

HONORABLE WANDA R.D. WILLIAMS,

Plaintiff,

v.

HARRISBURG CITY COUNCIL,

Defendant.

IN THE COURT OF COMMON PLEAS OF  
DAUPHIN COUNTY, PENNSYLVANIA

NO. No. 2026-CV-00140

CIVIL ACTION – LAW AND EQUITY

**AMICUS CURIAE BRIEF OF THE  
INTERGOVERNMENTAL COOPERATION AUTHORITY FOR HARRISBURG**

**AND NOW**, comes the Intergovernmental Cooperation Authority for Harrisburg, by and through its counsel, Johnson, Duffie, Stewart & Weidner, P.C., which files the following Amicus Brief, and in support thereof, avers as follows:

**I. INTRODUCTION AND INTEREST OF AMICUS CURIAE**

The Intergovernmental Cooperation Authority for Harrisburg (“ICA”) respectfully submits this Amicus Curiae Brief to assist the Court by providing context—institutional, statutory, and fiscal—that is relevant to the dispute before it. ICA’s interest stems from its statutory mandate under the Intergovernmental Cooperation Authorities Act for Cities of the Third Class, Act of October 24, 2018, P.L. 751, No. 124 (“Act 124”). See 53 P.S. § 42201(a). The General Assembly established ICA as an independent agency and instrumentality of the Commonwealth to support the City of Harrisburg (hereinafter “City” or “Harrisburg”), a third-class city, during and after a period of significant financial hardship. Act 124 clearly reflects legislative intent: to equip third-class cities with the tools needed to provide essential municipal services while promoting sound financial planning, managerial accountability, and long-term fiscal health.

Pursuant to Act 124, ICA is charged with reviewing, monitoring, and advising on the City's fiscal affairs, including annual budgets, multi-year financial planning, and other actions that may affect the City's financial stability. In fulfilling this role, ICA collaborates with elected officials, professional staff, and state partners, with the statute explicitly encouraging cooperation among these stakeholders. Act 124 also recognizes that decisions involving budgets, staffing, and long-term planning have impacts beyond any single branch of City government and directly serve the public interest.

Simply put, ICA's role under Act 124 is to promote and safeguard the long-term fiscal health and stability of Harrisburg. Given this, ICA is concerned that prolonged litigation over budget and staffing issues could threaten ongoing recovery efforts. Such disputes risk diverting limited public resources, disrupting the implementation of the approved Five-Year Financial Plan, and shifting focus away from collaborative actions necessary to sustain progress. Act 124 emphasizes coordination, transparency, planning, and shared responsibility among relevant stakeholders.

In light of this, ICA respectfully urges restraint and advocates for resolving disputes through the cooperative mechanisms established by law and municipal governance, rather than through ongoing judicial intervention.

## **II. FACTUAL AND PROCEDURAL BACKGROUND**

Plaintiff, the Honorable Wanda R. D. Williams (the "Mayor"), is the elected Mayor of Harrisburg, a third-class city operating under the Mayor–Council Plan A pursuant to the Optional Third Class City Charter Law. Defendant, Harrisburg City Council ("City Council"), serves as the legislative body and holds authority over legislation and budgets under the same legal framework.

This case arises from a dispute over Harrisburg's 2026 municipal budget and the scope of authority exercised by City Council during the budget process. At the heart of the disagreement is City Council's enactment of Bill No. 12-2025 and related amendments to the 2026 budget, which affect funding for certain administrative positions within the City's administration.

In the course of the 2026 budget review process, the ICA reviewed the proposed budget, observed City Council budget hearings, and issued formal written commentary on the budget and specific amendments affecting administrative and economic development positions.

On December 18, 2025, ICA sent a letter to the Mayor, with copies to City Council members, addressing the pending 2026 budget. See ICA Letter Addressed to Mayor Williams, dated Dec. 18, 2025, attached hereto as **Exhibit A**. The letter reviewed the budget's conformance with Act 124 and the City's approved Five-Year Financial Plan, specifically addressing the partial or full defunding of the Business Manager, Director of Community Economic Development and Building and Housing, and Director of Economic and Business Development / LERTA Administrator positions. ICA expressed concern that defunding these roles would hinder the City's ability to fill statutorily required positions and impair administrative capacity critical to fiscal stability and economic growth, while expressly refraining from opining on the underlying political dispute between the branches of City government.

Following the Mayor's veto of certain budget amendments and ahead of City Council's potential override consideration, ICA continued its advisory communications. On December 29, 2025, ICA Chair Douglas E. Hill emailed City Council members, reaffirming ICA's prior analysis, emphasizing that funding for the Business Manager and related economic development positions should be maintained, and again expressing ICA's willingness to assist the City in identifying a productive resolution to the dispute. See Email Correspondence from ICA, dated Dec. 29, 2025, attached hereto as **Exhibit B**.

In addition to written communications, ICA Chair Douglas E. Hill engaged in limited, informal discussions with City officials during the budget process. On December 18, 2025, during a meeting on economic development, Mr. Hill briefly discussed the budget and affected positions with the

Mayor. He also met individually with Vice President Ausha Green on December 19 and with President Danielle Hill on December 23, reaffirming ICA's interest in helping resolve the matter.

On or about January 8, 2026, the Mayor commenced this action by filing a Complaint against City Council seeking declaratory and injunctive relief. In the Complaint, the Mayor challenges the legality of City Council's budgetary actions and asserts that aspects of the budget amendments exceed City Council's lawful authority. At the same time, the Mayor filed a Petition for Emergency Injunction and Declaratory Ruling, requesting immediate judicial intervention to prevent implementation of the disputed budget provisions while the litigation proceeds.

City Council filed Preliminary Objections to the Complaint, raising issues including jurisdiction, standing, and the legal sufficiency of the causes of action. They also emphasized the fiscal risks of protracted litigation, noting that lengthy court proceedings could incur significant taxpayer costs and expressed a preference for resolving disputes through dialogue, negotiation, or mediation. Following the parties' initial filings, the Court issued a Rule to Show Cause and scheduled proceedings to address the request for injunctive relief as well as the pending Preliminary Objections.

On or about January 16, 2026, the undersigned petitioned this Honorable Court for leave to participate as amicus curiae. The Court granted ICA's petition the same day, permitting ICA to submit this brief for the limited purpose of providing institutional, statutory, and fiscal context relevant to the issues presented.

### **III. ARGUMENT**

#### **a. The 2026 Five-Year Financial Plan as a Framework for Fiscal Stability, Operational Capacity, and Governance**

Under Act 124, the City of Harrisburg is required to prepare, submit, and operate in accordance with a Five-Year Financial Plan designed to promote fiscal recovery, financial stability, and sustainable municipal governance. The General Assembly made clear that, for assisted cities, long-term financial planning is not optional. Section 209 of Act 124 requires each assisted city to develop,



implement, and periodically revise a financial plan that projects revenues and expenditures for the current fiscal year and the succeeding four fiscal years. Moreover, the Act further provides a process for any adopted budget inconsistent with an approved plan:

Section 209 (i) Revisions to plan.

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(6) If the governing body of a city adopts a budget inconsistent with an approved financial plan, the assisted city shall submit the enacted budget to the authority as a proposed revision to the plan. The authority shall review the proposed revision within 30 days of its submission in accordance with the criteria under subsection (g) and the approval process under paragraph (3).

53 P.S. §42209(i)(6).The Five-Year Financial Plan is a guiding instrument designed to inform annual budgets, staffing, expenditure decisions, and broader policy choices. It serves as the link between yearly actions and the city's recovery goals.

Additionally, Harrisburg is subject to Act 47, the Municipalities Financial Recovery Act, 53 P.S. § 11701.101, which provides a framework of state oversight for municipalities in severe fiscal distress. Harrisburg entered Act 47 status in 2010 after facing structural deficits, debt, and operational challenges. As a financially distressed municipality, the City is required to conduct its fiscal affairs in accordance with an approved recovery framework and in a manner consistent with long-term solvency, disciplined budgeting, and sustainable governance.

Act 47 expressly contemplates that recovery is achieved not through isolated or adversarial decision-making, but through coordinated efforts among municipal leadership, professional staff, and oversight entities. Read together, Act 47 and Act 124 reflect that recovery is achieved not through isolated or adversarial decision-making, but through coordinated efforts among municipal leadership, professional staff, and oversight entities.

The most recent 2026 Five-Year Financial Plan was developed collaboratively with input from the Mayor, City Council, the ICA, and other stakeholders—consistent with Act 124's cooperative approach. The Plan expressly recognizes City Council's legislative role in approving budgets and

related resolutions and references public meetings and legislative action taken to implement its provisions. The Plan further documents that Harrisburg City Council approved the City's 2025 Annual Budget in December 2024, which was finalized by the Mayor on December 30, 2024. The City's total original 2025 budget was approved with estimated resources of \$142,099,443 and expenditure appropriations of \$139,082,919, including a General Fund budget of \$87,094,270 in both revenues and expenditures. The Plan reflects that, as of July 31, 2025, the City's cash fund balance stood at approximately \$16.5 million and that financial projections show positive ending cash fund balances from fiscal years 2024 through 2029.

As the Plan explains, those projections demonstrate not only the ability to maintain positive balances, but also the City's commitment to monitoring and adjusting its fiscal position over time:

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.

See 2026 Five-Year Financial Plan attached hereto as **Exhibit C**, pg. 6.

The Plan also underscores the importance of cooperation between Harrisburg and ICA to ensure compliance with Act 124 and adopt sound financial reporting standards. It emphasizes that fiscal stability relies on cooperation, administrative capacity, and deliberate governance, including adequate staffing for finance, development, audits, and IT systems:

The City will work with the ICA to ensure compliance with Act 124 regarding generating modified accrual-based financial reports in accordance with GASB standards. The City will also work with the ICA to establish a reasonable timeframe and criteria to meet compliance with this requirement. **Exhibit A**, pg. 9.

From a budgetary perspective, the Plan consistently emphasizes conservative financial practices, such as maintaining structurally balanced budgets, limiting overly optimistic revenue projections, ensuring sufficient fund balances, and avoiding sudden fiscal shocks that could derail the city's recovery. These core principles are reinforced by correspondence from the City Controller

included with the Plan, which warns against overly aggressive projections and deficit spending, emphasizing the importance of conservative budgeting.

These provisions reflect a clear theme: long-term fiscal recovery relies on stability, predictability, cooperation, and disciplined governance. The Plan also recognizes the reality of limited discretionary resources and competing demands on the General Fund, highlighting the need to prioritize taxpayer resources for essential services, infrastructure, and recovery efforts, rather than unplanned or risky expenditures. When disagreements over staffing, funding, or how the budget is carried out are pushed outside the cooperative framework established by Act 124—and instead pursued through expedited litigation—the predictability and stability that the Plan is meant to ensure are undermined.

In short, the Five-Year Financial Plan represents a shared, statutorily mandated framework that guides fiscal decisions and supports long-term stability. Any deviation from this framework should be addressed through the established processes, including review and facilitation by ICA when appropriate. ICA believes that the Plan was designed with cooperation—not conflict—in mind, and that resolving fiscal challenges should come through collaboration, consistent with the goals of Act 124 and Harrisburg’s ongoing recovery efforts.

**b. Maintenance of Administrative and Economic Development Capacity Is Essential for Governance Stability**

The issues raised in this litigation directly impact the City’s ability to maintain the administrative and economic development capacity needed to meet its legal fiscal obligations and long-term planning goals. Act 47, Act 124, and the City’s Five-Year Financial Plan all recognize that fiscal recovery and sustainable governance rely not only on balanced budgets but also on having full complement in key administrative and economic roles.

The Five-Year Financial Plan is specifically designed to guide fiscal, operational, and policy decisions over multiple years. Underlying this approach is the assumption that core functions—such

as fiscal coordination, compliance oversight, economic development initiatives, and interdepartmental management will be carried out by staff. Consistent staffing in these areas supports internal controls, transparency, and the orderly implementation of budgets.

Having adequate administrative capacity is especially crucial during periods of fiscal recovery. These roles help ensure that budget decisions are formulated based on accurate information and good judgment, and executed properly, with appropriate oversight and reporting to ensure accountability across all City departments. Continuity in these functions also strengthens internal controls, enabling the management of public funds and execution of long-term financial plans. The Five-Year Financial Plan also reflects a multi-year approach to economic growth and fiscal stabilization. It envisions continued implementation of development initiatives, ongoing management of tax incentive programs, and regular engagement with community stakeholders. The success of such a multi-year plan depends on maintaining sufficient institutional capacity to carry out these responsibilities consistently across fiscal years.

ICA does not seek to weigh in on the merits of any particular staffing decision. However, governance stability, effective internal controls, and compliance with statutory planning frameworks are best supported when municipalities maintain adequate professional capacity in key operational roles. Disruptions—regardless of their cause—can weaken the assumptions underpinning long-term planning and hinder efforts to sustain fiscal recovery.

Therefore, ICA believes that disputes impacting administrative and economic development capacity highlight the importance of resolving budget and staffing issues through the cooperative, structured processes established by Act 47, Act 124, and the Five-Year Financial Plan. Addressing these issues through collaboration and statutory procedures is the best way to preserve governance stability, support disciplined fiscal management, and advance the City's long-term recovery goals.

**c. The Impact of Continued Litigation on Fiscal Stability**

As noted earlier, ongoing litigation between branches of City government poses serious financial risks, especially considering Harrisburg's ongoing obligations. These risks go beyond the immediate legal battle and threaten the City's broader financial stability and long-term recovery efforts.

Most directly, the costs of litigation are paid by the public. Taxpayer dollars must be spent on legal fees for both sides, which diverts limited resources away from essential services, infrastructure projects, and economic development initiatives. As reflected in the parties' own filings, City Council has acknowledged that continued litigation could result in legal fees escalating to significant levels in a relatively short period of time. In practical terms, expenditures on litigation represent a direct opportunity cost to the City. Funds devoted to legal proceedings are unavailable for other pressing needs, such as the funding of a police officer, support for economic development initiatives intended to expand the tax base, or investments in programs and personnel that directly support public safety, service delivery, and long-term growth. Public comments and citizen feedback also reflect worries that scarce resources might be funneled into legal battles rather than recovery priorities.

Prolonged litigation also introduces fiscal uncertainty that carries additional, less visible costs. The uncertainty about funding and operational decisions complicates staffing choices, delays the rollout of initiatives approved under the Five-Year Financial Plan, and disrupts financial planning that relies on predictability, coordination, and stable administration. When funding levels or operational assumptions remain unclear because of litigation, the City's ability to maintain fiscal controls, meet reporting requirements, and operate smoothly is compromised.

These concerns are heightened by the City's current financial posture. Although the Five-Year Financial Plan reflects progress toward stability, the General Fund remains subject to competing demands and limited discretionary capacity. The Plan emphasizes conservative budgeting, balanced

finances, and avoiding unplanned expenses that could derail recovery. Unexpected litigation costs could strain the General Fund further and set back the City's recovery efforts.

Furthermore, prolonged litigation between the Mayor and City Council serves as a distraction from focusing on the primary task at hand – the economic recovery and financial stability of the City of Harrisburg. Rather than engaging in litigation over the approval of the 2026 budget, the parties should be working in a collaborative manner with a laser-like focus on policies and initiatives to implement the City's Five-Year Financial Plan.

The broader effects of litigation-driven governance have also drawn public scrutiny. Citizen commentary, media attention, and the parties' own acknowledgments reflect widespread concern about the financial toll of continued court proceedings. This situation exemplifies exactly what Act 124 and Act 47 were designed to prevent: disagreements that, if unresolved through cooperation, threaten long-term stability and impose avoidable costs on taxpayers.

Accordingly, ICA believes that continued litigation not only risks immediate financial harm, but also weakens the coordinated, disciplined governance framework that is essential for Harrisburg's recovery. Resolving disputes through collaboration and the statutory mechanisms already in place is in the best interest of the City and its taxpayers.

#### **d. ICA's Role Favors Collaborative Governance**

Finally, while ICA does not question the Court's authority to decide legal issues and recognizes the importance of disputes over budgetary authority or staffing, it respectfully emphasizes that questions about funding levels, staffing, and administrative structure are inherently policy matters. These issues are best addressed through dialogue, negotiation, and the political accountability mechanisms built into municipal governance.

The statutory frameworks governing Harrisburg—most notably Act 47 and Act 124—favor resolving such disputes through structured cooperation rather than ongoing judicial oversight. These

laws establish specific processes for review, coordination, and oversight of fiscal decisions, and ICA was created expressly to assist the City in navigating those processes. In line with that role, ICA stands ready to facilitate discussions, provide guidance, and help the parties work toward solutions that support the City's long-term fiscal stability and recovery.

The City's Five-Year Financial Plan embodies this cooperative approach. It was reviewed, approved, and adopted by City leadership, including City Council, through formal legislative and administrative procedures. The Plan serves as a shared framework for making fiscal decisions over multiple years. Questions about how the Plan is implemented, its assumptions, or funding mechanisms are best addressed collaboratively by the Mayor, City Council, and professional staff, with ICA offering its statutory advisory and oversight support when needed.

When policy disputes are pushed entirely into the courts, there is a risk that Harrisburg's focus on long-term planning, fiscal discipline, and collaborative problem-solving will be displaced by adversarial court processes that are ill-suited to ongoing municipal management. ICA therefore urges restraint and advocates for resolving issues through the cooperative mechanisms the General Assembly put in place to guide the City's fiscal recovery and governance.

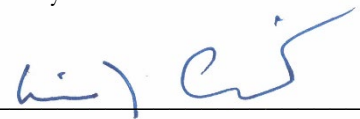
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#### IV. CONCLUSION

For the reasons set forth above, ICA respectfully submits that the issues presented in this matter are best understood within the statutory framework governing the City's fiscal recovery and long-term financial planning. ICA urges the Court to consider the importance of stability, cooperation, and disciplined governance embodied in Act 47, Act 124, and the City's approved Five-Year Financial Plan, and to encourage resolution through the collaborative mechanisms those statutes contemplate, with ICA available to assist the parties if helpful, thereby preserving fiscal integrity and safeguarding taxpayer resources. *To this end, the ICA encourages the court to consider directing the parties to engage in mediation or another form of alternative dispute resolution – a process in which the ICA is willing to participate for the purpose of offering perspective and guidance in furtherance of its statutory function of providing oversight of the City's fiscal recovery.*

Date: January 21, 2026

Submitted by:



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Michael Cassidy, Esquire  
Attorney No. 82164  
Rachel L. James, Esquire  
I.D. No. 335881  
Attorneys for Amicus Curiae



**CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provisions of the *Case Records Public Access Policy of the Unified Judicial System of Pennsylvania* that require filing confidential information and documents differently than non-confidential information and documents.



