs individually via the utilization of three separate identifiable budget units comprising both revenues and expenses within this Fund.

The primary NSF expense is contracted service for garbage disposal of approximately \$6.3 million. The costs will increase by 2.0% annually through 2027. This fund also accounts for the contracted payment to the Lancaster County Solid Waste Authority. The tipping fee is \$230.84 per ton, and this will be adjusted on January 1 of each calendar year by the Consumer Price Index, which is assumed to be 2.0% in these projections.

Approximately 99.6 employee salaries are paid out of the NSF. Projected personnel cost increases mirror those in the General Fund, with 3.5% annual salary increases and 5% annual medical insurance increases.