



FOR IMMEDIATE RELEASE
April 13, 2020

Wolf Administration Issues Declaration of Fiscal Emergency for the City of Chester

Harrisburg, PA – Today, Department of Community and Economic Development Secretary Dennis Davin announced that Governor Tom Wolf has issued a declaration of fiscal emergency for the distressed City of Chester, Pennsylvania.

“The City of Chester has been working tirelessly over the past two decades to reach financial solvency, and under the leadership of Mayor Thaddeus Kirkland, the city made real strides in growing its economy, increasing employment opportunities, and stimulating the growth of its tax base,” Davin said. “Unfortunately, the unforeseen COVID-19 pandemic is now threatening all of the progress that the city has made. For this reason, the governor has issued a declaration of fiscal emergency for the City of Chester so that an emergency action plan can be developed and help the city regain its financial footing.”

Under this declaration, DCED must develop and release an emergency action plan within 10 days. Declaring a fiscal emergency is an accelerated version of the [Municipalities Financial Recovery Act \(known as Act 47\)](#) process and if necessary, DCED can file a petition for the Commonwealth Court to appoint a receiver. The goal of this declaration is to ensure that Chester can maintain its operations now and regain financial footing after successful mitigation of the COVID-19 pandemic. This will be accomplished through the development and implementation of the city’s emergency action plan.

The City of Chester entered the Act 47 program in 1995. The city adopted its original recovery plan in 1996 and adopted recovery plan amendments in 2006, 2013, and 2016. The city’s legacy costs, which consist of debt, pension, and other post-employment benefits, continue to place enormous pressure on the city’s finances, including both the month-to-month cash flow and long-term liabilities.

Since Mayor Kirkland’s administration took office in January 2016, the city and the recovery coordinator have forged a cooperative working relationship and took important steps to move Chester in the direction of structural fiscal balance. Mayor Kirkland and City Council have also taken steps to reduce costs, including overtime costs, which hit historically high levels in 2015.

Despite that progress, the COVID-19 pandemic has hindered efforts to strengthen the economy and has placed the city in financial peril. Chester’s long-term fiscal health plan depended on its ability to attract businesses and residents that would contribute to the general fund and ease the pressure on the operating budget, and because of the COVID-19 pandemic, that budget is now depleted.

For more information about local government services and the Wolf Administration's commitment to Pennsylvania communities, visit dced.pa.gov.

MEDIA CONTACT: Casey Smith, DCED, casesmith@pa.gov

###