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Michael Cassidy, Esquire  
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Rachel L. James, Esquire  
I.D. No. 335881  
Attorneys for Amicus Curiae

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document has been duly served upon the following counsel of record, by electronic mail and/or depositing the same in the United States Mail, postage prepaid, in Lemoyne, Pennsylvania:

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DATE: January 21, 2026

**EXHIBIT A**

**ICA LETTER ADDRESSED TO MAYOR WILLIAMS**



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

December 18, 2025

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

Dear Mayor Williams:

Pursuant to the Intergovernmental Cooperation Authorities Act for Cities of the Third Class (Act 124 of 2018), the Intergovernmental Cooperation Authority for Harrisburg (the “Authority”) is tasked to review and make recommendations concerning the budgetary and fiscal affairs of the City of Harrisburg.

The Authority received and reviewed the proposed 2026 budget and additional information provided by the City for conformance with the criteria set forth in Act 124, as well as comportment with the adopted Five Year Plan. Additionally, we have observed the City Council’s budget hearings and workshops. As we write this letter, Council has adopted the budget with amendments, and it is before you for consideration. We have several observations that may inform your review and action and that apply to administration of the budget going forward:

- The pending 2026 budget includes no substantial changes beyond those provided in the City’s Five-Year Financial Plan, as approved by the Authority on September 24, 2025. Please note that pursuant to Act 124, after the budget is finally adopted, the City may submit the enacted budget to the Authority as a proposed revision to the Plan.
- The pending 2026 budget makes no draw from the fund balance in either the General Fund or the Neighborhood Services Fund. Additionally, we were pleased with the report of the Accounting Manager that the City is projected to finish FY 2025 with a positive fund balance of more than \$3 million, and should break even on the Neighborhood Services Fund. The General Fund fund balance coming in to 2026 would total approximately \$20.5 million. While the City is to be commended on these outcomes, as we have noted in prior years and in the Five Year Plan, the City must remain vigilant that the cash balances in both funds remain sufficient to fund future obligations, particularly given the revenue projections the City faces.
- Specific concerns impacting future revenue for the City, including diminishing real estate tax revenue from reassessment of properties, the continuing lack of revenue from the parking

scheme implemented by the Strong Plan, scheduled reductions in the Local Services Tax rates, and the precarious nature of the local economy in the City (and particularly the downtown), were acknowledged in the proposed budget and in Council's budget deliberations. We emphasize that recognition of these pressures and a strategy to maintain both service levels and fiscal solvency needs to be part of upcoming Five Year Plan revisions and future budgets.

- Because this letter is being crafted between Council action and your action on what has been presented to you, we are obliged to comment on the full or partial defunding of the positions of Business Manager, Director of Community Economic Development and Building and Housing, and Director of Economic and Business Development / LERTA Administrator. We understand and respect the dynamic created by the City Charter's provisions regarding advice and consent by Council for the hires into the first two positions. At the same time we are informed by the City Solicitor's commentary that defunding the three positions does not simply remove the incumbent individuals from those positions; the lack of funding has the additional consequence of preventing the City from filling those positions. As such the City is failing to fund a statutorily-required position (Business Administrator) and strategically is failing to fund three positions critical to its present and future fiscal stability and economic growth. We do not opine on the matters causing this disagreement between the administrative and legislative branches, but we strongly request that a means be found to productively address the matter, and one which does not reflect badly on the City's commitment to responsible budgeting, sound administration of City government, and its economic development progress. In the interim, funding must be restored for 2026 for these positions, in part to meet statutory requirements and in part to affirm the City's commitment to sound administration, sound financial management, and sound planning for economic revitalization and growth.

As we move forward into 2026:

- The Authority remains alert to the City's maintenance of fund balance in both the General Fund and the Neighborhood Services fund, the former driven in particular by property assessment and parking revenue pressures. We acknowledge that the City supports and maintains a Fund Balance Policy and we urge the City to continue to take steps to maintain a structurally balanced budget across all funds, at all times, and to develop a strategic plan to address these pressures in future five year plans and budgets.
- The Authority appreciates the work to improve collection rates for aged receivables in the Neighborhood Services fund. The goals remain of achieving a rate of collection on current receivables above 95% as soon as possible and a commitment to review and adjust fees as necessary for sufficiency to meet expenses and avoid drawing from reserves. Additionally, we encourage an ongoing analysis of the balance by contract in a way that assures rates for our neighboring communities are sufficient to fund those services in their entirety, both individually and collectively.
- The Authority is encouraged by recent activity toward an economic development strategy, noting in particular our understanding that the Commonwealth is stepping up with funding for consulting assistance in downtown revitalization. While we ultimately need a City-wide plan, the highly visible pressures on the downtown, including business relocations and retail and restaurant closures, make it a focal point and bellwether that demands first priority. We

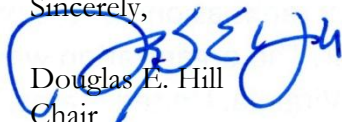
are pleased with the cooperative work with the Capital Region Economic Development Corporation and the strategy of a broad-based, community-involved consultative approach comparable to the successful efforts in Pittsburgh that point to specific projects and results. Apart from its importance for the 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 including concerns about the diminution of property tax revenue.

- Relatedly, we note an additional one-year extension of the LERTA program, and look forward to the final recommendations of the City-convened work group to further refine that redevelopment tool.
- As noted repeatedly, the Authority is interested in the formal adoption of an OPEB Trust Fund. While we acknowledge the realities of the significant unfunded liability attached to the City's OPEB obligations, we think it worthwhile and necessary to create the trust to allocate the available funds toward that liability and to examine the City's strategy for dealing with its obligations going forward – an exercise important in its own right as well as necessary to satisfy the parallel requirements of Act 124 and the Strong Plan, and for the City's planned exit from Act 47.
- We appreciate the work done by the finance staff to bring the City's audits up to date, while acknowledging that their initial calendar to do so was stretched based on staff commitments elsewhere. Continued progress toward currency in completion of audits is necessary for the City to have knowledge of its financial position, to maintain its eligibility for state and federal funding, and to provide assurances to creditors as the City works to reenter the bond market.
- As in prior years, we recommend City development and implementation of uniform and meaningful performance metrics as a means to conduct statistical analysis and optimize service delivery. While some departments and bureaus have made progress in this respect, and some have begun to exploit the management tools available through the Munis software conversion, we think this standard should be promoted and implemented more uniformly and more broadly.

As a whole, the City's pending 2026 budget meets the Authority's expectations for the proper financial management of the City of Harrisburg. We appreciate the level of detail contained in the budget documents, and commend the finance and administrative staff for their responsiveness in their budget presentations to City Council and information furnished to the Authority.

We look forward to working with you as we move forward in collaboration for the benefit of the citizens of Harrisburg.

Sincerely,

  
Douglas E. Hill  
Chair

cc: Authority Members  
Honorable Danielle Hill  
Honorable Ausha Green  
Honorable Charles DeBrunner  
Honorable Dan Miller

**EXHIBIT B**

**EMAIL CORRESPONDENCE FROM ICA**

ica.dehill@gmail.com

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**From:** ica.dehill@gmail.com  
**Sent:** Monday, December 29, 2025 10:05 AM  
**To:** 'Hill, Danielle'; aushajgreen@gmail.com; agreen@harrisburgpa.gov; cdavis@harrisburgpa.gov; ljones@harrisburgpa.gov; rrodriguez@harrisburgpa.gov; sdaniels@harrisburgpa.gov; jrawls@harrisburgpa.gov  
**Cc:** 'Truesdale, Jared P'; 'Grover, Neil A.'; Kathy MacNett; 'Kathy Speaker MacNett'; 'Kevin Hancock'; Jeffrey Stonehill  
**Subject:** December 29 Budget Deliberations

Dear Members of Council,

I am writing on behalf of the Intergovernmental Cooperation Authority regarding tonight's deliberations on the City's pending 2026 budget. I wanted to attend the meeting but will be out of town, so instead hope this email will help inform your discussions.

We have reviewed the text of the Mayor's veto of the budget amendments approved by Council at its December 15 meeting relative to defunding the positions of Business Manager, Director of Community Economic Development and Building and Housing, Director of Economic and Business Development / LERTA Administrator, and Director of Community Engagements and Relations. The ICA's interest in writing to you is to reaffirm the viewpoint expressed in our required budget analysis, specifically that the Business Manager position and the positions providing economic development support must be funded. The Business Manager is a requirement of the City charter and all three positions are integral to the City's sound management and potential for economic revitalization. As noted in the letter conveying our analysis to the Mayor (and which was furnished to Council):

"Because this letter is being crafted between Council action and your action on what has been presented to you, we are obliged to comment on the full or partial defunding of the positions of Business Manager, Director of Community Economic Development and Building and Housing, and Director of Economic and Business Development / LERTA Administrator. We understand and respect the dynamic created by the City Charter's provisions regarding advice and consent by Council for the hires into the first two positions. At the same time we are informed by the City Solicitor's commentary that defunding the three positions does not simply remove the incumbent individuals from those positions; the lack of funding has the additional consequence of preventing the City from filling those positions. As such the City is failing to fund a statutorily-required position (Business Administrator) and strategically is failing to fund three positions critical to its present and future fiscal stability and economic growth. We do not opine on the matters causing this disagreement between the administrative and legislative branches, but we strongly request that a means be found to productively address the matter, and one which does not reflect badly on the City's commitment to responsible budgeting, sound administration of City government, and its economic development progress. In the interim, funding must be restored for 2026 for these positions, in part to meet statutory requirements and in part to affirm the City's commitment to sound administration, sound financial management, and sound planning for economic revitalization and growth."



We trust you will give this commentary due consideration as part of your deliberations. We also appreciate the working relationship we have developed with Council and with the Mayor and her administration, and we are willing to provide our assistance in finding a productive solution to the issues that underly this conflict.

Sincerely,  
Douglas Hill  
ICA Board Chair

**EXHIBIT C**

**2026 FIVE-YEAR FINANCIAL PLAN**

# **City of Harrisburg**

## **Dauphin County, Pennsylvania**



### **2026 Five-Year Financial Plan**

Submitted to:

### **Intergovernmental Cooperation Authority of Harrisburg**

Rev. Dr. Martin Luther King, Jr. City Government Center  
10 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101

Submitted on August 31, 2025

Final Revision – September 24, 2025

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## 1 Executive Summary

On January 3<sup>rd</sup>, 2022, Wanda R.D. Williams took office as the 39<sup>th</sup> Mayor of the City of Harrisburg, Pennsylvania. Mayor Williams is the second African-American and female Mayor of the City. Previously, she served on the City Council for 16 years, including 12 years as its President.

During the final quarter of 2024, the City successfully filled the previously open positions of Business Administrator and Finance Director, and as well the Administrative and Department Director's managerial staff is at full complement for Fiscal Year 2025.

Harrisburg City Council approved the 2025 Annual Budget in December 2024 which was finalized by the Mayor on December 30, 2024. The City's total original 2025 budget was approved with estimated resources of \$142,099,443 and expenditure appropriations of \$139,082,919 (hereafter, the reference will be revenues and expenditures); within this budget the General Fund is included at \$87,094,270 for both original revenues and expenditures.

Under the Mayor's leadership, she has worked with the City Council in the management of approximately \$47.1 million in received American Rescue Plan Act (ARPA) funds. The Mayor and Council's primary goal was to improve the overall quality of life for the citizens of Harrisburg through Affordable Housing, Refuse/Disposal Bill Assistance, Home Repairs, Bridge Housing, Tree Removal, Senior Programs, Demolition of Blighted Property, and Hall Manor Swimming Pool Construction and Improvements. Please see below for a more complete description of the use of these ARPA funds.

The City's cash fund balance as of July 31, 2025 was \$16.5 million. The Mayor continues to prioritize fiscal stability for the City of Harrisburg. She intends to continue coordinating and collaborating with the City's Intergovernmental Cooperation Authority (ICA), the Pennsylvania Department of Community and Economic Development's Act 47 Municipalities Financial Recovery Team, the Dauphin County Board of Commissioners, and the Harrisburg Regional Chamber of Commerce to assure intergovernmental cooperation.

The new Enterprise Resource Planning (ERP) Software, Tyler Technology's MUNIS System, will permit the City to properly track, examine, and manage all financial management transactions. The General Ledger Software Component is nearly complete. This advancement will provide for better financial management practices, more responsible purchasing practices, and better budgetary tracking. Additionally, MUNIS will allow other City functions, such as building permits, taxation, licensing, fixed assets, and inventory, to be managed under one umbrella.

As the Mayor has been planning to present the City of Harrisburg's Intergovernmental Cooperation Authority (ICA) with the 2026 Five-Year Financial Plan, her Administration has demonstrated the ability to achieve structurally balanced budgets, maintain sufficient fund balances, and provide a strategy for the long-term financial capital investment and performance management planning for the City.

On March 15, 2023, the Mayor and City Council orchestrated the final payment of \$8.3 million to Ambac Assurance Corporation (AMBAC). By meeting the final terms of the forbearance agreement with AMBAC, the City eliminated the high-interest payments relating to the AMBAC arrangement. The settlement of this forbearance arrangement saved the City \$3,677,477 in additional interest expense.

As part of her long-term plan, the Mayor has hired a financial management advisor, SiteLogiQ Construction Management, to develop a Comprehensive Five-Year Capital Improvement Plan for the City. The program, which includes ranking facilities and other assets to determine their status from Excellent to Poor, is currently in the advanced completion stage. The data is to be further reviewed in relation to the preparation of the capital budget section of the City's proposed 2026 operating budget.

The road back to fiscal stability through implementing the Act 47 Strong Plan has involved difficult decisions

and managerial discipline. The City has sold assets, properly managed staff, and increased taxes/fees where necessary. The Harrisburg community, City employees, and various stakeholders have successfully evolved from fiscal distress and formed an exemplary path to full fiscal recovery.

The Honorable Wanda R.D. Williams has always been at the forefront of Harrisburg's fiscal revival. From when the Act 47 Strong Plan was implemented in 2012, she has been the only elected official engaged throughout the City's Financial Recovery. Through her leadership and ability to unite the many participants in this effort, the City of Harrisburg has enacted numerous pieces of legislation and started essential partnerships with Commonwealth, County, and City stakeholders, putting the City on a positive path.

Most notable is the development, adoption, and implementation of the City's Disparity Study (a collaborative effort between the City, Dauphin County, and Impact Harrisburg). Going back decades to her time as an AFSCME union leader, Mayor Williams's top priorities have been fighting for equity and inclusion.

Furthermore, as City Council President and now as Mayor, Mayor Williams has overseen approximately \$7.7 million in funds from the Pennsylvania Department of Transportation for infrastructure improvements of 2nd Street, 3rd Street, and 7th Street. Modernizing these busy thoroughfares with freshly paved streets and ADA-compliant walkways does more than make Harrisburg safe, it helps to connect three of Harrisburg's most dynamic neighborhoods – Downtown, Midtown, and Uptown – and, in doing so, we better connect with the people of Harrisburg. In addition to the PennDOT efforts, the City continues to provide significant internal street paving efforts for ensuring all City Streets are safe for vehicular travel and pedestrian safety. In addition as part of her tenure as City Council President, she presided over the completed South 14<sup>th</sup> Street sinkhole emergency assistance recovery project at a total cost of \$4,759,895 funded through the City's Federal Grants Fund.

Fortunately, as the Mayor guided the City Council through the City's fiscal recovery process in 2020 and 2021, the Commonwealth permitted the City to maintain the extraordinary taxing power for the Earned Income Tax (EIT) and Local Services Tax (LST). These taxing powers generated approximately \$25 million (\$18.3 million in EIT and \$6.7 million in LST) for fiscal year 2024. The expiration of these taxing powers would have resulted in a difficult budgetary cliff that would have required draconian budget cuts, which have now been avoided without any increases in existing tax rates.

The Mayor continues to develop her economic development plan and in relation has created a Task Force for economic development, and actually the City will be developing a new Economic Development Plan. The Interim Director of the Department of Building, Housing, and Development as well plans to further review and provide further input on such new Economic Development Plan. The ICA has assisted the City in partnership with Capital Region Economic Development Corp. (CREDC) in obtaining a State grant to cover the cost of a consultant for further developing the Economic Development Plan.

Many housing and business development projects are currently underway, and they continue to represent efforts for improving the current housing stock, encouraging home ownership, and reducing blight within the City. These projects include the current Affordable Housing Project and the City's Economic Development Study of related projects.

Finally, the Mayor will continue to monitor the financial needs and progress of the two currently ongoing major capital outlay projects, including the FNB Field stadium upgrade through the Harrisburg Senators Fund and the Broad Street Market fire loss restoration mainly through the General Fund.

## 1.1 American Rescue Plan Act

Harrisburg's fiscal recovery was well underway before the passage of the American Rescue Plan Act ("ARPA") and the associated allocation of stimulus and relief measures. Allocations initially sourced from ARPA will enable the City to build on its recent fiscal achievements and consider strategic investments to secure its long-term stability. The City's ARPA allocation is \$47.1 million, representing a unique opportunity to support critical community initiatives.

In fiscal year 2022, the Mayor and City Council designated \$8.9 million for revenue loss replacement in applying to 2022 salaries for Public Safety, Engineering, City Parks, and Facilities. Also, designations were made of \$1.1 million for public safety bonuses and \$5.25 million for the repair of the HVAC system located within the public safety building; the HVAC system project has recently been completed. In 2023, the Mayor and City Council passed and signed into law Bill 5-2023 which initially defined \$31.55 million to support multiple community and economic initiatives. Later in 2024, the majority of these initiatives was more specifically defined and allocated via Resolutions for 2024 budgeting purposes at a total of \$26,850,000. This enacted legislation enabled the City to maintain and achieve Federal compliance with the applicable revenue replacement or lost revenue calculations, resulting in \$40.7 being utilized in the General Fund under this classification.

The City has made significant strides toward emerging from distressed status, and this plan represents another critical step toward full fiscal recovery. The City looks forward to collaborating with the Intergovernmental Cooperation Authority, State, County, and Local elected leaders, City employees, and other stakeholders in furthering this goal.

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**Table 1**  
**Operating Forecasts <sup>1</sup> 2024-2029**

|                                              | Actuals<br>2024 | Forecast<br>2025       | Forecast<br>2026 | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>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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## 2 American Rescue Plan Act (“ARPA”), continued background

In March 2021, President Biden signed into law the American Rescue Plan Act (ARPA), a \$1.9 trillion aid package designed to speed the recovery from the economic and health impacts of the COVID-19 crisis. ARPA includes a wide range of stimulus and relief measures, such as direct payments to individuals, a child tax credit, funds for capital projects, homeowner and emergency rental assistance, and small business relief, among other provisions. A major part of the ARPA is a \$350 billion State and Local Fiscal Recovery Fund to provide emergency funding for state, local, territorial, and Tribal governments to address the mismatch between rising costs and declining revenues during the pandemic.

State and local government recipients may designate funds to cover costs by December 31, 2024. The funds were distributed in two tranches, with 50% received in May of 2021 and the second tranche in July of 2022.

The City’s total allocation is \$47.1 million. The City hired NW Financial to assist in appropriately implementing and reporting on the ARPA funds. The City currently provides quarterly ARPA Program Reports to the United States Department of Treasury.

