

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

DENNIS M. DAVIN, IN HIS
CAPACITY AS SECRETARY
FOR THE DEPARTMENT OF
COMMUNITY AND ECONOMIC
DEVELOPMENT

Petitioner,

v.

CITY OF HARRISBURG

Respondent.

NO. 569 MD 2011

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COMMONWEALTH COURT
JAN 23 2017

**STATUS REPORT OF THE COORDINATOR FOR THE CITY OF
HARRISBURG**

Frederick A. Reddig, Coordinator for the City of Harrisburg (the “Coordinator”), by and through the Office of Chief Counsel for the Department of Community and Economic Development, respectfully submits the following Status Report regarding the implementation of the Harrisburg Strong Recovery Plan, as confirmed by this Honorable Court on September 23, 2013.

Respectfully submitted this 5th day of January, 2017.



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Date: January 5, 2017

To: The Honorable Bonnie Brigance Leadbetter

From: Fred A. Reddig, Coordinator

Re: Update on Receiver's Plan Implementation

I am pleased to provide the Court with the quarterly update on the status of the implementation of the Receiver's Recovery Plan as confirmed by the Court on March 9, 2012; on the Modified Plan, the Harrisburg Strong Plan, confirmed by the Court on September 23, 2013; and the Strong Plan Modifications as confirmed by the Court on July 20, 2016. This will be my twelfth report to the Court since my appointment by then Department of Community and Economic Development (DCED) Secretary Walker as Coordinator effective March 1, 2014.

This memorandum, supported by the accompanying attachment, provides the Court with a summary of actions that have occurred and issues that are involved with the continued implementation of the confirmed Harrisburg Strong Plan including the modifications thereto through the fourth quarter of 2016.

Office of the Receiver/Coordinator

It has now been almost three years since your honor issued an order on February 25, 2014 to vacate the Office of the Receiver, return the City to the underlying provisions of Act 47 and for DCED's Secretary to appoint a Coordinator who would oversee the further implementation of the Court confirmed Harrisburg Strong Plan. As part of the order vacating the Receivership, the Court retained jurisdiction over the further implementation of the Strong Plan. Consistent with the Court's order and to keep the Court apprised of the plan's status and Harrisburg's recovery, I will continue to provide quarterly reports on the City's progress with further implementation activities.

Following the confirmation by the Court of the modifications to the Harrisburg Strong Plan on July 20, the fourth quarter saw significant activity with respect to its implementation. The Strong Plan modifications now provide financial projections for 2016 through 2018 (the five year initial term of Act 47) along with attendant recommendations that will advance the City's recovery towards the ultimate rescission of its Act 47 designation. The modifications recognize the current fiscal position of the City and provide a roadmap for City officials to advance their recovery to the point at which a rescission of its distress determination can occur. It provides the City with a comprehensive strategy to balance future budgets using the limited tools that are at the City's discretion. It offers preferred alternatives that attempt to assuage the fiscal burden of City taxpayers and current employees and gives the City's elected officials flexibility to achieve balanced operating budgets. It also provides opportunities for funding capital improvements for services that are essential to improve the City's quality of life and economic vitality as it prepares to exit Act 47.

Among its many recommendations it provides parameters for the upcoming negotiations with the City's three bargaining units, FOP, IAFF and AFSCME. The current FOP and AFSCME contracts ended in December and negotiations are currently underway. More on the collective bargaining status can be found later in this report. The modifications also include provisions to implement a higher Local Services Tax (LST) at a rate of \$3 per week. The Court had previously approved the City's "pre-authorization and approval" application and with the adoption of the Plan modifications the City has proceeded with the implementation of the increased LST. They have worked with Keystone Collections Group, their collector, to implement withholding of the tax as of July 1 with the tax effective for calendar year 2016.

