



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

February 15, 2022

The Honorable Wanda 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 2022 budget and additional information provided by the City for conformance with the criteria set forth in Act 124. Additionally we have observed the City Council's budget hearings and workshops. Two observations of note follow:

- The General Fund budget is functional and flexible despite significant uncertainties and constraints and most importantly, remains balanced without the appropriation of any Fund balance. This disciplined approach results in a decrease from last year's budget while still tackling new initiatives. The promised implementation of performance metrics will allow better evaluation of outcomes for FY22.
- Unfortunately the Neighborhood Services Fund, long a concern for the Authority, still does rely on Fund Balance appropriation to balance its budget. There is hope that with added energy for improving the collections rate, this reliance could be reversed.

The following is a general outline of the proposed budget as compared to the City's current Five-Year Financial Plan as amended and restated on June 11, 2021 (the "Five-Year Plan"). We look forward to working with you on an updated plan at the appropriate time.

General Fund

- Revenues of \$72,523,000, compared to \$65,358,263 in the Five-Year Plan. The budget includes federal grant proceeds of \$8,863,000.
- Expenditures of \$71,294,728, compared to \$71,758,470 in the Five-Year Plan.
- Capital Expenditures of \$2,069,864 compared to \$1,617,000 in the Five-Year Plan.
- Fund Balance appropriation of \$0, compared to \$7,400,208 in the Five-Year Plan.

Neighborhood Services Fund

- Revenues (excluding cash carryover) of \$18,262,224, compared to \$17,036,321 in the Five-Year Plan.
- Expenditures of \$18,029,799, compared to \$17,927,774 in the Five-Year Plan.
- Capital Expenditures of \$644,203 compared to \$1,948,521 in the Five-Year Plan.
- Appropriation of Fund Balance of \$1,025,949 compared to \$891,453 in the Five-Year Plan.

Capital Projects Fund

- Capital Expenditures of \$8,981,337 compared to \$1,290,554 in the Five-Year Plan.

The Authority Board members have acknowledged that the City's proposed revised and restated 2022 budget meets or exceeds the Authority's expectations for the proper financial management of the City of Harrisburg. As a whole, we also applaud your assembled Financial Management team whose talents are a refreshing change and which lends immediate credibility to the City's financial management.

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

Sincerely,



Audry Carter
Chair

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