The ARPA funding will be transformative for the City. It represents a unique opportunity to invest in critical infrastructure needs and support other community initiatives.

As noted above in fiscal year 2022, the City Council approved \$8.9 million in revenue replacement, \$5.25 million for a new HVAC system for the Public Safety Building, and \$1.1 million for a one-time, \$5,000 bonuses for police officers and firefighters.

The Mayor and her administration presented her plan to utilize the ARPA funding to the City Council. She held five public meetings to discuss with the Harrisburg Community and related organizations their insights into distributing the funding. The Mayor is pleased that the City’s planned use for ARPA funding is currently in place.

The ARPA funds will impact many aspects of the five-year plan, including unrestricted fund balance levels, available capital program funds, public health, and community and economic development programming. The Mayor and City Council are utilizing these funds to promote and further develop the multi-year financial planning goals and improve its citizens' overall quality of life.

During fiscal year 2023, the City Council conducted its public meetings in the Spring and Summer. After the public meetings, the City Council passed Bill 5-2023, an Ordinance appropriating the ARPA, identifying the program initiatives for consideration. In 2024, the City Council approved additional Resolutions further defining General Fund budget funding for these initiatives initially sourced by the ARPA funds. Such public health and economic impact program funding allocations are listed on the following page.

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| Initiatives                                | Appropriation    |
|--------------------------------------------|------------------|
| Administrative                             | \$ 600,000.00    |
| Affordable Housing Program                 | \$ 7,750,000.00  |
| Governor's Square Property – receivership  | \$ 250,000.00    |
| Tree Removal Program                       | \$ 500,000.00    |
| Home Repairs Program                       | \$ 5,000,000.00  |
| Delinquent Refuse/Disposal Bill Assistance | \$ 2,000,000.00  |
| Hall Manor Pool Project                    | \$ 8,000,000.00  |
| Demolition of Blighted Property            | \$ 1,500,000.00  |
| Senior Programming                         | \$ 250,000.00    |
| Bridge Housing Program                     | \$ 1,000,000.00  |
| Total                                      | \$ 26,850,000.00 |

### 3 Historical Financial Results

This section presents a picture of Harrisburg's historical financial results and provides the basis for future revenue and expense growth expectations. Based on historical operating results, trends, and existing contracts, this chapter develops the growth assumptions for revenues and expenses that are the foundation for the five-year financial forecasts.

#### 3.1 Summary of Principal Funds

The City accounts for its primary financial operating activity with two main governmental funds, which reflect the City's tax-supported activities:

General Fund – Primary operating fund and accounts for all financial resources except those accounted for in another fund.

Debt Service Fund – accounts for the accumulation of resources, which are principally transfers from other funds, for the payment of general long-term obligation principal, interest, and related costs.

For the purposes of this plan, transfers to the Debt Service Fund are shown as General Fund expenses.

#### ***Basis of Accounting***

All City funds are audited in accordance with Government Accounting Standards Board ("GASB") standards. The Bureau of Financial Management makes annual adjustments for proper financial presentation within the audited Annual Comprehensive Financial Report. However, for budgeting and internal financial management purposes, the City accounts for financial activity on a budgetary basis, including a monthly cash basis reporting of total actual revenue and expenditures to the City Controller's office and other third-party stakeholders. This monthly reporting also includes open encumbrance balances outstanding as of month-end to reflect the City's total cash commitment and actual available cash at the end of the period. This approach allows for the transition from cash basis to budgetary basis accounting and an accurate reporting of available fund balance. The budgetary basis of reporting does not include any accruals for receivables or payables or any non-cash expenditures.

Accordingly, the financial schedules for budgeting and accounting in this plan use the cash basis of accounting.

The City will work with the ICA to ensure compliance with Act 124 regarding generating modified accrual-based financial reports in accordance with GASB standards. The City will also work with the ICA to establish a reasonable timeframe and criteria to meet compliance with this requirement. The City has consulted with its independent auditor on this issue, and they are willing to speak with the ICA about potential solutions. Until it can produce a budget based on the modified accrual accounting, the City will identify and note differences between its budget document's modified accrual basis of accounting and the budgetary basis of accounting.

The City has begun implementing Tyler Technologies' MUNIS software, and this financial management system will more appropriately facilitate improved GASB compliance. The City's financial management staff completed training with the new system, and the general ledger training segment continues to be active as new employees are required to learn the new system.

Every other week, the Director of Information Technology (IT) meets with a MUNIS Steering Committee made up of members from the Mayor's Administration and City Council President to ensure the City stays on track with new software modules to be implemented for full benefit utilization of the software purchased by the City.

The MUNIS Steering Committee reviews the project plan, project budget, and project hours by City staff on a periodic ongoing basis. The steering committee meetings will allow those in attendance to provide input, request additional staff training, and monitor the progress of this project.

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## 4 Revenues

The table below presents a five-year history of Harrisburg's revenues by significant category from 2020 to 2024.

Historically, real estate taxes have been one of the City's most primary revenue sources representing a ratio of 23.05% of all revenues for 2024. The City's three consistently most active highest revenue sources, real estate, earned income, and mercantile business privilege taxes combined, comprise a total 2024 portion of 59.01% of Harrisburg's operating revenues.

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

|                                             | 2020                | 2021                | 2022                | 2023                | 2024                 | 2024<br>Revenue<br>% |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| 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/Resources</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<br>Forecast    | 2026<br>Forecast    | 2027<br>Forecast    | 2028<br>Forecast    | 2029<br>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/Resources</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> |

**The following describes major operating revenue sources and provides an annual growth assumption for the multi-year financial forecasts:**

**Real Estate Taxes** – The 2025 forecasted projections for the City's Real Tax Revenue is \$16.69 million. The City has numerous real estate tax challenges with the Tax Assessor, which may reduce this revenue in the coming years.

The City's Real Estate tax millage is split into the assessed value of the land (30.97 mills) and the value of improvements or structures (5.16 mills). The blended land and improvement components result in an effective millage rate of 11.117 mills.

As the Capital City of the Commonwealth of Pennsylvania, the City is home to many governmental entities and non-profits; thus, tax-exempt properties represent a large portion of Harrisburg's real estate value. Total combined land and value components approximate 50% tax-exempt, with state property representing approximately 60% of that total.

Projection - Current Real Estate collections are projected to decrease by 2.64% from 2025 to 2026, reflecting decreased assessed values and a constant collection rate.

**Real Estate Transfer Tax** – This is a 1% tax on real estate transactions within the City. The City and the School District split the proceeds from this tax.

Projection – This revenue source will average \$1,000,000 annually over the next five years. Based on year-to-date collections, the City collected \$1,118,001 for 2024. Given the current economic trends, the City projects this tax to remain flat from 2025 to 2029.

**Local Services Tax** – The Local Services Tax is an annual \$52 tax (or \$1 per week) charged to every person working in the City who does not qualify for the low-income exemption (annual income below \$24,000). The LST is imposed on individuals who work within a municipality as compensation for the services the municipality provides, irrespective of the person's residency.

Among other amendments to Act 47, enacted in late 2014, was the ability of Act 47 communities to increase the LST from \$52 to \$156 per year. The City first implemented the increased LST in 2016. Similar to the EIT, this special taxing power was scheduled to expire with the termination date of the ICA at the end of the calendar year 2024. However, the change in the fiscal code extends these full special taxing powers for ten years and then extends 50% of the special taxing authority for another five years. The current LST is not expected to decrease until beginning with fiscal year 2031.

Harrisburg's LST collections were approximately \$6.75 million in 2024.

Projection – LST projections from 2025 through 2029 are based on improved employment level assumptions. Gradual increases are anticipated for this tax as projected for 2025 to 2029.

**Earned Income Tax** – The City imposes an Earned Income Tax on residents and non-residents. Under the Local Tax Enabling Act (Act 511), the EIT is capped at 1% and split equally with the School District, effectively limiting the tax to 0.5% for residents. The non-resident EIT is also capped at 1%.

Under Act 47 provisions and as recommended in its previous recovery plans, the City imposed an additional 1% EIT on its residents. However, as noted above, the recent change to the state fiscal code extends the EIT taxing power indefinitely.

The City collected \$18.3 million in 2024; the increase in Earned Income Tax is mainly due to the increase in blue-collar wages for warehouse work and other technically skilled jobs.

Projection –As the national and regional economies recover, the City continues to realize improved revenue increases from Earned Income Tax. Gradual increases are anticipated for this tax as projected for 2025 to



2029.

**Mercantile Business Privilege Tax**—The Mercantile Business Privilege Tax (“BPT”) is a tax on gross receipts from business activity conducted in the city.

Projection—The City collected a \$4.743 million in Mercantile Business Privilege Tax in 2024. The projections also assume a gradual, continued growth for the projected years of 2025 to 2029.

**Parking Tax** – The City imposes a 20% tax on all revenues from off-street parking lots and garages (not meters). In 2024 the City realized \$3.934 million in parking tax revenue. The City expects parking in the immediate Central Business District to continue to improve (along with other parking tax revenue), and the Capital Area Complex parking will improve as more State employees return to the Capital Complex regularly. An example of other parking tax revenue is the reserve parking fee for the Hilton Hotel for celebrity guests who require multiple buses to be parked on City streets.

Important note: **The Parking Tax Revenue is recorded by the City Administration within the Mercantile and Business Privilege Taxes Category.**

This plan projects parking tax revenue to continue rebounding with gradual modest increases for 2025 to 2029. Parking tax revenue continues to be the only significant portion of overall parking system revenue for the City as the Commonwealth’s related debt service commitments for the parking garages are the first priority, and thus relating to the lack of other significant parking system revenue occurring for the City over recent years beginning with 2020.

**Departmental Income** – For the Department of Public Safety Budget, the Commonwealth of Pennsylvania provides a \$5 million annual payment to the City to defray the costs of Fire services. These funds are no longer tracked as Department income; rather, it is tracked within the Intergovernmental Revenue category to recognize the revenue source more appropriately. The City is currently giving consideration to this state appropriation allocation potentially being increased to \$7 million annually beginning in 2025.

**Fines and Forfeits** – This revenue source represents the various fines and forfeits the City incurs.

Projection - This revenue is being projected to increase by 2% annually over years 2026 to 2029.

**Licenses and Permits** – The City collects licenses, fees, and permit revenue for various functions. Building permits, rental inspections, and street-cutting inspections are the primary categories for this revenue source.

Projection – This revenue is being projected to increase by 2% annually over years 2026 to 2029.

**Interest Income**—The City receives interest on its cash investments monthly. The interest rates on investments increased significantly in recent times along with heightened available balances; however, it is believed the increased rates and earning potential will soon be entering phases of related decreases.

Projection—Interest revenue has increased significantly due to the Federal Reserve raising the interest rate for borrowers, which subsequently impacts investors’ interest rates. The future interest rate on investments is expected to stabilize and decrease based on anticipated interest rate reductions reflecting conservatism.

**Miscellaneous Revenue** – Various sources of revenue are included in this category, including significant anticipated recovery insurance proceeds applicable to the fire loss of the Broad Street Market location which is currently undergoing a reconstruction project.

**Other Financing Sources** – This category includes other financing sources for the City.

Projection – This revenue is projected to be stable from 2025 to 2029.

**Intergovernmental Revenue** – This revenue source largely comprises the \$5 million the City receives

from the Commonwealth for Public Safety Services (see further above comment under Departmental Income for noted potential increase in this allocation amount). Also, the Auditor General's Municipal Pension Contribution and the Public Utility Realty Transfer Act (PERTA) funding are recorded here.

Projection – These revenues are projected to remain fairly flat annually from 2025 to 2029.

**Interfund Transfers** are transfers from Other Funds to reimburse or to otherwise benefit the General Fund.

Projection - Interfund transfers for fiscal year 2024 were unusually large at \$30.669 million comprised of American Rescue Plan Act (ARPA) funds from the Federal Grants Fund, related to the City being able to utilize the available revenue replacement classification of such funding.

For 2025 interfund transfers are to include \$6 million from the Harrisburg Senators Fund to fund the FNB Field stadium upgrade project as part of the involved RACP match reimbursement.

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## 4.2 Update on New Policy Initiatives

### Commitment to Community and Economic Development

The key to securing Harrisburg's long-term financial health is expanding its Economic base and the growth of its own local tax revenues.

The new Interim Director hired in June 2024, made a commitment to the Mayor and City Council that an Economic Development Advisory Committee would be established in the fiscal year 2025. As promised, members, from all levels of leadership committed to assisting the city in building a stronger and more stable economic development culture, will convene on April 29, 2025 to begin their work on developing a concrete plan. We are anxious for the opportunity to report progress in the future on a community and economic development strategy for Harrisburg. The Interim Director of Economic Development and Building and Housing will provide status up-dates on completing an Economic Development Plan for the City of Harrisburg to the Authority. It is the goal to have a Comprehensive Economic Plan completed prior to the end of fiscal year 2025.

### Status of Implementation of the New ERP Software System

The City's financial management staff continues to utilize and navigate the newer MUNIS ERP system on a daily basis. Administered by the City's Director of Information Technology, the MUNIS steering committee convenes on a periodic ongoing basis including members and/or participants from the Mayor's administration, City Treasurer's office, City Controller's office, and the City Council President for ensuring update status continues to be maintained on progress for the several involved phases and/or modules of this overall project.

Phase 1 – Financial Management: Completed.

Phase 2 – Human Capital Management: After a more thorough review of the complexity of the City's multiple Human Resources and Payroll-related functions, all of which have been accomplished to date with proprietary software applications written and updated in-house specifically and uniquely for use on the City's mainframe computer which has already reached end-of-life status, we have suspended attempts to integrate them into the Munis application. Even if possible, because MUNIS does not support the export of a payroll file to a Third-Party Payroll Service Provider such as Paychex, this integration would require the City to run its own Payroll including tax filings, garnishment processing, and W-2 distribution, and add 1 or 2 Payroll Tax Specialist employees to the City's Payroll; thus Phase 2 will not be implemented.

Phase 3 – Tax Billing and Collections: Anticipate initial implementation within Q2 of 2025.

Phase 4 – Licenses, Permits, and Codes Enforcement: Anticipate initial implementation within Q3 of 2025.

Phase 5 – Utility Billing and Collections: Anticipate initial implementation within Q3 of 2025.

Phase 6 – Capital Asset Maintenance: As previously reported, the migration of fixed assets to the new capital assets module from the sourced financial system (Pentamotion or eFinance) has occurred including values of 12/31/2021 updated with calculated 2022 depreciation; additions and retirements for 2022 still need to be effectuated within Munis along with subsequent audited annual activity but eFinance still serves as an available back-up system. The capital assets within MUNIS can be easily searched via the asset inquiry option accessing individual profile records for each asset; over 2,300 records are currently available. An expanded asset maintenance menu option and then navigating to the "assets" and "asset registry" selections provide further detailed information on capital assets and also on various infrastructure classified items sourced from the City's GIS mapping database. The inventory management module system includes currently utilized activity for traffic and engineering, Public Works highway related, Public Works vehicle management center, and the mailroom/office supplies center located within the Public Safety Building.

### Performance Measures

The 2026 Payroll Budget preparation will include updated Position Descriptions and individual employee Performance Evaluations, which would be further reviewed by the Mayor for final conclusion of any changes in compensation. As part of this process, the City is considering the development of relative statistics to cite or

compare on an individual staff basis for further documentation of job performance.

#### Union Labor Negotiations

Initial meeting with the Fraternal Order of Police was scheduled for April 22, 2025; next meeting(s) have been scheduled going forward. Initial meeting with the American Federation of State, County and Municipal Employees was scheduled for May 15, 2025; the negotiation process has been recently completed. The City's collective bargaining agreement with International Association of Firefighters expires December 31, 2026.

#### Department of Budget and Finance Complement

The City recently at the very end of 2024 secured the filling of the vacant Finance Director position occurring earlier in 2024, via an individual with more of a corporate for-profit background and who is also a CPA. Other staff positions within this Department continue to remain intact including experienced Accounting Manager, Procurement Services Manager, Grants Director, Budget Manager, and Staff Accountant/Financial Analyst, and as well recently growing support staff including Assistant Grants Director, Auditor II (bargaining unit position), and Assistant to Finance Director; the City is as well seeking to fill a currently open Financial Analyst position.

#### Status of Annual 2022 Financial Audit

The City has now completed its 2022 annual financial audit with the related audit report and financial statements being issued at the end of January 2025; the City has also recently completed the related and expanded audited annual comprehensive financial report for 2022 which includes all audited information plus the historic detailed statistical section. The Accounting Manager is moving forward in the very near short-term to continue the progression of the previously started audit preparation work for the 2023 annual financial audit.

#### American Rescue Plan Act Funding

The City has continued and completed the required quarterly compliance reporting process at the Federal Treasury reporting portal site for its State and Local Fiscal Recovery Funds (SLFRF) provided through the American Rescue Plan Act (ARPA). Specifically, the City timely submitted in January 2025 the project and expenditure report for the quarter ended 12/31/2024 and as well subsequently the project and expenditure reports for the quarters ended 3/31/2025 and 6/30/2025. With the submittal of the quarterly report for the 4<sup>th</sup> quarter of 2024, it is noted the City has achieved the satisfaction of compliance requirements for both full obligation and expenditure of the total received ARPA funds amounting to \$47,073,625; accordingly, no new further financial activity was included in the recently submitted quarterly report for the 1<sup>st</sup> quarter of 2025. The City is now in the position to await additional instructional guidance from the Treasury portal relative to preparing and submitting an applicable final or close-out report.

#### Review of Capital Improvement Plan

To date, the City of Harrisburg has made tremendous efforts in the development of a long-term Capital Improvement Plan. Recent efforts include the use of the new ERP system's Capital Assets Management Module to track inventory of equipment and vehicles purchased by the City. Another effort, as previously mentioned, is the services provided by SitelogIQ. SitelogIQ has worked diligently to assess our current infrastructure to organize, monitor, and prepare recommendations for future infrastructure needs. This now allows the City to go to one place to find out anything we need about one of the assessed assets. In regards to the City's streets and roads infrastructure, much of it is tracked and monitored through the ERP's General Ledger by project strings that organizes all phrases and materials to a specific project. Public Works management, in conjunction with the Finance department, develops the plan that will be presented and approved by the Mayor. The City additionally recognizes tracking and monitoring capital assets and/or projects solely through the general ledger financial system can be challenging, thus emerging technologies are being considered to further improve this process.

#### Continuation of Local Economic Revitalization Tax Assistance (LERTA)

In December 2024 City Council did pass Bill 9 of 2024 going to the extension of the termination date to December 31, 2025 for continuation of real estate tax abatement and exemptions of the current LERTA program. As current fiscal year 2025 approaches year end, the City anticipates seeking approval from City Council to accept a revised LERTA program extending such program.