As Coordinator, I continue to hold weekly status conference calls with members of our consulting team to coordinate all aspects of plan implementation. The Team of professional advisors comprised of the Novak Consulting Group, Pennsylvania Economy League, Dilworth Paxson, Public Resources Advisory Group and Harris, Wiltshire & Grannis along with DCED and the Office of General Counsel, has continued to support the Coordinator during this time.

This section of the report provides an updated summary of progress made with respect to:

- Impact Harrisburg – Non-Profit for Infrastructure and Economic Development
- Fiscal Issues
- Operational Matters
- Collective Bargaining/Personnel matters
- Asset Related issues

Impact Harrisburg

The fourth quarter of 2016 saw further significant activity by the Impact Harrisburg Board. The Board is responsible for the administration of the \$12.3 million set aside as part of the parking transaction to fund both economic development and infrastructure initiatives to aid the City in strengthening its tax base and addressing critical infrastructure needs thus enhancing the quality of life for City residents.

As Coordinator, my office continues to provide administrative support to the nine-member Board and Shelia Dow-Ford, its Executive Director. I attend Board meetings and offer input as appropriate. I also have met with Ms. Dow-Ford numerous times during the quarter in providing guidance and historic perspective on the role of the Board, and reviewing program guidelines, contracting and related matters. My assistant continues to provide administrative support to the Board including the recording and preparation of the Board's meeting minutes.

The Board continues to meet approximately twice monthly and during the fourth quarter had met on October 4 and 18, November 1 and 15 and December 6 and 20. Officers include Neil Grover as Chair, Doug Hill as Vice Chair, Brian Hudson as Secretary and Brittany Brock as Treasurer. The Board now holds its meetings at the PHFA office on North Front Street. Following the approval of an MOU with HACC in September for office space at their mid-town campus, Ms. Dow-Ford moved Impact Harrisburg's office into this space in late September and is now operating out of this location.

The Board is carrying an Operating account at Fulton Bank with a current balance of less than \$20,000 though it authorized a transfer of \$155,000 at its December meeting to address 2017 budget expenditures. The balance of its funds is invested with Wilmington Trust. Currently \$8.590 million is invested in money market funds with \$3.525 million invested in short-term securities. The Board heard a presentation at its December 6 meeting from Wilmington Trust on the status of its account and an investment strategy for 2017. As the Board's operating year ended on June 30, the Treasurer and Executive Director have coordinated with Maher Duessel, the Board's auditor, on the audit of the FY 15-16 year which is expected to be completed by the end of January.

The Board moved forward during 2016 with numerous outreach efforts to inform organizations of the availability of Impact Harrisburg funds. This resulted in the receipt of applications from both the City and Capital Region Water (CRW) for infrastructure funding and the receipt of 11 applications under the Community Building initiative and 13 applications under the Large Economic Development category. The Board also received an application from the City under the Economic Development contingency category.

At its July 19 meeting the Board awarded \$2,743,645 each to CRW and the City for a cooperative application that supports a PennDOT grant the City is receiving for multimodal transportation improvements in the City. At its September 7 meeting the Board approved the City's application under the economic development contingency category for \$250,000 for the Microsoft 365 software. The acquisition and deployment of this software will address a critical IT and communications issue for the City and is further discussed in the Information Technology section of this report. At its October 18 meeting the Board approved 8 Large Economic Development projects and 5 Community Building projects. These projects were announced at a press conference in the Capitol on October 20 with grant awardees present. Since that time the Board has finalized a grant contract format and the Executive Director has met with all grantees to review the grant contract and a project implementation process. As of the end of December, two contracts have been fully executed. It is anticipated that the remaining contracts will be executed within the next month. The Board has also issued an RFP for a Project Compliance Manager with responses due by January 13. The set aside of funds from the parking monetization for infrastructure investment and incentivizing economic and community development projects is a critical element necessary to strengthen the City's tax base and move the City's recovery to a point of sustainability for the long term. These projects should all advance during 2017 thus having their intended impact.

The Board's web site at www.impactharrisburg.org was launched in late April and has been effectively used to further publicize the mission and work of the Board.