#### CARES Act Federal Recreational Related Funding – Multi-Parks/Playgrounds Improvement Project

This project comprised of \$13 million in awarded Federal funding through PA DCED continues to be ongoing including the original sites of 7<sup>th</sup> and Radnor Sportsfield/Gorgas Playground, Jackson Lick Pool, Reservoir Park – Spray Alley, and the Wilson Playground. Recently reviewed, overall project expenditures including still encumbered amounts total to \$3.3 million or 25% of the project's total budget. Also subsequently to the originally intended project plan, the City's Bureau of Parks, Recreation and Enrichment determined the continuation of the Jackson Lick Pool sub-project is not feasible, and thus the remaining project budget of approximately \$4.98 million will be reallocated among the other involved sub-projects.

#### Harrisburg Strong Plan Related – Parking System Revenue

The City continues to manage operating expenses under the constraints of an ongoing lack of significant monthly parking system revenues as originally envisioned by the Harrisburg Strong Plan. With the effects of the occurring health pandemic in 2020 and related shifts in employment performance being drawn to remote efforts outside of the City's control, the leased parking system of the City from the Harrisburg Parking Authority (HPA) to the Pennsylvania Economic Development Financing Authority (PEDFA) has essentially generated from that time to date no intergovernmental rent payments from either PEDFA (priority parking payment) or HPA (ground lease payment). The City's parking tax revenue streams from garages and parking lots though continue to show recent signs of growth with a resulting \$3.8 million actual in 2023, over \$3.9 million actual in 2024, and a pacing thus far in 2025 indicative of again well exceeding \$3.9 million in total.

#### Municipal Trash Collection Contractual Agreements

The City continues to provide municipal solid waste refuse collection and disposal services and recycling collection to the residents of the Boroughs of Steelton, Penbrook, and Paxtang. Such services are governed by intergovernmental cooperation agreements between the City and each Borough, and these agreements have been recently extended among the parties including various billing rate increases over defined periods in effect for Steelton Borough through June 30, 2029, Penbrook Borough through December 31, 2025, and Paxtang Borough through December 31, 2025.

#### Pension Plans Summary

The City has three single-employer, defined-benefit pension plan funds for accommodating Police, Firefighters, and Non-Uniform personnel substantially covering all full-time employees. Commonwealth of PA law requires all municipalities to make annual contributions to pension funds based on calculation of each plan's individual minimum municipal obligation (MMO). Each MMO is based on several factors including actuarial valuation of pension cost data, employee contributions, projected salaries and wages gross payroll, and other related assumptions. The City timely calculated each of its Plans' MMOs in September 2024 and has accordingly budgeted such amounts for payment in 2025. Based on recent actuarial report data as of December 31, 2023 under GASB Statement Nos. 67 and 68, all three of the City's plans are comprised of improved fiduciary net position as a percentage of the total pension liability including 99.17% for Police, 111.01% for Fire, and 103.46% for Non-Uniform.

#### Revenues to Improve the FNB Field Baseball Stadium on City Island

In 2004, the City issued a Park Permit to use the minor league baseball stadium facilities to lure the Baltimore Orioles to relocate their AA Affiliate and play its home games at the improved stadium facility. Revenues paid pursuant to the Park Permit from the Orioles affiliate were pledged to pay debt service on the Harrisburg Redevelopment Authority, Series 2005 A-2 Bonds. The Park Permit agreement was superseded by a new agreement executed in 2007 and continued affiliation with the Washington Nationals. Under the existing Park Permit, the minor league baseball affiliate pays annual rent that is now approximately \$380,000 subject to annual consumer price index (CPI) inflation, and \$1.00 of all ticket sales in excess of \$450,000, 30% of the stadium naming rights, and 50% of parking revenues net of taxes and operating expenses.

The City will assign Park Permit revenues to pay for necessary upgrades to the Senator's stadium. These funds will be used to contribute towards the match for the Redevelopment Assistance Capital Program (RACP) to improve the FNB Field. The goal is to meet the MLB Facility Standards Compliance; the City hired a Construction Manager, Alexander Construction, and on-site work is still currently ongoing though the project appears to be approaching its conclusion later in the Fall of current year 2025.

The RACP was awarded to the City in December 2022. The Business Plan has been accepted by the Pennsylvania Budget Office, who has assigned Tetra Tech as the engineering consultant to advise the City on ongoing construction management activities and compliance. The anticipated construction cost is \$12 million, which ensures that the Commonwealth of Pennsylvania RACP funding of \$6 million will be available for the project, and the City will match \$6 million as required in terms of the contract.

#### Continue to Pursue Increased Payment In Lieu of Tax (PILOT) Agreements

Approximately 60% of the assessed value in Harrisburg is non-tax revenue-generating because its use is for tax-exempt purposes. The City will endeavor to enhance existing PILOT agreements and seek new ones, with the proceeds dedicated to supporting capital improvements. The City collected \$604,632 in PILOT revenue for fiscal year 2024, and is looking to an increase in this revenue resulting in an improved total of \$675,000 for fiscal year 2025. This revenue source is included within the Miscellaneous Revenue category.

The Office of the Business Administrator (BA) will be working with the non-profits throughout the City to seek additional funding commitments. Also, the BA's staff will send additional letters and continue working through existing PILOT agreements to renegotiate increased PILOT contributions. The City is initially focusing on those entities that have recently completed new construction projects and expanded their footprint in Harrisburg, as well as potential increases in the property's assessed value in Dauphin County.

#### Improve Collection Rates in the Neighborhood Services Fund

The Mayor and her staff have recommended, and the City Council has approved a program to offer \$2.0 million through ARPA funding payment assistance for low-income and elderly homeowners to catch up on their trash bills and help them become current with those bills. This will provide an immediate benefit to low-income and elderly homeowners and a secondary benefit to the City by helping to reduce the backlog of delinquent trash collections. The goal is to encourage those who will be assisted with this unique program to remain current with future trash bills, and the hope is for the customers to develop consistent and timely future payments.

The benefit of this initiative is helping those individuals impacted by COVID and allowing the City to bring more customers current with their trash bill payments.

The City's Administration will oversee activities related to improving Neighborhood Services Fund collection rates. The Finance Team will review progress on implementing this initiative and ensure the team works collaboratively where appropriate.

The City will monitor the quarterly NSF budget versus actual and year-over-year fee collection reports. The City's Administration is exploring other reporting options to include subsets of the fee collection data, including commercial, residential, new current, new delinquent, and different categories of customer

accounts. As the City continues implementing the MUNIS system, more appropriate reports will likely be available for review and input.

Review Service Delivery Alternatives

The City has an established track record of collaborating with other governmental and non-governmental entities to deliver services economically and more efficiently. Examples of such arrangements include:

- 1.) A transfer of the Communications Center for emergency calls to Dauphin County.
- 2.) A transfer of the operation of the Harrisburg Resource Recovery Center from The Harrisburg Authority (now Capitol Regional Water “CRW”) to the Lancaster County Solid Waste Management Authority.
- 3.) The transfer of the partial City ownership and operation of water and sewer services exclusively to CRW.
- 4.) The long-term lease and operation of the City’s parking garages and on-street metered parking system to the Pennsylvania Economic Development Financing Authority (“PEDFA”) and the Pennsylvania Department of General Services (“DGS”).

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## 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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## Workforce

Like most local governments, personnel costs are a significant expense driver within Harrisburg’s operating budget. The majority of Harrisburg employees are represented by one of three unions: the Fraternal Order of Police Capital City Lodge No. 12 (“FOP”), the American Federation of State County and Municipal Employees District Council 90, Local 521 (“AFSCME”), and the International Association of Firefighters, Local No. 428 (“IAFF”).

## Headcount

The following table shows the number of budgeted full-time employees by employee group:

**Table 5**  
**Employee Summary by Employee Group - 2025**

| Employee Group  | Covered Positions                                                                                      | 2025 Total FTEs | Contract Expiration |
|-----------------|--------------------------------------------------------------------------------------------------------|-----------------|---------------------|
| Non-represented | Executive, management, confidential                                                                    | 127             | N/A                 |
| FOP             | All sworn police officers                                                                              | 138             | December 31, 2025   |
| AFSCME          | All non-executive, non-management, non-confidential employees are not otherwise covered in FOP or IAFF | 161             | December 31, 2025   |
| IAFF            | All firefighters, lieutenants, captains, and battalion chiefs                                          | 89              | December 31, 2026   |
| <b>Total</b>    |                                                                                                        | <b>515</b>      |                     |

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The following table shows the budgeted full-time equivalents by department going back to 2020. These counts reflect staffing levels which should remain relatively constant with budgetary positions for 2026 through 2029. Modifications to the below table were done for 2025 classifying staff working with Federal grants and adjusting out part-time employees.

**Table 6**  
***Historical Employee Budgeted Headcount by Bureau 2020 - 2025***

| Bureau                                   | 2020          | 2021          | 2022          | 2023          | 2024         | 2025          |
|------------------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|
| City Council                             | 9.00          | 9.00          | 9.00          | 10.00         | 10.00        | 3.00          |
| Office of Mayor                          | 4.00          | 4.00          | 4.00          | 6.00          | 6.00         | 6.00          |
| Office of Controller                     | 3.00          | 3.00          | 3.00          | 3.00          | 3.00         | 3.00          |
| Office of Treasurer                      | 6.75          | 6.75          | 6.75          | 6.75          | 6.00         | 8.00          |
| Office of Solicitor                      | 6.00          | 6.00          | 8.00          | 9.00          | 9.00         | 9.00          |
| Office of the Business Administrator     | 2.00          | 3.00          | 2.00          | 2.00          | 2.00         | 2.00          |
| Financial Management                     | 7.00          | 7.00          | 7.00          | 8.00          | 8.00         | 8.00          |
| Bureau of Licensing, Taxation, & Support | 6.00          | 6.00          | 7.00          | 7.00          | 5.00         | 7.00          |
| Grants Office                            | 1.00          | 1.00          | 1.00          | 1.00          | 2.00         | 2.00          |
| Communications                           | 5.00          | 4.00          | 5.00          | 5.00          | 6.00         | 6.00          |
| Office of Social Equity                  | 1.00          | 1.00          | 1.00          | 1.00          | 0.00         | 0.00          |
| Information Technology                   | 8.00          | 7.00          | 7.00          | 7.00          | 7.00         | 7.00          |
| Human Resources                          | 6.00          | 6.00          | 6.00          | 7.00          | 7.00         | 7.00          |
| Planning                                 | 3.40          | 4.00          | 4.00          | 4.00          | 4.00         | 2.00          |
| Inspections and Code Enforcement         | 16.94         | 16.94         | 17.00         | 15.00         | 18.00        | 18.00         |
| Office of Business Development           | 1.00          | 1.00          | 2.00          | 2.00          | 1.00         | 3.00          |
| Bureau of Police                         | 165.00        | 170.00        | 188.00        | 190.00        | 182.00       | 176.00        |
| Facilities Maintenance                   | 14.50         | 15.75         | 16.25         | 25.25         | 15.00        | 17.00         |
| Parks and Recreation                     | 0.00          | 0.00          | 0.00          | 3.00          | 3.00         | 10.00         |
| Bureau of Vehicle Management             | 10.15         | 10.15         | 10.15         | 10.15         | 11.00        | 8.00          |
| Traffic and Engineering                  | 13.00         | 13.00         | 14.00         | 14.00         | 12.15        | 14.00         |
| Host Municipality Fees Fund              | 3.60          | 3.00          | 3.00          | 3.50          | 3.50         | 3.00          |
| Bureau of Fire                           | 86.00         | 90.00         | 90.00         | 100.00        | 104.00       | 94.00         |
| Neighborhood Services Fund               | 78.45         | 80.85         | 87.35         | 96.60         | 102.85       | 92.00         |
| Federal Grants including CDBG            | 0.00          | 0.00          | 1.00          | 1.00          | 1.00         | 10.00         |
| <b>Total</b>                             | <b>456.79</b> | <b>468.44</b> | <b>499.50</b> | <b>541.25</b> | <b>528.5</b> | <b>515.00</b> |

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## Salaries and Wages

Salaries and wages are the most significant component of personnel costs, representing a major component of expenses.

In 2022, the City and the FOP ratified a new collective bargaining agreement that runs through 2025 and includes regular salary increases based on a fixed pay scale determined by years of service and job classification.

The final 2023 IAFF Arbitration Award provided for the following wage increases for IAFF union members include 3.5% for 2024, 3.75% for 2025, and 4.0 % for 2026.

The City and AFSCME have agreed to a 3% salary increase for 2022-2025. Similarly, salary increases for non-represented (management) employees will average 2% for 2024 and are projected to increase 2% annually through 2028. Each AFSCME Bargaining Unit employee will receive a \$3,000 lump sum per employee for 2022, a \$1,500 lump sum per employee for 2023, and a \$1,000 lump sum per employee for 2024, and 2025.

In addition to salaries, overall compensation includes a variety of components, such as overtime, longevity pay, shift pay, particular assignment pays, other cash premiums and bonuses, employer portion of applicable payroll taxes, vacation, holidays, paid leave, active employee life insurance, and other miscellaneous fringe benefits.

As a result of the 2013 contract amendments, all full-time employees (represented and non-represented) were moved to the Basic Health Plan that previously had only been mandatory for non-represented City employees. In addition, all unions agreed their members would contribute towards the cost of health care premiums, as set forth below:

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**Table 7**  
**Employee Contributions Towards Health Care Premiums – 2025**

Deduction for FOP is a percentage, but actually based on a 5-year Patrol Officer’s salary reflecting a set dollar amount.

| <b>FOP</b>                |                                       |
|---------------------------|---------------------------------------|
| Tier of Coverage          | Percent of base salary<br>2020 - 2025 |
| Single coverage           | 2.5%: \$72.12                         |
| 2-person coverage         | 4.5%: \$129.82                        |
| 3-person coverage         | 5.5%: \$158.66                        |
| 4 or more-person coverage | 6.5%: \$187.51                        |

| <b>AFSCME</b>             |                                       |
|---------------------------|---------------------------------------|
| Tier of Coverage          | Percent of base salary<br>2022 – 2025 |
| Single coverage           | 2.0%                                  |
| 2-person coverage         | 4.0%                                  |
| 3-person coverage         | 5.0%                                  |
| 4 or more-person coverage | 6.0%                                  |

The above coverage chart and percentage rates for AFSCME employees also applies to all Management level employees. IAFF employees contribute towards their health insurance coverage at the rate of \$40 per biweekly pay for single coverage and \$90 per biweekly pay for two-or-more person coverage.

The City self-insures for health insurance coverage, meaning it does not use a third-party provider. The coverage includes a stop-loss policy, which protects the City from extraordinary claims. The City’s current stop-loss policy with its service provider covers specific stop-loss, meaning catastrophic claimants whose medical and prescription claims exceed \$275,000 in a given policy year. The reinsurer covers the excess claims and reimburses the City for claims paid over \$275,000 on a per claimant per year basis.

The City currently has only specific stop-loss coverage rather than aggregate stop-loss coverage. Aggregate stop-loss covers claims for the aggregate population in excess of a certain percentage of expected claims or aggregate attachment factors set by the reinsurer/stop-loss carrier. When a plan has both aggregate and specific stop-loss, the particular claims are “netted out” from the aggregate so that the reinsurer is not double paying for losses.

The City also provides certain Other Post-Employment (Health) Benefits (OPEB) for retirees for its represented employees. In recent contract negotiations, the bargaining units have agreed to change retirement benefits with respect to active employees and future (yet-to-be-hired) employees. All units agreed that prospective employees would not be entitled to receive post-retirement health care at the City’s cost.

## **Projection**

- 1.1 The City, which self-insures, estimates \$13 million for medical claim expenses in 2025. Medical expenses are potentially volatile expenditures that the City monitors closely. These expenses are projected to maintain at the \$13 million level with modest annual increases for 2026 to 2029, so as to not discount ongoing healthcare cost and aligning with the City's experience and the actuarial assumptions used to calculate the City's Other Post- Employment Benefits liability. The City has worked with its insurance consultant in attempting to stabilize its annual medical healthcare and prescription drug costs.

## **Services**

The City will contract for various services such as legal, auditing, building maintenance, information technology support, insurance, utilities, fuel, traffic control, and heavy equipment repairs. Almost all of the City's contracted services are non-discretionary and fill an essential government need.

**Projection** - These costs are projected to increase by 2% annually.

## ***Long-Term Debt***

### **Guarantees**

Harrisburg Redevelopment Authority, Series 1998A (Verizon Tower Bonds):

The City guaranteed a loan issued by the Harrisburg Redevelopment Authority ("HRA") and insured by Financial Security Assurance, now Assured Guaranty Municipal Corp ("AGM"), that was used to acquire a site now known as the Commonwealth (Verizon) Tower. Anticipating the need to rely on the City's guarantee for debt service payments scheduled to begin in 2016, in 2015, the City, the HRA, and AGM entered into a settlement agreement. The settlement agreement outlined terms for annual debt service payments that provided liquidity to the City, which was under Act 47, Municipalities Financial Recovery Program for fiscally distressed municipalities, and the City could not afford to make the full scheduled debt service payments. Under the settlement agreement, the City is required to make minimum contributions between \$500,000 and \$1.5 million annually through 2032. The minimum contributions were partly based on lease payment projections from Commonwealth Tower tenants offsetting the annual debt service requirement. To the extent that the annual lease payments do not materialize as projected, the City's debt service requirement would increase over the minimum. The City's obligations would increase if it borrows under the settlement; however, the combination of improving economics on the building and higher anticipated rental income allowed the City to avoid draws and save on interest expense.

Fortunately, the Commonwealth of Pennsylvania Department of Human Services, at the same time, needed to relocate and the Department of General Services agreed to a contract with the City for more than 800 employees of the Department of Human Services to move into the Verizon Tower, now Commonwealth Tower, in Fiscal Year 2017. The Commonwealth employees also were able to utilize the City's parking garages, creating a win-win for the Commonwealth of Pennsylvania and the City of Harrisburg. Further, the Commonwealth employees also had a daycare facility in the same building. Please see Table 9 below for more information.

**Table 8**  
***HRA Series 1998A (Verizon/Commonwealth Tower Bonds)***

| Issue                            | Liability Under Guarantee              | Purpose                        | Call Date    | Maturity | Coupon Rate           | Enhancement |
|----------------------------------|----------------------------------------|--------------------------------|--------------|----------|-----------------------|-------------|
| HRA Series 1998A (Verizon Bonds) | \$14,032,964 as of 12/31/24 (estimate) | Acquire Strawberry Square site | Non-callable | 2033     | Zero Coupon (Taxable) | AGM         |

**Table 9**  
***Annual Debt Service Summary 2025 - 2029***

|                                        | 2025        | 2026        | 2027        | 2028        | 2029      |
|----------------------------------------|-------------|-------------|-------------|-------------|-----------|
| HRA Series 1998A (Verizon Tower Bonds) | 1,250,000   | 1,430,000   | 1,445,000   | 1,450,000   | 1,500,000 |
| Total <sup>1</sup>                     | \$1,250,000 | \$1,430,000 | \$1,445,000 | \$1,450,000 | 1,500,000 |

<sup>1</sup> Represents the minimum annual debt service due from the City during 2025 to 2029.

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## Pension

The City has three single-employer, defined-benefit pension plans: the Police Pension Fund, the Firefighters Fund, and the Non-Uniformed Pension Plan. These plans cover all full-time employees substantially. Commonwealth law requires all municipalities, including Harrisburg, to make annual contributions to the pension funds based on a calculation of the minimum municipal obligation (“MMO”). The MMO is based on an annual actuarial valuation that considers annual pension costs, employee contributions, pension asset valuations, investment rate and salary increase projections, and amortization assumptions. The City’s MMO is projected to continue to increase at a rate slightly above that of salaries and wages. The table below shows the critical statistics for the Police, Firefighters, and Non-Uniformed pension funds in recent years. As of December 31, 2023, all three pension plan funds have experienced notable increases in net position resulting in very favorable funding percentages in relation to the noted pension liabilities.

**Table 10**  
**Pension Summary**

|                    | Police Summary | Firefighters Summary | Non-Uniformed Summary |
|--------------------|----------------|----------------------|-----------------------|
| Participants       | 12/31/2023     | 12/31/2023           | 12/31/2023            |
| Active Employees   | 138            | 94                   | 234                   |
| Vested Former      | 6              | 2                    | 56                    |
| Receiving Benefits | 209            | 116                  | 225                   |
| Total Participants | 353            | 212                  | 515                   |

|                                                             | 12/31/2022    | <sup>1</sup> 12/31/2023 | 12/31/2022    | <sup>1</sup> 12/31/2023 | 12/31/2022   | <sup>1</sup> 12/31/2023 |
|-------------------------------------------------------------|---------------|-------------------------|---------------|-------------------------|--------------|-------------------------|
| Total Pension Liability                                     | \$102,958,326 | \$102,791,174           | \$80,309,551  | \$82,517,783            | \$79,137,161 | \$80,693,047            |
| Plan Fiduciary Net Position                                 | \$92,011,338  | \$101,936,855           | \$85,085,090  | \$91,603,135            | \$78,668,545 | \$83,481,830            |
| Net Pension Liability (Asset)                               | \$10,946,988  | \$854,319               | (\$4,755,539) | (\$9,085,352)           | \$468,616    | (\$2,788,783)           |
| Plan Fiduciary Net Position as % of Total Pension Liability | 89.37%        | 99.17%                  | 105.95%       | 111.01%                 | 99.41%       | 103.46%                 |

<sup>1</sup> Reflective of a measurement date of December 31<sup>st</sup>, 2023 based on a rolled forward actuarial valuation date of January 1<sup>st</sup>, 2023.

**Projection** – MMOs are projected to increase by 2% annually, which is generally consistent with wage increases for each City Employee group.

## Other Post-Employment Benefit Summary

Other Post-Employee Benefits (“OPEB”) are benefits other than the pension that is provided to retirees, including medical, prescription drug, dental, vision, hearing, life insurance, long-term disability, long-term care, death benefits, and any payments made to the retiree that are to be used for such coverage.

GASB rules require the use of accrual-based accounting methods to disclose the liabilities related to OPEB costs. The accrual-based accounting recognizes costs when benefits are earned, not when the benefit is actually paid.

Like most other governments, Harrisburg uses a “Pay-as-you-go” approach to fund OPEB costs. The City will plan to continue this approach for payments. Currently, there are no immediate plans to establish a trust for OPEB in Fiscal Year 2025. Per the most recent actuarial valuation dated January 1, 2024, Harrisburg’s ending total OPEB liability for fiscal year 2024 was \$144.9 million, compared with \$138.4.0 million for fiscal year 2023.

**Table 11**  
**Other Post-Employment Benefit Summary**  
**January 1, 2024 Actuarial Valuation for Fiscal Year**  
**Ended December 31, 2024**

| Demographic Information    | Police     | Firefighters | Non-Uniformed | Total      |
|----------------------------|------------|--------------|---------------|------------|
| Active Participants        | 138        | 56           | 28            | 222        |
| Vested Former Participants | 11         | 5            | 53            | 69         |
| Retired Participants       | 182        | 101          | 118           | 401        |
| <b>Total</b>               | <b>331</b> | <b>162</b>   | <b>199</b>    | <b>692</b> |

| Financial Information                                      | Police       | Firefighters | Non-Uniformed | Total                       |
|------------------------------------------------------------|--------------|--------------|---------------|-----------------------------|
| Total OPEB Liability                                       | \$74,478,473 | \$43,907,599 | \$26,564,965  | \$144,951,037               |
| Plan Fiduciary Net Position                                | 0            | 0            | 0             | 0                           |
| Net OPEB Liability                                         | \$74,478,473 | \$43,907,599 | \$26,564,965  | \$144,951,037               |
| Plan Fiduciary Net Position as a % of Total OPEB Liability | 0%           | 0%           | 0%            | 0%                          |
| Net OPEB Liability as a % of Covered Employee- Payroll     | 696.08%      | 996.45%      | 1,542.04%     | 861.32%                     |
| OPEB Expense                                               | \$6,159,126  | \$2,700,968  | \$2,091,156   | \$10,951,250 <sup>1,2</sup> |

<sup>1</sup> Based on actuarial valuation date of January 1<sup>st</sup>, 2024 with an applicable measurement date of January 1<sup>st</sup>, 2024.

<sup>2</sup> The OPEB actuarial valuation date occurs every two years with periodic annual rollforward updates.

The City has begun to address this liability with provisions in its collective bargaining agreements eliminating post-retirement benefits for new hires. In addition, following the monetization of the parking system, the Commonwealth deposited \$3.7 million in a bank account established for an OPEB fund, which has a December 31, 2024 year-end value of \$4.225 million. Such funds will be transferred into the City’s OPEB Trust Fund, authorized by the City Council on March 23, 2021, as required by Act 124. The OPEB Trust for the City is still not currently in place; see additional related narrative comments beginning on Page 31.

**Table 12**  
***Expense Growth Assumptions***  
***2026 - 2029***

|                                          | 2026   | 2027   | 2028   | 2029   |
|------------------------------------------|--------|--------|--------|--------|
| Personnel & Benefits<br>(Net of Medical) | 2.625% | 2.625% | 2.625% | 2.625% |
| Medical <sup>1</sup>                     | .75%   | .75%   | .75%   | .75%   |
| Services                                 | 2%     | 2%     | 2%     | 2%     |
| Supplies                                 | 2%     | 2%     | 2%     | 2%     |

<sup>1</sup> The City anticipates significant catastrophic losses will decline based on review of historic trends.

## 5.1 Expense Initiatives

### **1.) Implement Steps to Reduce Health Insurance Costs**

The City is exploring considerations to reduce health insurance costs, including working with a broker to lower prescription drug costs, instituting a wellness program, and considering changing the structure of its self-insurance model.

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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.

**Table 13**  
**Operating Expense Forecast**

|                                     | Forecast<br>2025    | Forecast<br>2026    | Forecast<br>2027    | Forecast<br>2028    | Forecast<br>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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## 6 Other Initiatives

The City is committed to providing essential services to the community while securing its long-term fiscal stability. Below is a summary of the progress in implementing initiatives not already covered in the previous sections and additional actions the City is taking to achieve its goals:

### **1) Reestablish access to the debt markets and restore credit rating to the City, and prepare the City for borrowing as it plans for Capital Improvements in the future**

The goal is for the City to commence borrowing and seek financial management advice regarding credit rating once the Department of Community and Economic Development signs an order to Exit Act 47 the Municipalities Financial Recovery Program. The Department must permit the Exit to occur before we can move forward.

### **2) Establish an OPEB Trust**

On March 23, 2021, the City Council approved ordinance no. 2-2021 authorizing and directing the creation of an irrevocable special trust to be designated as the “OPEB Trust.” Any deposits and segregating funds are to be restricted for other post-employment obligations of the City and related administrative costs of the Trust, providing for the appointment of a Board of Trustees to oversee and manage the Trust Fund in accordance with Act 47 Recovery Plan and any amendments. The Board of Trustees are to contract for services of a trusted professional; authorizing the execution of a Trust Agreement and related documents; authorizing the acceptance and deposit of designated funds provided through certain asset transfers under the Harrisburg Strong Plan; and adopt a Charter and Bylaws of the OPEB Board of Trustees to operate in accordance with the recommendations of GASB Statement No. 74 and GASB Statement No. 75.

The ordinance provides for the establishment of a Board of Trustees consisting of nine members, with one member each to be appointed by the City’s three local unions; two individuals appointed by the City Council, two to be appointed by the Mayor; and two members to be appointed by the Recovery Coordinator of the City. The Board of Trustees will be responsible for establishing how the Trust will operate, including the terms under which the Trust’s investment policy will access the funds, among other operating issues. The formation of this Board has not yet occurred mainly with the challenge of the actuarial liability, \$144.9 million as of December 31, 2024, being so daunting in comparison with the available related trust funds on deposit initially received at \$3.7 million in proceeds and with a stated value of \$4.225 million as of December 31, 2024; however, though this intended Trust and acting Board have not been formally established, which is not viewed as an insurmountable deterrent to the City’s plan for exiting municipal distressed status under Act 47, the City does understand the importance of ultimately achieving a creation of an OPEB Trust.

As determined from an updated actuarial valuation as of January 1, 2024, the City’s estimated OPEB liability as of December 31, 2024, was \$144.9 million. Similar to other municipalities, Harrisburg does not prefund its OPEB liabilities. During 2024 the City’s actuarial OPEB expense amounted to \$10.9 million and also \$1.975 million is noted in service cost for future participant benefits.

If the City were to continue to pay the pay-as-you-go obligation and contribute an annual amount equal to the service cost, the City would fund the plan at a pace to eliminate the unfunded accrued liability over extended decades, assuming no changes in actuarial assumptions. However, contributing an amount equal to the service cost and the pay-as-you-go obligation should benefit the City.

The fiscal obligation is unrealistic for the City, meaning the liability will unlikely be eliminated over extended near future periods.

The Trust would be funded initially with the above referenced deposit funds resulting from the implementation of the Harrisburg Strong Plan. Once the appointed Board of Trustees establishes the terms of the Trust, the City will consider a funding policy which will begin to address the significant liability and is also manageable within existing General Fund constraints.

The City understands the relationship between controlling the OPEB liability and long-term fiscal stability. The City also appreciates the potential negative implications for its credit rating if a strategy for addressing the OPEB liability is not identified. However, other municipalities which do not prefund the liability can still achieve a strong credit rating. With the City not being able to feasibly prefund the OPEB liability at a level to cover its Service Cost plus interest, annual OPEB costs will continue to occur at a level likely higher than other General Fund expenses. The growth, volatility, and size of these annual costs relative to the budget are of particular concern to the credit rating agencies.

While the City acknowledges that its OPEB liability will not be 100% funded for the foreseeable near future, its past and planned actions signal its commitment to address this issue:

- Implemented employee benefit changes that eliminate post-retirement benefits for new employees, which will reduce and eventually eliminate the liability over time;
- Once terms of the Trust are adopted, consider a recurring OPEB Trust funding strategy, which will help address volatility inherent in this expenditure item;
- Order its actuary to prepare an actuarial valuation at least biennially, in accordance with generally accepted actuarial principles. Each valuation will include a gain/loss analysis which identifies the magnitude of recent gains and losses based on variations between actual and assumed experience for each major assumption.

The City also recognizes though the strong challenge of being able to achieve the formation of an appointed Board of Trustees for OPEB, as essentially the members would be accepting fiduciary positions for a trust which is effectively and legally bankrupt when evaluating the available deposit funds against the overwhelming actuarial liability. The current design of expectations for the creation of the OPEB Trust is not feasible, and the City recognizes the need then to petition the Commonwealth Court to change or modify the structure or definition of the required Trust. Such a request to the Court would be comprised of a direct proposal from the City for finally exiting the Act 47 recovery plan and status including the citing of any outstanding issues under this plan.

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## 7 Capital Improvement Related Expenditures

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 expenditure needs the City plans to fund with the General Fund and other sources. These baseline projections below for capital improvement needs and projects for 2025 - 2029 are given consideration and approach consistent with prior year developed five-year financial plans.

**Table 14**  
**Capital Improvement Expenditures - General Fund**

| Project Name                                       | Forecast<br>2025    | Forecast<br>2026    | Forecast<br>2027   | Forecast<br>2028   | Forecast<br>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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The capital expenditure funding sources and uses may change depending on the permitted use of these funds and the outcomes of the City's planning process.

**Table 15**  
**Capital Expenditure Needs - Neighborhood Services Fund**

|                            | Forecast<br>2025 | Forecast<br>2026 | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>2029 | Total              |
|----------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Building Improvements      | -                | -                | \$253,000        | -                | \$250,000        | \$503,000          |
| Pub Works Related Vehicles | 564,397          | 770,714          | 300,000          | 300,000          | 200,000          | 2,135,111          |
| Equipment - Other          | 89,809           | -                | 300,000          | 300,000          | 350,000          | 1,039,809          |
| <b>Subtotal</b>            | <b>\$654,206</b> | <b>\$770,714</b> | <b>\$853,000</b> | <b>\$600,000</b> | <b>\$800,000</b> | <b>\$3,677,920</b> |

**Table 16**  
**Capital Improvement Projects - Capital Projects Fund <sup>1</sup>**

| Project Name              | Forecast<br>2025   | Forecast<br>2026   | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>2029 | Total              |
|---------------------------|--------------------|--------------------|------------------|------------------|------------------|--------------------|
| Capitol Gateway           | \$979,291          | \$734,832          | -                | -                | -                | \$1,714,123        |
| State Street              | 172,957            | -                  | -                | -                | -                | 172,957            |
| East-West Multimodal      | 160,944            | 107,296            | -                | -                | -                | 268,240            |
| Herr Street               | 191,212            | 127,474            | -                | -                | -                | 318,686            |
| Downtown signals          | 218,351            | 145,568            | -                | -                | -                | 363,919            |
| Walnut Street             | 181,821            | 121,214            | -                | -                | -                | 303,035            |
| Sycamore Street           | 108,584            | 72,390             | -                | -                | -                | 180,974            |
| Berryhill Street          | 163,103            | 108,735            | -                | -                | -                | 271,838            |
| Courthouse Connection     | 71,987             | 47,991             | -                | -                | -                | 119,978            |
| Other infrastructure      | -                  | -                  | 400,000          | 500,000          | 600,000          | 1,500,000          |
| City bridges              | 34,104             | 426,980            | -                | -                | -                | 461,084            |
| City milling/paving needs | 51,750             | 34,500             | 100,000          | 125,000          | 150,000          | 461,250            |
| <b>Subtotal</b>           | <b>\$2,334,104</b> | <b>\$1,926,980</b> | <b>\$500,000</b> | <b>\$625,000</b> | <b>\$750,000</b> | <b>\$6,136,084</b> |

<sup>1</sup> Project funding includes various grant funds and other related streets and roads allocations made to the State Liquid Fuels Tax Fund.

**Table 17**  
**Summary by Fund**

| Fund                                   | Forecast<br>2025    | Forecast<br>2026    | Forecast<br>2027   | Forecast<br>2028   | Forecast<br>2029   | Total               |
|----------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| General Fund                           | \$13,564,747        | \$11,789,379        | \$5,187,640        | \$1,425,828        | \$1,575,000        | \$33,542,594        |
| Neighborhood Services Fund             | 654,206             | 770,714             | 853,000            | 600,000            | 800,000            | 3,677,920           |
| Capital Projects Fund (infrastructure) | 2,334,104           | 1,926,980           | 500,000            | 625,000            | 750,000            | 6,136,084           |
| <b>Total</b>                           | <b>\$16,553,057</b> | <b>\$14,487,073</b> | <b>\$6,540,640</b> | <b>\$2,650,828</b> | <b>\$3,125,000</b> | <b>\$43,356,598</b> |



## 8 Financial Forecasts

The City will set a minimum General Fund Balance level target amount equal to two months of annual operating expenses (approximately 15%). The funding target aligns with the Government Finance Officer Association's minimum recommendation for all municipalities. The GFOA recommends that cities with a history of fiscal distress or budgetary volatility maintain a fund balance level higher than the 15% minimum. This fund balance level would also be viewed favorably by rating agencies that strongly emphasize operating flexibility and accessible fund balance, especially for municipalities like Harrisburg, trying to demonstrate its commitment to fiscal recovery and stability. The City has already managed its fund balance above this level for several years.

The operating forecasts, which assume the full implementation of the initiatives described above, demonstrate the ability to maintain essential City services and address other priorities. In addition to the initiatives outlined in this plan, the City relies on its significant unreserved General Fund balance to fund capital needs and under certain circumstances cover the gap between annual revenues and expenses.

The City will continue to manage the tax burden on its residents. Moreover, raising tax rates is counterproductive to Harrisburg's efforts to attract private investment and expand the tax base, especially during this challenging period for the local economy. Of significance to note and applicable to current fiscal year 2025, the RACP grant of \$6 million for the FNB Field stadium upgrade project is still anticipated for receipt to occur by year-end and is included in General Fund's projected year-end cash fund balance of \$23 million.

The financial forecast indicated in Table 1 indicates a stabilization trend over years 2026 through 2029 with an ending cash fund balance to be consistently hovering around a \$21 million balance mark, but with some noted utilizations of such fund balances which appear reasonable.

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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 18**  
**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 19**  
**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> The City's Law Bureau is more involved with reviewing delinquent collections and readily enabling related lien filings for both commercial and residential properties, with the intended goal of assisting the decline in delinquent trash billing payments.

The NSF's primary revenue sources are garbage collection and disposal fees. For fiscal year 2025, the City is projecting such revenue to amount to \$17.8 million compared with the prior year 2024 actual total of \$17.4 million. Increases are noted here for future years giving some consideration to potential fee increases in billing rates, but these year to year increases in revenue are more focused on the City's efforts to improve collectability of current monthly and quarterly billings as well as focusing on the potential of realizing some portion of the existing past due balances still receivable.

Also, the City has reached a contract agreement to continue sanitation services with the Borough of Steelton through June 30, 2029. The City will as well soon be looking to negotiations with the other involved Boroughs of Penbrook and Paxtang as the applicable similar contracts were also recently extended but only through December 31, 2025. 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 tonnage disposal of approximately \$8.5 million for 2025 paid to Lancaster County Solid Waste Management Authority (LCSWMA). The applicable tipping fee rate for 2025 City tonnage disposal is currently \$244.51 per ton to be adjusted annually in conformity with the calculation involving the occurring change in the Consumer Price Index.

Approximately 92 employee salaries are paid out of the NSF. Projected personnel cost increases approximate those contained within the General Fund including annual increases for salaries and wages and estimates for shared allocations of medical claim related expenditures.

The City will manage its Neighborhood Services Fund to balance revenues and expenses long-term. The City will also target a fund balance equal to two months of annual operating expenses. While the GFOA recommends a fund balance target equal to 45 days of annual operating expenses for Proprietary Funds, the City has set its fund balance target at a level it feels is responsible and fair to fee payers.