The Board is also involved with litigation involving PA Media Group related to the application of the Sunshine Act to its meetings. An agreement was reached in June between the parties on the facts of the case with the matter being an interpretation of the law. During the third quarter Impact Harrisburg and PA Media Group both filed briefs with Commonwealth Court in response to the application for a declaratory judgment to determine the Board's status under the Sunshine Act. At the July status conference, the Court asked Board Chair Neil Grover to pursue a course of mediation to attempt to resolve the dispute without the matter being decided by the Court. Counsel for the

parties and Board Chair Neil Grover then participated in an in person conference with the Court in an effort to resolve the matter. The meeting appeared promising. Consistent with that meeting, the Board committed to advertising an annual list of meetings and at its December 20 meeting approved a 2017 meeting schedule which is being advertised. The Board has taken the position that its meetings are open to the media and has invited the media to attend. Meetings will continue to be held twice a month starting at 10:30 a.m. at the PHFA offices on North Front Street with the first meeting in 2017 held on January 3. Unfortunately, counsel for the media parties recently advised the Board that their clients are unwilling to compromise the matter, as they see a pure legal question at issue and have requested the Court to schedule oral argument.

The Coordinator supports the Board's need for transparency in its actions given that its funds were derived from public sources. The Coordinator also supports and has further advanced to the Board the Court's recommendation to pursue mediation to resolve the case. The Board still firmly believes that a resolution is possible.

Harrisburg Supplemental Growth Fund

The City continues to work with PennDOT, Dauphin County and Assured Guaranty Municipal Corporation (AGM) to address the \$10 million commitment from PennDOT that occurred as part of the Transportation Reform legislation passed in late 2013. An Escrow Agreement and the Escrow Disbursement agreement were both executed by all parties in February 2015. The escrow agreement accounts for the use of funds set aside in the Supplemental Harrisburg Growth Fund and their distribution to the Infrastructure, Economic Development and OPEB funds should the City not receive PennDOT funding. AGM and the County selected M&T Bank as the depository for these funds and the Coordinator saw that the \$6.666 million set aside in the Supplemental Harrisburg Growth Fund was transferred to M&T Bank in February 2015 pursuant to the agreement. PennDOT's commitment is to provide \$2 million annually over a five year period toward infrastructure repair in addition to existing funding commitments. In May 2015, the City received formal approval from PennDOT for an initial \$3.19 million grant to undertake street related improvements. A contract was executed and an initial \$630,000 was disbursed to the City in April 2016 pursuant to the contract.

Dauphin County and AGM have expressed concerns over the time it has taken to obtain the PennDOT funding. Several meetings have been held over the last year with representatives of AGM, Dauphin County, PennDOT, the City and the Coordinator to discuss the best way to proceed with respect to the remaining \$6.9 million and how to expedite payments under the reimbursement agreement. The most recent meeting was held on October 4 with representatives from PennDOT, the City's Solicitor and engineer and the Coordinator to discuss the best way to advance projects under PennDOT's Multi-Modal program. The City had previously filed an application under PennDOT's FY 16-17 Multi-Modal application program for the remaining funds. On October 14, PennDOT announced the award of a \$2,236,667 grant to improve the vehicular, transit, pedestrian and bicycle movements in the City and to address several transportation safety issues. PennDOT has also committed a total of \$6,710,000 over the next three years for this project. This approach fully satisfies PennDOT's commitment and will expedite the process moving forward though releases will occur on a project by project basis.

The City has also advanced planning activities related to the earlier Multi-Modal grant award and are finalizing the scope of work for significant improvements on the Third Street corridor that are funded with the \$2.5 million balance from the \$3.19 million award. Design work is nearing completion; utility work has been underway thru the summer and fall in advance of construction which will begin in the spring of 2017.