Maintaining this level of fund balance will ensure that service/operation disruptions will be avoided, the NSF will not burden the General fund, and the fund will not maintain unnecessary balances that can otherwise be deployed to provide services to customers.

The City is also mindful of identifying grant funding sources for future capital and vehicle improvement needs. The City plans on utilizing grant funds to defray the costs of these expenditures; however, if grant funding cannot be secured the City will apply fund balance as a substitute.

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## 9.2 Harrisburg Senators Fund

The Harrisburg Senators Fund accounts for the revenues and expenses associated with the debt payment financing the Harrisburg Senators' new stadium. In recent years, the Fund has been subsidized by annual transfers from the City's general operations. With the 2021 defeasance of the stadium improvement bonds, the Harrisburg Senators Fund can better handle future costs associated with keeping the stadium up to Major and Minor League Baseball standards.

**Table 20**  
**Harrisburg Senators Fund – Actuals and Forecasts**  
**2020 - 2029**

|                                       | 2020 - Actual    | 2021 - Actual      | 2022 - Actual    | 2023 - Actual          | 2024 - Actual          |
|---------------------------------------|------------------|--------------------|------------------|------------------------|------------------------|
| Department of Parks and Recreation    | 20,795           | 56,642             | 41,744           | 43,820                 | 39,561                 |
| Rental Income                         | 18,129           | 199,362            | 379,738          | 379,738                | 379,738                |
| Transfers                             | 467,856          | 5,581,342          | 0                | 2,800,000 <sup>1</sup> | 5,202,018 <sup>1</sup> |
| <b>Total Revenue</b>                  | <b>\$506,780</b> | <b>\$5,837,346</b> | <b>\$421,482</b> | <b>\$3,223,558</b>     | <b>\$5,621,317</b>     |
| Services                              | 0                | 0                  | 0                | 0                      | 0                      |
| Other – Debt                          | 646,553          | 5,581,342          | 0                | 0                      | 0                      |
| Other – Capital                       | 0                | 50,000             | 0                | 0                      | 1,074,421              |
| <b>Total Expenses</b>                 | <b>\$646,553</b> | <b>\$5,631,342</b> | <b>\$0</b>       | <b>\$0</b>             | <b>\$1,074,421</b>     |
| Change in Cash Fund Balance           | (139,773)        | 206,004            | 421,482          | 3,223,558              | 4,546,896              |
| Cash Fund Balance - Beginning of Year | 178,698          | 38,925             | 244,929          | 666,411                | 3,889,969              |
| Cash Fund Balance - End of Year       | <b>\$38,925</b>  | <b>\$244,929</b>   | <b>\$666,411</b> | <b>\$3,889,969</b>     | <b>\$8,436,865</b>     |

|                                        | 2025                | 2026             | 2027             | 2028             | 2029             |
|----------------------------------------|---------------------|------------------|------------------|------------------|------------------|
|                                        | Forecast            | Forecast         | Forecast         | Forecast         | Forecast         |
| Department of Parks and Recreation     | 45,262              | 45,262           | 45,262           | 45,262           | 45,262           |
| Rental Income                          | 379,738             | 379,738          | 379,738          | 379,738          | 379,738          |
| Grant Proceeds                         | 6,000,000           | 0                | 0                | 0                | 0                |
| Transfers <sup>1</sup>                 | 2,556,519           | 0                | 0                | 0                | 0                |
| <b>Total Revenue</b>                   | <b>\$8,981,519</b>  | <b>\$425,000</b> | <b>\$425,000</b> | <b>\$425,000</b> | <b>\$425,000</b> |
| Services                               | 0                   | 0                | 0                | 0                | 0                |
| Other – Debt                           | 0                   | 0                | 0                | 0                | 0                |
| Other – Capital <sup>2</sup>           | 11,148,883          | 0                | 0                | 0                | 0                |
| Transfers                              | 6,000,000           | 425,000          | 425,000          | 425,000          | 425,000          |
| <b>Total Expenses</b>                  | <b>\$17,148,883</b> | <b>\$425,000</b> | <b>\$425,000</b> | <b>\$425,000</b> | <b>\$425,000</b> |
| Change in Cash Fund Balance            | (8,167,364)         | 0                | 0                | 0                | 0                |
| Cash Fund Balance - Beginning of Year  | 8,436,865           | 269,501          | 269,501          | 269,501          | 269,501          |
| <b>Cash Fund Balance - End of Year</b> | <b>\$269,501</b>    | <b>\$269,501</b> | <b>\$269,501</b> | <b>\$269,501</b> | <b>\$269,501</b> |

<sup>1</sup> Transfers from the General Fund are for the initial funding of the FNB Field stadium improvement project; MLB is requiring such improvements under current professional baseball team standards.

<sup>2</sup> The City has made the determination to work with MLB to improve the stadium to assist in retaining the Senators franchise at FNB Field.

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**CAPITAL PROJECTS FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Public Works               | 771,810           | 425,000             | 450,000             | 475,000             | 475,000             | 450,000             |
| Community and Economic Development       | 1,122,065         | 1,000,000           | 1,000,000           | 1,000,000           | 1,000,000           | 1,000,000           |
| Intergovernmental                        | 2,234,434         | 1,634,444           | 2,200,000           | 500,000             | 500,000             | 500,000             |
| Miscellaneous, including Interest Income | 51,159            | 135,000             | 105,000             | 90,000              | 75,000              | 75,000              |
| Total Revenue                            | 4,179,468         | 3,194,444           | 3,755,000           | 2,065,000           | 2,050,000           | 2,025,000           |
| Other - Capital                          | 343,530           | 2,334,104           | 1,926,980           | 500,000             | 625,000             | 750,000             |
| Other - Transfers                        | 1,000,000         | 2,175,000           | 1,350,000           | 1,350,000           | 1,350,000           | 1,350,000           |
| Total Expenditures                       | 1,343,530         | 4,509,104           | 3,276,980           | 1,850,000           | 1,975,000           | 2,100,000           |
| Change in Cash Fund Balance              | 2,835,938         | (1,314,660)         | 478,020             | 215,000             | 75,000              | (75,000)            |
| Cash Fund Balance - Beginning of Year    | 772,111           | 3,608,049           | 2,293,389           | 2,771,409           | 2,986,409           | 3,061,409           |
| Cash Fund Balance - End of Year          | 3,608,049         | 2,293,389           | 2,771,409           | 2,986,409           | 3,061,409           | 2,986,409           |

*The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital facilities or projects (other than those financed by proprietary funds).*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**STATE LIQUID FUELS TAX FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Intergovernmental                        | 1,314,120         | 1,309,345           | 1,300,000           | 1,300,000           | 1,300,000           | 1,300,000           |
| Miscellaneous, including Interest Income | 117,946           | 90,000              | 85,000              | 70,000              | 70,000              | 60,000              |
| Total Revenue                            | 1,432,066         | 1,399,345           | 1,385,000           | 1,370,000           | 1,370,000           | 1,360,000           |
| Services                                 | 343,339           | 275,000             | 280,500             | 286,110             | 291,832             | 297,669             |
| Supplies                                 | 338,998           | 359,000             | 366,180             | 373,504             | 380,974             | 388,593             |
| Other - Capital                          | 292,243           | 500,000             | 744,978             | 500,000             | 625,000             | 750,000             |
| Other - Transfers                        | 224,112           | 224,112             | 224,112             | 224,112             | 224,112             | 224,112             |
| Total Expenditures                       | 1,198,692         | 1,358,112           | 1,615,770           | 1,383,726           | 1,521,918           | 1,660,374           |
| Change in Cash Fund Balance              | 233,374           | 41,233              | (230,770)           | (13,726)            | (151,918)           | (300,374)           |
| Cash Fund Balance - Beginning of Year    | 1,946,540         | 2,179,914           | 2,221,147           | 1,990,377           | 1,976,651           | 1,824,734           |
| Cash Fund Balance - End of Year          | 2,179,914         | 2,221,147           | 1,990,377           | 1,976,651           | 1,824,734           | 1,524,360           |

*The State Liquid Fuels Tax Fund is used to account for state aid revenue used primarily for building and improving City roads and bridges, in accordance with policies and procedures of the County Liquid Fuels Tax Act of 1981 and Liquid Fuels Act 655.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**HOST MUNICIPALITY FEES FUND**

| DESCRIPTION                               | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|-------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Community and Economic Development        | 368,212           | 375,000             | 386,250             | 397,838             | 409,773             | 422,066             |
| Miscellaneous, including Interest Income  | 46,418            | 33,320              | 85,000              | 70,000              | 60,000              | 50,000              |
| Total Revenue                             | 414,630           | 408,320             | 471,250             | 467,838             | 469,773             | 472,066             |
| Personnel                                 | 145,216           | 163,246             | 169,776             | 176,567             | 183,630             | 190,975             |
| Services                                  | 46,054            | -                   | 40,000              | 40,800              | 41,616              | 42,448              |
| Supplies                                  | 4,698             | -                   | 10,000              | 10,200              | 10,404              | 10,612              |
| Other - Capital, Supporting Distributions | 245,000           | 836,000             | 85,000              | 285,000             | 85,000              | 285,000             |
| Other - Transfers                         | -                 | 112,000             | -                   | -                   | -                   | -                   |
| Total Expenditures                        | 440,968           | 1,111,246           | 304,776             | 512,567             | 320,650             | 529,035             |
| Change in Cash Fund Balance               | (26,338)          | (702,926)           | 166,474             | (44,729)            | 149,123             | (56,969)            |
| Cash Fund Balance - Beginning of Year     | 819,373           | 793,035             | 90,109              | 256,583             | 211,854             | 360,977             |
| Cash Fund Balance - End of Year           | 793,035           | 90,109              | 256,583             | 211,854             | 360,977             | 304,008             |

*The Host Municipality Fees Fund is used to account for the applicable host fee rate per ton of municipal waste processed inside the host municipality limits, and it is as well utilized for funding considerations involving environmental projects.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**BLIGHT REMEDIATION FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Public Works               | -                 | -                   | 500                 | 500                 | 500                 | 500                 |
| Department of Public Safety              | 12,895            | 25,000              | 25,750              | 26,523              | 27,318              | 28,138              |
| Miscellaneous, including Interest Income | 23,735            | 15,000              | 85,000              | 70,000              | 60,000              | 50,000              |
| Total Revenue                            | 36,630            | 40,000              | 111,250             | 97,023              | 87,818              | 78,638              |
| Services                                 | 14,937            | 15,000              | 45,000              | 45,900              | 46,818              | 47,754              |
| Supplies                                 | -                 | 5,000               | 15,000              | 15,300              | 15,606              | 15,918              |
| Other - Transfers                        | -                 | 200,000             | -                   | -                   | -                   | -                   |
| Total Expenditures                       | 14,937            | 220,000             | 60,000              | 61,200              | 62,424              | 63,672              |
| Change in Cash Fund Balance              | 21,693            | (180,000)           | 51,250              | 35,823              | 25,394              | 14,965              |
| Cash Fund Balance - Beginning of Year    | 418,662           | 440,355             | 260,355             | 311,605             | 347,428             | 372,822             |
| Cash Fund Balance - End of Year          | 440,355           | 260,355             | 311,605             | 347,428             | 372,822             | 387,787             |

*The Blight Remediation Fund accounts for fee revenues and expenses related to the enforcement of ordinances governing blight and local health, housing, and safety codes and regulations.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**SPECIAL EVENTS/PROJECT REIMBURSEMENT FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Public Works               | 44,081            | 43,000              | 41,000              | 42,230              | 43,497              | 44,802              |
| Miscellaneous, including Interest Income | 17,430            | 15,000              | 8,000               | 7,500               | 7,500               | 8,000               |
| Total Revenue                            | 61,511            | 58,000              | 49,000              | 49,730              | 50,997              | 52,802              |
| Services                                 | 636               | -                   | 20,000              | 20,400              | 20,808              | 21,224              |
| Supplies                                 | -                 | -                   | 5,000               | 5,100               | 5,202               | 5,306               |
| Other - Transfers                        | -                 | 350,000             | -                   | -                   | -                   | -                   |
| Total Expenditures                       | 636               | 350,000             | 25,000              | 25,500              | 26,010              | 26,530              |
| Change in Cash Fund Balance              | 60,875            | (292,000)           | 24,000              | 24,230              | 24,987              | 26,272              |
| Cash Fund Balance - Beginning of Year    | 294,491           | 355,366             | 63,366              | 87,366              | 111,596             | 136,583             |
| Cash Fund Balance - End of Year          | 355,366           | 63,366              | 87,366              | 111,596             | 136,583             | 162,855             |

*The Special Events/Project Reimbursement Fund mainly includes recycling in nature revenue and other Public Works revenue in support of special occurring tasks/smaller projects involving the oversight of the Department of Public Works.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**FIRE PROTECTION FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Public Safety              | 376               | 350                 | 350                 | 350                 | 350                 | 350                 |
| Rental Income                            | 9,026             | 10,500              | 10,000              | 10,000              | 10,000              | 10,000              |
| Miscellaneous, including Interest Income | 7,132             | 11,350              | 15,000              | 12,000              | 10,000              | 10,000              |
| Interfund Transfers                      | -                 | 500,000             | -                   | -                   | -                   | -                   |
| Total Revenue                            | 16,534            | 522,200             | 25,350              | 22,350              | 20,350              | 20,350              |
| Services                                 | -                 | 5,000               | 5,000               | 5,000               | 5,000               | 5,000               |
| Supplies                                 | -                 | 15,000              | 15,000              | 15,000              | 15,000              | 15,000              |
| Other - Capital                          | -                 | -                   | 500,000             | -                   | -                   | -                   |
| Total Expenditures                       | -                 | 20,000              | 520,000             | 20,000              | 20,000              | 20,000              |
| Change in Cash Fund Balance              | 16,534            | 502,200             | (494,650)           | 2,350               | 350                 | 350                 |
| Cash Fund Balance - Beginning of Year    | 113,022           | 129,556             | 631,756             | 137,106             | 139,456             | 139,806             |
| Cash Fund Balance - End of Year          | 129,556           | 631,756             | 137,106             | 139,456             | 139,806             | 140,156             |

*The Fire Protection Fund includes Bureau of Fire activities or special initiatives related to SHARP Team and Urban Search and Rescue.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**POLICE PROTECTION FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Public Safety              | 48,112            | 74,000              | 75,000              | 75,000              | 75,000              | 75,000              |
| Miscellaneous, including Interest Income | 53,706            | 47,000              | 29,000              | 24,000              | 24,000              | 29,000              |
| Total Revenue                            | 101,818           | 121,000             | 104,000             | 99,000              | 99,000              | 104,000             |
| Services                                 | 34,500            | 54,000              | 60,000              | 60,000              | 75,000              | 75,000              |
| Supplies                                 | 4,843             | 5,000               | 15,000              | 15,000              | 15,000              | 15,000              |
| Other - Capital                          | -                 | 15,000              | 20,000              | 20,000              | 25,000              | 25,000              |
| Other - Transfers                        | -                 | 500,000             | -                   | -                   | -                   | -                   |
| Total Expenditures                       | 39,343            | 574,000             | 95,000              | 95,000              | 115,000             | 115,000             |
| Change in Cash Fund Balance              | 62,475            | (453,000)           | 9,000               | 4,000               | (16,000)            | (11,000)            |
| Cash Fund Balance - Beginning of Year    | 881,958           | 944,433             | 491,433             | 500,433             | 504,433             | 488,433             |
| Cash Fund Balance - End of Year          | 944,433           | 491,433             | 500,433             | 504,433             | 488,433             | 477,433             |

*The Police Protection Fund includes Bureau of Police special initiatives related to Federal Forfeiture activities, Police training efforts, and certain smaller projects.*



**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**PARKS AND RECREATION FUND**

| DESCRIPTION                               | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|-------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Community and Economic Development        | 92,115            | 97,500              | 90,000              | 80,000              | 85,000              | 85,000              |
| Rental Income                             | 15,930            | 45,000              | 40,000              | 35,000              | 35,000              | 40,000              |
| Miscellaneous, including Interest Income  | 41,142            | 37,000              | 32,000              | 32,000              | 32,000              | 32,000              |
| Total Revenue                             | 149,187           | 179,500             | 162,000             | 147,000             | 152,000             | 157,000             |
| Services                                  | 36,626            | 45,000              | 60,000              | 60,000              | 75,000              | 75,000              |
| Supplies                                  | 27,356            | 15,000              | 15,000              | 15,000              | 20,000              | 20,000              |
| Other - Capital, Supporting Distributions | 37,560            | 65,000              | 65,000              | 65,000              | 75,000              | 75,000              |
| Other - Transfers                         | -                 | 250,000             | -                   | -                   | -                   | -                   |
| Total Expenditures                        | 101,542           | 375,000             | 140,000             | 140,000             | 170,000             | 170,000             |
| Change in Cash Fund Balance               | 47,645            | (195,500)           | 22,000              | 7,000               | (18,000)            | (13,000)            |
| Cash Fund Balance - Beginning of Year     | 650,676           | 698,321             | 502,821             | 524,821             | 531,821             | 513,821             |
| Cash Fund Balance - End of Year           | 698,321           | 502,821             | 524,821             | 531,821             | 513,821             | 500,821             |

*The Parks and Recreation Fund includes various supporting revenue efforts for the ongoing maintenance and improvement of City parks and recreational activities.*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**WHBG-TV FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Department of Administration             | -                 | -                   | -                   | -                   | -                   | -                   |
| Miscellaneous, including Interest Income | 827               | 700                 | 300                 | 150                 | 150                 | 150                 |
| Total Revenue                            | 827               | 700                 | 300                 | 150                 | 150                 | 150                 |
| Supplies                                 | -                 | -                   | 2,500               | -                   | -                   | -                   |
| Other - Capital                          | -                 | -                   | 7,500               | -                   | -                   | -                   |
| Total Expenditures                       | -                 | -                   | 10,000              | -                   | -                   | -                   |
| Change in Cash Fund Balance              | 827               | 700                 | (9,700)             | 150                 | 150                 | 150                 |
| Cash Fund Balance - Beginning of Year    | 14,620            | 15,447              | 16,147              | 6,447               | 6,597               | 6,747               |
| Cash Fund Balance - End of Year          | 15,447            | 16,147              | 6,447               | 6,597               | 6,747               | 6,897               |

*The WHBG-TV Fund is an available special fund associated with the City's government access cable television channel (channel 20 management and activities).*

**CITY OF HARRISBURG**  
**SUMMARY SCHEDULE - FIVE-YEAR FINANCIAL PLAN**  
**EVENTS FUND**

| DESCRIPTION                              | FY 2024<br>Actual | FY 2025<br>Forecast | FY 2026<br>Forecast | FY 2027<br>Forecast | FY 2028<br>Forecast | FY 2029<br>Forecast |
|------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Community and Economic Development       | 358,130           | 375,000             | 350,000             | 350,000             | 365,000             | 365,000             |
| Intergovernmental                        | -                 | 117,228             | -                   | -                   | -                   | -                   |
| Miscellaneous, including Interest Income | 19,282            | 16,500              | 15,000              | 15,000              | 15,000              | 15,000              |
| Total Revenue                            | 377,412           | 508,728             | 365,000             | 365,000             | 380,000             | 380,000             |
| Services                                 | 326,221           | 325,000             | 340,000             | 346,800             | 353,736             | 360,811             |
| Supplies                                 | 19,603            | 20,000              | 25,000              | 25,500              | 26,010              | 26,530              |
| Other - Capital                          | -                 | 138,406             | -                   | -                   | -                   | -                   |
| Total Expenditures                       | 345,824           | 483,406             | 365,000             | 372,300             | 379,746             | 387,341             |
| Change in Cash Fund Balance              | 31,588            | 25,322              | -                   | (7,300)             | 254                 | (7,341)             |
| Cash Fund Balance - Beginning of Year    | 303,836           | 335,424             | 360,746             | 360,746             | 353,446             | 353,700             |
| Cash Fund Balance - End of Year          | 335,424           | 360,746             | 360,746             | 353,446             | 353,700             | 346,359             |

*The Events Fund accounts for all supporting revenue and expenses in managing the City's various special events occurring throughout the year including Ice and Fire, ArtsFest, 4th of July Celebration, Kipona Festival, Holiday Parade, and New Year's Eve Celebration.*

**CITY OF HARRISBURG**

**ICA Report - 5-Year Financial Plan Summary**

**2025 thru 2029 - General Fund Comparatives on Revenue and Expenses (updated projections)**

| <u>DESCRIPTION</u>                            | <u>2025<br/>Projection</u> | <u>2026<br/>Projection</u> | <u>2027<br/>Projection</u> | <u>2028<br/>Projection</u> | <u>2029<br/>Projection</u> |
|-----------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Revenue Totals                                | 89,496,884                 | 79,776,395                 | 76,728,748                 | 75,048,851                 | 75,516,807                 |
| Insurance proceeds - Broad Street Market      | 2,714,947                  | 3,054,316                  | 1,018,105                  | -                          | -                          |
| Additional Capital Fire Protection            | 2,000,000                  | 2,000,000                  | 2,000,000                  | 2,000,000                  | 2,000,000                  |
| Interfund transfers - Broad Street Market     | 1,600,456                  | 1,800,512                  | 600,171                    | -                          | -                          |
| Interest income transfer - State Grants Fund  | 3,885,155                  | 600,000                    | 300,000                    | 150,000                    | 75,000                     |
| Interfund transfer - RACP for FNB Field       | 6,000,000                  | -                          | -                          | -                          | -                          |
| Subtotal                                      | 16,200,558                 | 7,454,828                  | 3,918,276                  | 2,150,000                  | 2,075,000                  |
| Resulting more comparative normal revenue     | 73,296,326                 | 72,321,567                 | 72,810,472                 | 72,898,851                 | 73,441,807                 |
| Expense Totals                                | 84,918,426                 | 81,745,386                 | 76,891,833                 | 74,322,591                 | 76,324,573                 |
| Less: Broad Street Market project             | (10,533,451)               | (8,636,893)                | (2,878,965)                | -                          | -                          |
| Resulting net expenses                        | 74,384,975                 | 73,108,493                 | 74,012,868                 | 74,322,591                 | 76,324,573                 |
| Net Expenses over Revenue - this analysis     | (1,088,649)                | (786,926)                  | (1,202,396)                | (1,423,740)                | (2,882,766)                |
| Add-back Capital Fire Protection as a fixture | 2,000,000                  | 2,000,000                  | 2,000,000                  | 2,000,000                  | 2,000,000                  |
| Resulting Trend                               | 911,351                    | 1,213,074                  | 797,604                    | 576,260                    | (882,766)                  |

## **Appendix A**

### Priority Capital Improvement Projects

Please see the following summary and excerpt pages from independently prepared 5-Year Capital Improvement Plan provided by the firm of SitelogIQ.

## **Appendix B**

### Progress in Resolving Prior Year Audit Findings



Initially, from a historical perspective, the City's 2018 independent Single Audit identified 12 findings, or areas of weakness, in its financial statements or processes. Progress in resolving such is noted as the number of findings diminished to nine as reported within the 2019 single audit and was further reduced to four findings as contained in the more recent 2020 single audit report. The City is mindful of continuing to address the below noted findings, as they were and still are affected to various degrees by currently available staff and recent turnovers in key management positions during 2024.

The progress toward resolving weaknesses should preclude negative implications for the City's credit rating related to the audit findings. The City will continue to update its auditor on the status of prior findings and will also work to limit the occurrences of new findings.

| Description                                               | Finding #            | Finding #            | Status               |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|
| Financial Reporting, including general support submission | 2021-001<br>2021-006 | 2022-001<br>2022-005 | Ongoing Resolution   |
| Segregation of Duties                                     | 2021-002             | 2022-002             | * Pending Resolution |
| Reconciling Bank Accounts                                 | 2021-003             | N/A                  | Resolved for removal |
| Equipment & Real Property Management                      | 2021-004             | 2022-003             | * Pending Resolution |
| Federal Financial Reporting                               | 2021-005             | 2022-004             | Pending Resolution   |

\* Pending resolution is noted here based on eventual full implementation of a new all-inclusive ERP software system; also to note the City is currently in the process of completing the 2023 financial audit prior to the end of current year 2025.

CITY OF HARRISBURG  
ICA Report - 5-Year Financial Plan Summary  
2025 thru 2029 - Long-Term Capital Improvement Plan, Listing of Facility Projects

| <u>Site Facility</u>             | <u>Project Description</u>                  | <u>Initial Activity<br/>Target - 2025</u> | <u>Initial Activity<br/>Target - 2026</u> | <u>Initial Activity<br/>Target - 2027</u> | <u>Initial Activity<br/>Target - 2028</u> | <u>Initial Activity<br/>Target - 2029</u> |
|----------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| City Hall                        | Steam to Hot Water Heat Exchanger           | 105,000                                   |                                           |                                           |                                           |                                           |
| City Hall                        | Interior Window Replacement                 | 215,000                                   |                                           |                                           |                                           |                                           |
| City Hall                        | Elevator Modernization                      | 469,000                                   |                                           |                                           |                                           |                                           |
| City Hall                        | ADA Restroom Upgrades                       | 725,000                                   |                                           |                                           |                                           |                                           |
| Fire Station 1                   | Window and Exterior Door Replacement        | 265,000                                   |                                           |                                           |                                           |                                           |
| City Hall                        | Interior Painting                           |                                           | 475,000                                   |                                           |                                           |                                           |
| City Hall                        | Acoustical Ceiling Tile Ceiling Replacement |                                           | 485,000                                   |                                           |                                           |                                           |
| Traffic and Engineering Building | Window Replacement                          |                                           | 115,000                                   |                                           |                                           |                                           |
| City Hall                        | Window Replacement                          |                                           |                                           | 1,180,000                                 |                                           |                                           |
| City Hall                        | LED Lighting                                |                                           |                                           | 1,520,000                                 |                                           |                                           |
| City Hall                        | HVAC Variable Air Volume Boxes              |                                           |                                           | 1,050,000                                 |                                           |                                           |
| City Hall                        | Skylight Replacement                        |                                           |                                           |                                           | 165,000                                   |                                           |
| Fire Station 2                   | Window Replacement                          |                                           |                                           |                                           | 265,000                                   |                                           |
| Fire Station 2                   | Interior Door Hardware                      |                                           |                                           |                                           | 20,000                                    |                                           |
| Public Works Complex             | Vinyl Composition Tile Flooring Replacement |                                           |                                           |                                           | 120,000                                   |                                           |
| Public Works Complex             | Window Replacement                          |                                           |                                           |                                           | 470,000                                   |                                           |
| City Hall                        | Flooring Replacement                        |                                           |                                           |                                           |                                           | 630,000                                   |
| Traffic and Engineering Building | Interior Stair Tower Renovations            |                                           |                                           |                                           |                                           | 43,500                                    |
| Traffic and Engineering Building | Second Floor Flooring Replacement           |                                           |                                           |                                           |                                           | 26,000                                    |
| Fire Station 1                   | Electric Distribution                       |                                           |                                           |                                           |                                           | 253,000                                   |
| Fire Station 1                   | Electrical Switchgear                       |                                           |                                           |                                           |                                           | 92,000                                    |
| Fire Station 1                   | Interior Door Hardware                      |                                           |                                           |                                           |                                           | 20,000                                    |
|                                  | Totals                                      | 1,779,000                                 | 1,075,000                                 | 3,750,000                                 | 1,040,000                                 | 1,064,500                                 |

**CITY OF HARRISBURG**  
Capital Improvement Plan

## PROACTIVE PLANNING SOLUTIONS TO FACILITY IMPROVEMENTS | mysitelQ

Creation of a capital improvement plan is essential in guiding the long-term strategic development and implementation of upgrading, enhancing, and maintaining facilities. The facility assessment and planning scenarios will enable the City of Harrisburg to plan for capital improvement projects and budget for deferred maintenance.

Currently, SitelogIQ has identified approximately \$11,000,000—\$19,00,000 in facility improvements over the next 5 years. A screen shot below offers an example of project considerations.

| FacilityName      | Escalated Budget | Project Name                                            | Project Type             | Project Priority |
|-------------------|------------------|---------------------------------------------------------|--------------------------|------------------|
| City Hall         | \$165,000        | City Hall - Skylight Replacement                        | Building Envelope        | Immediate        |
| City Hall         | \$105,000        | City Hall - Steam to Hot Water Heat Exchanger           | Mechanical               | Immediate        |
| City Hall         | \$1,180,000      | City Hall - Window Replacement                          | Building Envelope        | Immediate        |
| City Hall         | \$475,000        | City Hall - Interior Painting                           | Architectural - Interior | Immediate        |
| City Hall         | \$1,520,000      | City Hall - LED Lighting                                | Electrical               | Immediate        |
| City Hall         | \$485,000        | City Hall - ACT Ceiling Replacement                     | Architectural - Interior | Immediate        |
| City Hall         | \$630,000        | City Hall - Flooring Replacement                        | Architectural - Interior | Immediate        |
| #1 Farmers Market | \$70,500         | Broad Street Market - Electrical Switchgear Replacement | Electrical               | Immediate        |
| City Engineering  | \$3,500          | City Engineering - Janitor Floor Sink                   | Plumbing                 | Immediate        |
| Fire Station #1   | \$84,000         | Fire Station #1 - Exhaust Fan Replacement               | Mechanical               | Immediate        |
| Fire Station #2   | \$84,000         | Fire Station #2 - Exhaust Fan Replacement               | Mechanical               | Immediate        |
| Fire Station #1   | \$88,000         | Fire Station #1 - Terminal HVAC Equipment               | Mechanical               | Immediate        |
| Fire Station #2   | \$88,000         | Fire Station #2 - Terminal HVAC Equipment Replacement   | Mechanical               | Immediate        |
| Fire Station #1   | \$13,000         | Fire Station #1 - Domestic Water Fixtures Replacement   | Plumbing                 | Immediate        |
| City Engineering  | \$43,500         | CE - Int Stair Tower Renovations                        | Architectural - Interior | High             |

Detailed project information and specific facility conditions can be found in the mySitelQ facility information system. Within this database, facility project planning and budgeting can occur.

SitelogIQ will continue to work with the City of Harrisburg Office of Budget and Finance to build and refine the facility maintenance tool where the condition assessments and deferred maintenance budget information will be stored. We offer this tool as a facility asset management resource. Working with the City of Harrisburg, the mysitelQ tool will be updated on a quarterly basis to capture and prioritize deficiencies that are slated for repair/replacement; and archive deficiencies that have been resolved. The mysitelQ tool allows the City of Harrisburg to track performance over time. This information will be useful in assisting the City of Harrisburg with documenting positive results, planning for the future, and allocating budgets for facility maintenance over time.

# EXECUTIVE SUMMARY

SitelogIQ is pleased to submit this City of Harrisburg Capital Improvement Plan that specifically addresses the facility condition assessment of the city-owned assets.

From April to December of 2024, the City of Harrisburg engaged SitelogIQ [SIQ] to prepare a Capital Improvement Plan to aid in the prioritization of facility maintenance projects. Through this study, the firm was tasked with:

- Prepare an assessment on asset inventory;
- Prepare a needs/prioritization analysis;
- Financial planning and modeling;
- A risk-assessment analysis;
- And a five-year plan

Throughout the months of March to November 2024, SIQ was onsite surveying and collecting data regarding City facilities as listed here: *City Hall, Public Safety Building, Reservoir Park Facilities and Grounds, Fire Station #1, Fire Station #2, Fire Station #8, Broad Street Market, Police Station, Maintenance Shops, Public Works, City Engineering Office,*

The information garnered from the assessments was collected and detailed by staff who are considered experts in their field. SitelogIQ conducted the physical condition assessments of the facilities; provided rough -orders of magnitude estimates, and prepared the overall findings contained within this report. Additionally, they utilized the local knowledge and expertise of facility staff and to confirm asset conditions.

While working on the facilities assessment for the City of Harrisburg there were some sites that were not included in the study. The Public Safety Building is currently under construction and building assessments will occur after construction is completed. The Fire Rescue Museum, The Fire House and City Parks are excluded from the assessment because they are considered a non-priority from the city staff.

SitelogIQ will continue to utilize the facility staff to refine the facility planning and budgeting system where the condition assessments will be stored. This system is called **mySitelQ**. SitelogIQ provides this tool as a facility asset-management resource. Working with the City of Harrisburg, the mySitelQ tool will be updated on a quarterly basis (at minimum) to capture and prioritize deficiencies that are slated for repair/replacement; and archive deficiencies that have been resolved. The mySitelQ tool allows the City of Harrisburg to track performance over time. This information will be useful in assisting the City of Harrisburg with documenting positive results, planning for the future, and allocating budgets for facility maintenance over time.





Office of Mayor Wanda R.D. Williams  
MLK Government Center  
10 N. Second St.  
Harrisburg, PA 17101

September 23, 2025

Douglas E. Hill, Chair  
Intergovernmental Cooperation Authority for the City of Harrisburg  
Harrisburg, PA  
E-mail: [ica.dehill@gmail.com](mailto:ica.dehill@gmail.com)

Re: Submission of the 2026 Five-Year Financial Plan (revised) for the City of Harrisburg

Dear Chair Hill:

In accordance with Section 209 of the Intergovernmental Cooperation Authority Act for Cities of the Third Class, 53 P.S. Subsection 42101, et seq. (Act 124-2018), I hereby submit to the Board of the Intergovernmental Cooperation Authority (ICA), on behalf of the City, the revised 2026 Five-Year Financial Plan for the City of Harrisburg. The City has previously provided the ICA a complete copy of the City of Harrisburg's 2025 Approved Amended Budget.

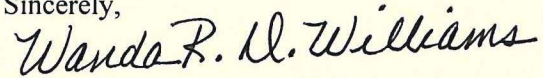
In accordance with Section 209(3)(ii) of the Act, I confirm I understand the 2025 Amended Budget documents for the City of Harrisburg include a capital budget and otherwise satisfy the requirements of Act 124. In my official capacity as Mayor of the City, I hereby do now state as follows:

- (a) The 2025 Approved Amended Budget is consistent with the financial plans of the City;
- (b) The 2025 Approved Amended Budget includes funding adequate for debt service payments and legally mandated services;
- (c) The 2025 Approved Amended Budget is based upon prudent, reasonable, and appropriate assumptions and methods of estimation; and
- (d) The 2025 Approved Amended Budget is compliant with the governing law and ordinances of the City or applicable State law regarding balanced budgets.

An initial digital copy of this packet is being transmitted to you and Jeffrey Stonehill, Authority Manager for the ICA. An original executed hard copy will also be delivered to the Board.

Please do not hesitate to contact me should the Board require additional information for this submission.

Sincerely,



Wanda R.D. Williams, Mayor

Enclosure

cc: Jeffrey Stonehill, Authority Manager  
Danielle Hill, Council President  
Ausha Green, Council Vice President  
Samuel Sulkosky, Interim Business Administrator

Robert Kennick, Finance Director  
Neil Grover, City Solicitor  
Charles DeBrunner, City Controller  
Daniel Miller, City Treasurer



Office of the City Controller, Charlie DeBrunner  
Martin Luther King City Government Center  
10 N. Second St.  
Harrisburg, PA 17101

September 18, 2025

Douglas Hill, Chairman  
Intergovernmental Cooperation Authority for the City of Harrisburg

Re: Mayor's 2026 Five-Year Financial Plan for the City of Harrisburg

Dear Chair Hill:

Based on the Intergovernmental Cooperation Authority's request, I have reviewed the Administration's 2026 Five-Year Financial Plan's General Fund revenue projections. General Fund revenues are presented in summary form by major object in the charts and the Controller's Office has analyzed and compared each of the major objects contained in the updated projections to historical figures for the period between fiscal years 2017 through 2024. Our analysis is based on the attached schedules and is as follows:

1. **Real Estate Tax** – The Administration projects Real Estate Tax revenue to be approximately \$16.25 million in fiscal year 2026 remaining constant through fiscal year 2029. Actual Real Estate Tax collections between fiscal years 2017 and 2024 ranged from a low of \$16.73 million to a high of \$17.98 million with a mean value of \$17.34 million. Variability in annual Real Estate Tax collections is low and the Administration's projections are less than the average value.
2. **Real Estate Transfer Tax** – The Administration projects Real Estate Transfer Tax revenue to be approximately \$1.00 million in fiscal years 2026 through 2029. Actual Transfer Tax collections between fiscal years 2017 and 2024 ranged from a low of \$642,804 to a high of \$1.43 million with a mean value of \$882,987. Variability in annual Real Estate Transfer Tax collections is low and the Administration's fiscal year 2026 projection approximates the mean value.
3. **Hotel Tax** – Hotel Tax revenue is collected in the City's Capital Projects Fund and transferred into the General Fund on a periodic basis based on managerial discretion. The Administration projects Hotel Tax revenue to be \$1.0 million in fiscal year 2026 with no growth through fiscal year 2029. Actual Hotel Tax collections between fiscal years 2017 and 2024 ranged from a low of \$0 to a high of \$1.00 million with a mean value of \$651. Variability in annual Hotel Tax collections is on the higher side due to the fact that some years there were no Hotel Tax revenue transferred to the General

Fund. The Administration's fiscal year 2026 projection approximates the maximum value.