Fiscal Matters

The Finance Office spent considerable time during the fourth quarter engaged in the preparation and development of the 2017 budget. Following September meetings with the various departments to review their budget requests, the Mayor provided a proposed budget to the Coordinator on October 14 for review. The proposed General Fund budget is \$65,962,380 and maintains tax rates at current levels though it includes approximately \$4.2 million in capital expenditures. Prior to this year's budget the City has not had the resources to make major investments in its infrastructure though they are sorely needed. The Strong Plan modifications include a number of recommendations related to capital improvements. As the City's recovery progresses it will need to balance the need to fund capital projects thru a combination of grant funds, borrowing and pay as you go (PAYGO). The 2017 budget begins to take advantage of certain grants and likewise use a portion of its general fund budget on a PAYGO basis to address capital targeted capital needs primarily in the IT, public safety and public works areas. The Neighborhood Services Fund budget is \$19.6 million. In addition, the City has a number of Special Revenue funds including Debt Service, Liquid Fuels, Host Municipality, WHBG, Police Protection, Fire Protection, Blight Remediation, Parks and Recreation, and Special Events and Projects Reimbursement funds. The City's total FY 17 budget from all sources is \$108 million though the vast majority of City operations are accounted for in the General and NS Funds. The Coordinator completed his review and provided the City with a budget compliance response letter on November 15 indicating that the proposed budget was consistent with the goals of the City's Strong Plan modifications adopted in April 2016. The Mayor then submitted the proposed budget to Council on November 22 and following Council's budget hearings in early December, the 2017 budget was adopted with only minor amendments on December 13.

The City's 2016 General Fund budget of \$60.5 million was enacted by Council on December 15, 2015. Following Council's reorganization in January and the opportunity for the three new Council members to have input on the budget, the final budget was enacted on February 11, 2016. The budget was balanced and generally consistent with the Harrisburg Strong Plan. The budget maintained current taxes at existing levels though it included an increase in the Local Services Tax (LST) from \$52/year to \$156/year as authorized by the 2014 amendments to Act 47. The increased LST though effective for calendar year 2016, was not implemented until July 1 and was withheld at a rate of \$5/week thru the end of 2016.

New in 2016 was the establishment of the Neighborhood Services Fund (NSF). This fund is used to account for revenues and expenditures associated with refuse collection and disposal services as well as Parks and Recreation maintenance and road repair services, as those are related to the facilitation of refuse collection and disposal services. The NSF budget for FY 16 was \$16.5 million. The City's total FY 16 budget from all sources was \$92.5 million though the General Fund and NS Fund account for the majority of City operations.

The Coordinator continues to closely monitor the City's financial position and works with the City's Finance Office on cash flow related matters. The City's bi-weekly General Fund payroll averaged \$850,000 for the quarter and the Neighborhood Services Fund bi-weekly payroll averaged \$110,000 for the quarter. The Coordinator reviews City payables for both the General and Neighborhood Services Funds on a bi-weekly basis to insure expenditures are consistent with the confirmed Strong Plan. During the fourth quarter, 7 bi-weekly check runs were reviewed, comments provided and approved. Through very close monitoring of the City's cash flow and diligence by the City's Finance Office, the City has been able to meet payroll and creditor obligations through the fourth quarter as well as maintain a current status (within 30 days or less) for virtually all payables. The cost containment provisions of the Emergency Action Plan continue to be followed as they relate to the City providing "necessary and vital services".

A review of actual revenues and expenditures through the end of November finds that the City's total General Fund revenues were \$61,625,123 (103% of budget) while expenditures were \$49,177,932 (81% of budget). The City had received 99% of its real estate taxes for the year along with 94.4% of its earned income taxes thru November. The City also received \$3.235 million (84.9%) of its parking tax revenues and \$2.573 million (121% of budget) in ground lease and priority parking distributions. As the City approached year-end no significant budget variances were apparent with the exception of the LST which is at 85% of budget. Revenues were projected based on the tax being implemented in early 2016. With its implementation in July the City is only receiving 1 quarter of revenue rather than the 3 quarters that were budgeted. Further, the City increased the low income exemption to \$24,500 from \$15,600 which will reduce revenues by around \$1 million/year. The 2016 cash flow summary attached with this report reflects actual revenues and expenditures through November with projections through year-end.

By the end of the November the City had timely met all of its debt service payments for the year including payment of an additional \$91,272 on debt service related to the bond issue for the Senator's stadium. This was in addition to a May payment of \$241,362 on these bonds and represents a total debt service payment of \$332,634 for 2016 which exceeded the budget amount due to revenues withheld by the Senators. A further discussion on this matter is in the Asset section of this report. The City is to be commended for fulfilling its debt service payments on a timely basis.

The City's cash flow improved greatly during the second half of 2016. The receipt of tax revenues were on target with budget, parking system revenues were consistent with budget projections and the Asset Transfer Agreement; and, the receipt of the Commonwealth's \$5 million payment for public safety services have all contributed to the City's solid cash position. Withholding of the higher LST began July 1 at a rate of \$5/week to address the retroactivity of the tax from January 1. This resulted in the receipt of a significant amount of LST revenue during the 4th quarter as the 3rd quarter returns were due 10/31 and greatly strengthened the City's cash position during the fourth quarter. Year to date LST revenues thru November were just over \$4 million and EIT revenues were \$10.26 million. The state aid allocation for municipal pension funds was received the beginning of October and was 11% higher than last year which assisted the City in meeting its pension obligations.

Following the December 29 check run and payroll, the City's General Fund cash balance was \$12,415,319. This is \$10.9 million higher than at this point in 2015 when the City's cash position was only \$1.447 million. Continued strength and stability in the City's cash position at year end represents a very positive trend for the City's fiscal stability. This balance will preclude the need for a TRAN in 2017 as the City will have sufficient resources to meet obligations until 2017 tax revenues are received.

The Coordinator continues to support the work of the City Controller and Finance Office to provide budget vs. actual reports to the Administration and Council. This information is an important element in having transparent fiscal information available for elected officials to make timely decisions as well as keeping the public aware of the City's financial condition.

The Finance Office has also begun work to close the 2016 accounting records. The 2017 books were opened in December so that requisitions and purchase orders could be entered into the system. The office has also digitized 7 years of accounts payable invoices and related files which has freed up much needed space. The office has also received a fresh coat of paint and some new office furniture.

Earlier this year, DCED entered into a contract with OpenGov to provide software to all Act 47 municipalities that will provide clear, up-to-date, and transparent governmental financial information to citizens, governments, and other entities. The software serves as a one-stop shop for comprehensive municipal financial information. This software drives civic engagement, and allows users to access financial data from all municipal departments, allowing for full transparency. The municipality though maintains full control of what data is displayed. Comprehensive data is displayed in multiple views/filters, allowing users to isolate revenues/expenditures for specific departments. This information can be as specific as transactional-level data or as broad as total operating budget. Users can drill down to information as detailed as revenue generated by a specific parking spot or as broad as annual departmental revenues.

The software was reviewed with City personnel in June and OpenGov staff have worked with the Finance and Controller's Offices since that time on aligning codes in preparation for importing the data. The Finance Office has completed its review of the expenditure codes and made recommendations for some revisions. They are currently reviewing revenue codes in the same manner. An OpenGov representative met with the Finance Office in late September to further assist with this effort. Due to the need to focus on the 2017 budget, additional work has been deferred until early 2017. The OpenGov technology allows governments to collaborate more effectively through their budgeting process, make data-driven decisions, and build civic engagement through transparency.

The City's Audit Committee was established to provide an independent review and oversight of the City's financial reporting processes, internal controls and its annual audit. The Committee is comprised of five voting members, and the Chair of the Budget and Finance Committee. The City's independent auditor now reports directly to the Audit Committee. The Committee continues to meet on a regular basis and to be quite active with fiscal management matters. A meeting occurred

during the quarter to review the results of the 2015 audit. The Committee met again in late December and discussed engagement letters for the 2016 audit, the status of billing, collection and audit of outstanding sanitation accounts, an update on the 2015 audit corrective action plan and reorganized with new officers for 2017.