4. **Local Service Tax** – the Administration projects Local Service Tax revenue to be approximately \$6.86 million in fiscal year 2026 with .5% growth through fiscal year 2029. Actual Local Service Tax collections between fiscal years 2017 and 2024 ranged from a low of \$6.49 million to a high of \$7.41 million with a mean value of \$6.76 million. Variability in annual Local Service Tax collections is low and the Administration's fiscal year 2026 projection approximates the mean value.
5. **Earned Income Tax** – The Administration projects Earned Income Tax revenue to be approximately \$18.94 million in fiscal year 2026 with .5% growth through fiscal year 2029. Actual Earned Income Tax collections between fiscal years 2017 and 2024 ranged from a low of \$11.45 million to a high of \$18.29 million with a mean value of \$14.25 million. Variability in annual Earned Income Tax collections has historically been low but has seen growth in recent years and the Administration's fiscal year 2026 projection significantly exceeds the maximum value from the 2017-2024 data. The 2025 projections for Earned Income Tax revenue are on track for approximately \$19.1 million, so the Administration's projections, while high, may not be unrealistic.
6. **Mercantile/Business Privilege Tax** – The Administration projects Mercantile/Business Privilege Tax revenue to be \$8.70 million in fiscal year 2026 with .5% growth through fiscal year 2029. Actual Mercantile/Business Privilege Tax collections between fiscal years 2017 and 2024 ranged from a low of \$7.39 million to a high of \$8.67 million with a mean value of \$7.98 million. Variability in annual Mercantile/Business Privilege Tax collections is low and the Administration's fiscal year 2026 projection approximates the maximum value.
7. **Departmental Revenue** – The Administration projects Departmental Revenue to be \$5.05 million in fiscal year 2026 with approximately 1.9% growth through fiscal year 2029. Actual Departmental Revenue between fiscal years 2017 and 2024 ranged from a low of \$4.54 million to a high of \$5.83 million with a mean value of \$5.16 million. Variability in annual Departmental Revenue collections is low and the Administration's fiscal year 2026 projection approximates the mean value.
8. **Fines and Forfeits** – The Administration projects Fines and Forfeits revenue to be \$858,329 in fiscal year 2028 with 8% growth through fiscal year 2029. Actual Fines and Forfeits collections between fiscal years 2017 and 2024 ranged from a low of \$541,528 to a high of \$889,062 with a mean value of \$778,975. Variability in annual Fines and Forfeit collections is low and the Administration's fiscal year 2026 projection approximates the maximum value.
9. **Licenses and Permits** – The Administration projects Licenses and Permits revenue to be \$408,000 in fiscal year 2026 with 8% growth through fiscal year 2029. Actual Licenses and Permits collections between fiscal years 2017 and 2024 ranged from a low of \$383,019 to a high of \$635,509 with a mean value of \$521,811. Variability in annual Licenses and Permits revenue is low and the Administration's fiscal year 2026 projection approximates the minimum value.



10. **Interest** – The Administration projects Interest revenue to be \$650,000 in fiscal year 2026 with negative 13.33%, negative 11.54%, negative 8.7% and negative 14.29% decreases, respectively, through fiscal years 2026, 2027, 2028 and 2029. Actual Interest collections between fiscal years 2017 and 2024 ranged from a low of \$21,150 to a high of \$1,115,079 with a mean value of \$455,929. Variability in Interest revenue was higher (.81) likely due to extremely low interest revenue in fiscal year 2021. The Administration's fiscal year 2026 projection is approximately \$465,000 less than the maximum value.
11. **Rental** – The Administration projects Rental revenue to be \$95,481 in fiscal year 2026 with 3% growth annually through fiscal year 2029. Actual Rental collections between fiscal years 2017 and 2024 ranged from a low of \$34,223 to a high of \$625,938 with a mean value of \$134,876. Variability in Rental revenue was 1.39 (high) due to abnormally low collections in fiscal years 2017, 2018 and 2020 and unusually high collections in 2023 due to a spike in Easement revenue. The Administration's fiscal year 2026 projection exceeds the minimum value but is less than the mean value.
12. **Miscellaneous** – The Administration projects Miscellaneous revenue to be \$5.87 million in fiscal year 2026 before falling to \$4.18 million in fiscal year 2027 \$3.0 million in fiscal year 2028 and increasing to \$3.34 million in 2029. Actual Miscellaneous collections between fiscal years 2017 and 2024 ranged from a low of \$2.05 million to a high of \$8.03 million with a mean of \$3.46 million. Variability in Miscellaneous revenue was average and the Administration's fiscal year 2026 projection greatly exceeds the average value.
13. **Other Financing Sources** – The Administration projects Other Financing Sources revenue to be between \$50,000 and \$75,000 in fiscal years 2026 through 2029. Actual Other Financing Sources collections between fiscal years 2017 and 2024 ranged from a low of \$0 to a high of \$173,204 with a mean of \$53,315. Variability in Other Financing Sources revenue was on the higher side (1.01) and the Administration's fiscal year 2026 projection approximates the mean value.
14. **Intergovernmental** – The Administration projects Intergovernmental revenue to be \$11.17 million in fiscal year 2026 with approximately 1.12% growth through fiscal year 2029. Actual Intergovernmental collections between fiscal years 2017 and 2024 ranged from a low of \$8.09 million to a high of \$12.03 million with a mean of \$9.68 million. Variability in Intergovernmental revenue was low and the Administration's fiscal year 2026 projection falls between the maximum value and the mean value.
15. **Interfund Transfers** – The Administration projects Interfund revenue to be \$2.83 million in fiscal year 2026, \$1.33 million in 2027, \$575,000 in 2028 and \$500,000 in 2029. Actual Interfund Transfers collections between fiscal years 2017 and 2024 ranged from a low of \$0 to a high of \$30.67 million with a mean of \$6.03 million. Variability in Interfund revenue is high due to the nature of the account (transferring money between funds is typically utilized for debt service and unusual circumstances such as the COVID grant fund reimbursement from the Federal Grants Fund for 'lost revenue'). The 2025 amount is unusually high due to the Harrisburg Senators stadium improvements.

Overall, historical General Fund revenue, adjusted for unusual or non-recurring events, is relatively consistent year over year (coefficient of variation = 4.75%). Actual total adjusted General Fund revenue between the years 2017 and 2024 ranged from a low of \$62.36 million to a high of \$70.66 million with a mean of \$67.82 million. The Administration's fiscal year 2026 projection of \$74.86 million (recurring revenue after deducting one-time revenue sources of approximately \$4.9 million) is \$1.05 million more than the maximum amount of \$73.81 million and is \$7.0 million higher than the mean recurring revenue.

The Controller's Office believes that revenue should be projected conservatively in the absence of evidence contrary to a conservative approach. Consequently, a General Fund budget of approximately \$67.81 million to \$73.81 million, which approximates a range between the mean revenue and the maximum revenue over the past seven years, is advisable. The Administration's projections for total General Fund revenue are consistent with values exceeding the maximum historical values and if left unchanged, should be monitored carefully throughout the fiscal year so that expenditures can be managed accordingly.

Additionally, the Administration has projected deficit spending for fiscal years 2026, 2027, and 2029 based on the projected use of fund balance. It is this Office's opinion that a legally adopted balanced budget should not include an appropriation of fund balance unless it is being used for non-recurring expenditures such as capital assets (it is not clear to this office if this is the case).

Sincerely,

Charlie DeBrunner  
Controller

cc: Wanda Williams, Mayor

City of Harrisburg  
General Fund Revenue  
FY 2017-2023 Actuals  
FY 2024-2028 Projections

|                                               | Actuals                      |                               |                            |                            |                            |                           |
|-----------------------------------------------|------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|                                               | 2024                         | 2023                          | 2022                       | 2021                       | 2020                       | 2019                      |
|                                               | 2018                         | 2017                          |                            |                            |                            |                           |
| Real Estate Tax                               | 17,286,753                   | 17,028,267                    | 16,725,918                 | 17,981,087                 | 16,879,690                 | 17,240,236                |
| Real Estate Transfer Tax                      | 1,118,001                    | 990,262                       | 1,430,158                  | 868,475                    | 843,880                    | 1,026,697                 |
| Hotel Tax                                     | 1,000,000                    | 714,000                       | 700,000                    | 1,000,000                  | 900,000                    | 900,000                   |
| Local Service Tax                             | 6,748,815                    | 6,638,483                     | 6,706,205                  | 6,533,431                  | 6,488,369                  | 6,824,394                 |
| Earned Income Tax                             | 18,288,690                   | 17,521,542                    | 15,833,448                 | 13,546,945                 | 12,739,112                 | 12,761,772                |
| Mercantile/Business Tax                       | 8,677,371                    | 8,369,638                     | 8,131,977                  | 7,771,048                  | 7,391,790                  | 8,200,696                 |
| Departmental Revenue                          |                              |                               |                            |                            |                            |                           |
| Administration                                | 429,295                      | 419,017                       | 308,574                    | 351,853                    | 317,413                    | 1,151,510                 |
| Building & Housing                            | 1,992,638                    | 2,084,111                     | 2,067,704                  | 2,206,809                  | 1,591,344                  | 1,561,585                 |
| Public Safety                                 | 2,259,067                    | 1,785,059                     | 2,171,083                  | 2,331,297 <sup>(1)</sup>   | 2,168,055 <sup>(1)</sup>   | 1,949,364 <sup>(1)</sup>  |
| Public Works                                  | 53,743                       | 246,069                       | 322,306                    | 939,491                    | 616,659                    | 610,176                   |
| Parks & Recreation                            | 16,785                       | 8,620                         | 9,870                      | 2,706                      | 265                        | 13,801                    |
| Total Departmental Revenue                    | 4,751,528                    | 4,542,875                     | 4,879,537                  | 5,832,157                  | 4,693,735                  | 5,286,436                 |
| Fines & Forfeits                              | 803,980                      | 803,072                       | 719,628                    | 889,062                    | 541,528                    | 745,232                   |
| Licenses & Permits                            | 383,019                      | 431,117                       | 499,166                    | 516,702                    | 546,713                    | 570,074                   |
| Interest                                      | 1,115,079                    | 964,631                       | 355,311                    | 21,150                     | 342,007                    | 531,381                   |
| Rental                                        | 84,634                       | 625,938 <sup>(6)</sup>        | 90,130                     | 105,835                    | 35,283                     | 68,231                    |
| Miscellaneous                                 | 4,028,077                    | 8,028,622 <sup>(5)</sup>      | 2,626,772                  | 2,681,432                  | 2,198,490                  | 2,551,693                 |
| Other Financing Sources                       | 94,260                       | 173,204                       | 41,020                     | 1,500                      | 27,246                     | 61,875                    |
| Intergovernmental                             | 9,433,324                    | 8,768,538                     | 8,424,522                  | 8,093,511 <sup>(1)</sup>   | 8,728,062 <sup>(1)</sup>   | 12,030,302 <sup>(1)</sup> |
| Interfund Transfers                           | 30,668,932                   | 1,245,978                     | 9,958,311                  | 2,966,174                  | 2,856,614                  | -                         |
| Total Revenue                                 | 104,482,463                  | 76,846,167                    | 77,122,102                 | 68,808,510                 | 65,212,518                 | 68,799,019                |
| Fund Balance Appropriation                    | 1,174,016                    | 3,502,235                     | 1,080,572                  | 5,056,804                  | -                          | -                         |
| Total Resources                               | 105,656,479                  | 80,348,402                    | 78,202,674                 | 73,865,313                 | 65,212,518                 | 68,799,019                |
| Less Unusual or Non-Recurring Revenue Sources | (30,668,932) <sup>(10)</sup> | (6,186,307) <sup>(9)(5)</sup> | (8,863,207) <sup>(2)</sup> | (2,966,174) <sup>(3)</sup> | (2,856,614) <sup>(4)</sup> | -                         |
| <b>Total Rev Less Non-Recurring</b>           | <b>73,813,531</b>            | <b>70,659,860</b>             | <b>68,258,895</b>          | <b>65,842,336</b>          | <b>62,355,904</b>          | <b>68,799,019</b>         |
|                                               |                              |                               |                            |                            | <b>66,524,501</b>          | <b>66,299,496</b>         |



City of Harrisburg  
General Fund Revenue  
FY 2017-2023 Actuals  
FY 2024-2028 Projections

| FY 2024-2028 Projections                      |            |            |             |            |                 | Administration Projections |                 |            |            |            |
|-----------------------------------------------|------------|------------|-------------|------------|-----------------|----------------------------|-----------------|------------|------------|------------|
| Statistics (Actuals)                          |            |            |             |            |                 |                            |                 |            |            |            |
|                                               | Average    | Min        | Max         | Std Dev    | Coef Var<br>(7) | 2025 Proj                  | 2026 Proj       | 2027 Proj  | 2028 Proj  | 2029 Proj  |
| Real Estate Tax                               | 17,337,358 | 16,725,918 | 17,981,087  | 441,925    | 0.03            | 16,691,216                 | 16,250,000      | 16,250,000 | 16,250,000 | 16,250,000 |
| Real Estate Transfer Tax                      | 882,987    | 642,804    | 1,430,158   | 214,879    | 0.24            | 1,000,000                  | 1,000,000       | 1,000,000  | 1,000,000  | 1,000,000  |
| Hotel Tax                                     | 651,750    | -          | 1,000,000   | 390,764    | 0.60            | 1,000,000                  | 1,000,000       | 1,000,000  | 1,000,000  | 1,000,000  |
| Local Service Tax                             | 6,759,884  | 6,488,369  | 7,413,159   | 268,050    | 0.04            | 6,834,000                  | 6,868,170       | 6,902,511  | 6,937,023  | 6,971,709  |
| Earned Income Tax                             | 14,254,224 | 11,446,980 | 18,288,690  | 2,447,309  | 0.17            | 18,843,750                 | 18,937,969      | 19,032,659 | 19,127,822 | 19,223,461 |
| Mercantile/Business Tax                       | 7,985,538  | 7,391,790  | 8,677,371   | 402,386    | 0.05            | 8,675,000                  | 8,700,000       | 8,743,500  | 8,787,218  | 8,831,154  |
| Departmental Revenue                          |            |            |             |            |                 |                            |                 |            |            |            |
| Administration                                | 649,315    | 308,574    | 1,151,510   | 369,224    | 0.57            | 460,669                    | 469,882         | 479,280    | 488,866    | 498,643    |
| Building & Housing                            | 1,914,524  | 1,561,585  | 2,206,809   | 225,981    | 0.12            | 1,900,000                  | 1,900,000       | 1,900,000  | 1,900,000  | 1,900,000  |
| Public Safety                                 | 2,080,728  | 1,785,059  | 2,331,297   | 170,097    | 0.08            | 1,999,997                  | 2,000,000       | 2,000,000  | 2,000,000  | 2,000,000  |
| Public Works                                  | 510,958    | 53,743     | 939,491     | 264,206    | 0.52            | 649,677                    | 662,671         | 675,924    | 689,442    | 703,231    |
| Parks & Recreation                            | 8,417      | 265        | 16,785      | 5,167      | 0.61            | 18,025                     | 18,566          | 19,123     | 19,696     | 20,287     |
| Total Departmental Revenue                    | 5,163,943  | 4,542,875  | 5,832,157   | 482,118    | 0.09            | 5,028,368                  | 5,051,119       | 5,074,327  | 5,098,004  | 5,122,161  |
| Fines & Forfeits                              | 778,975    | 541,528    | 889,062     | 105,609    | 0.14            | 841,499                    | 858,329         | 875,496    | 893,005    | 910,866    |
| Licenses & Permits                            | 521,811    | 383,019    | 635,509     | 78,149     | 0.15            | 400,000                    | 408,000         | 416,160    | 424,483    | 432,973    |
| Interest                                      | 455,929    | 21,150     | 1,115,079   | 369,925    | 0.81            | 750,000                    | 650,000         | 575,000    | 525,000    | 450,000    |
| Rental                                        | 134,876    | 34,223     | 625,938     | 187,427    | 1.39            | 92,700                     | 95,481          | 98,345     | 101,296    | 104,335    |
| Miscellaneous                                 | 3,458,300  | 2,048,547  | 8,028,622   | 1,833,913  | 0.53            | 5,804,947                  | 5,886,816       | 4,185,580  | 3,004,999  | 3,345,149  |
| Other Financing Sources                       | 53,315     | -          | 173,204     | 53,796     | 1.01            | 50,000                     | 75,000          | 50,000     | 75,000     | 75,000     |
| Intergovernmental                             | 9,682,629  | 8,093,511  | 12,030,302  | 1,386,092  | 0.14            | 11,174,793                 | 11,170,000      | 11,200,000 | 11,250,000 | 11,300,000 |
| Interfund Transfers                           | 6,029,955  | -          | 30,668,932  | 9,795,182  | 1.62            | 12,310,611                 | 2,825,512       | 1,325,171  | 575,000    | 500,000    |
| Total Revenue                                 | 74,261,847 | 65,212,518 | 104,482,463 | 12,211,074 | 0.16            | 89,496,884                 | 79,776,396      | 76,728,749 | 75,048,850 | 75,516,808 |
| Fund Balance Appropriation                    |            |            |             |            |                 | -                          | 1,968,991       | 163,085    | -          | 807,766    |
| Total Resources                               | 75,613,550 | 65,212,518 | 105,656,479 | 12,543,614 | 0.17            | 89,496,884                 | 81,745,387      | 76,891,834 | 75,048,850 | 76,324,574 |
| Less Unusual or Non-Recurring Revenue Sources |            |            |             |            |                 | (10,500,000) (8)           | (4,925,000) (9) | (425,000)  | (425,000)  | (425,000)  |
| Total Rev Less Non-Recurring                  | 67,819,193 | 62,355,904 | 73,813,531  | 3,219,007  | 0.0475          | 78,996,884                 | 74,851,396      | 76,303,749 | 74,623,850 | 75,091,808 |

**Notes:**

- (1) \$5,000,000 of state fire protection revenue moved from Public Safety Revenue into Intergovernmental for comparative purposes.
- (2) \$8,863,000 of American Rescue Plan Act-COVID-19 Federal Grant funds for 'lost revenue'.
- (3) \$2,518,218 repayment of loan to Federal Grants Fund for South 14th Street sinkhole project; \$162,133 repayment of loan to Neighborhood Services Fund for Steelton trash service; \$285,855.62 reimbursement from CDBG for ineligible administrative costs in HOME.
- (4) \$2,856,614 of CARES Act grant funding transferred from Federal Grants Fund for reimbursement of police and fire personnel expenditures related to COVID-19 pandemic.
- (5) \$4,957,636 represents 2023 insurance reimbursement revenue of \$5,068,817 less the average of insurance reimbursement revenue from 2017-2022 of \$111,181. \$684,731 represents 2023 stop loss reimbursement revenue of \$917,673 less the average of stop loss reimbursement revenue from 2017-2022 of \$232,942.
- (6) \$543,940 represents 2023 easement revenue of \$578,238 less the average of easement revenue from 2017-2022 of \$34,298.
- (7) The coefficient of variation (CV) is a relative measure of variability that indicates the size of a standard deviation in relation to its mean. It is a standardized, unitless measure that allows you to compare variability between disparate groups and characteristics.  $CV = \text{Standard Deviation} / \text{Mean}$
- (8) Includes \$4,500,000 of unusual insurance reimbursements and \$6,000,000 for Stadium Project reimbursements.
- (9) Includes \$4,500,000 of unusual insurance reimbursements.
- (10) Includes \$30,668,932 interfund transfer of ARPA funds from Federal Grants Fund.