During the quarter the City continued to provide the appropriate Material Event Notices on EMMA related to debt obligations and has maintained compliance with Securities and Exchange Commission (SEC) reporting requirements.

Operational Issues

During fourth quarter of 2016 the City of Harrisburg, with the support of the Act 47 Coordinator, made progress on a number of key Strong Plan operational initiatives. The primary areas of focus relate to the acquisition of Act 47 grant resources to augment managerial capacity; enhance IT infrastructure development, strategic planning, project management capacity, and; create lasting improvements in the City's refuse and recycling collection operation. A progress report regarding these areas, as well as other key Strong Plan priorities and initiatives, is detailed below.

Finance and Administration

Subsequent to the adoption of the Strong Plan modifications, the City received approval in August of a \$465,380 Act 47 grant to support implementation of four key Strong Plan initiatives. Following its approval a grant contract was provided to the City, approved by Council in late September, returned and fully executed on November 17.

One of the most significant longstanding initiatives in the Recovery Plan is to fill the position of Business Administrator. The City has been without a Business Administrator for over two years and, as a result, the Mayor has served as both the chief executive officer and chief administrative officer of the City. The complexity of the City's operational and financial challenges and prospective special projects warrant a full-time professional manager; however, the City has been unable to attract suitable candidates due to salary limitations. The Act 47 grant award provides a three year salary supplement that will allow the City to increase the compensation package for the Business Administrator position. This is intended to increase the number and quality of candidates attracted to the position and allows the City to fill this critical position as quickly as possible. The adopted 2017 budget includes funding for the Business Administrator position. It is the intention of the City to initiate recruitment efforts in early 2017. The Coordinator's team will assist City officials with recruitment and urge the City to move forward in a timely manner.

The grant award also includes funding for a classification and compensation study for managerial and administrative employees. Since the City of Harrisburg entered Act 47, the City has worked diligently to build staff capacity in critical managerial and administrative positions. Though there have been many successes in the effort to attract quality personnel, recruitment continues to be a significant challenge for the City. Moreover, even in cases where the City has been able to recruit quality personnel, retention has been difficult. This significantly slows the City's efforts to initiate and maintain long-term improvements to operations and service delivery. It is clear that salary and benefit packages need to be adjusted in order for the City to attract and retain the quality personnel

required to carry the City beyond Act 47. It is not clear, however, as to what positions should be adjusted or to what degree those positions need to be adjusted. As a result, a classification and compensation study is necessary to assess where investment is needed.

This study will assist the City to properly assess where it should invest resources to attract and retain the caliber of employee necessary to continue the City's effort toward sustainable financial recovery. In addition to providing grant funds to support the study, the Act 47 Coordinator's Team provided a draft Request for Proposals that the City may amend and utilize to initiate the study. The City has reviewed and revised the draft and anticipates issuing the RFP and complete the study in early January 2017.

The Bureau of Financial Management has successfully implemented quarterly financial reporting, implemented a standard budget development calendar, and established a standard position control system. The Department has also modified the existing chart of accounts to track grant program funds on an individual basis. Most significantly, the Department of Administration has developed critical staffing capacity in the areas of financial management, purchasing, grant administration and IT management. These improvements in internal expertise have resulted in real progress. The City recently recruited for a staff accountant/financial analyst to further build internal capacity. An individual has been selected and will start January 9. Though the City has completed a number of important initiatives, there are still significant opportunities in the areas of executive management, financial management, and information technology that deserve attention and are therefore included in the City's recovery plan modifications.

The City must also continue to develop and adopt comprehensive financial policies. The 2013 Strong Plan called for the development and adoption of comprehensive financial policies. Such policies are looked upon favorably by rating agencies and are another important step for the City to regain credibility in the financial marketplace. In December the Mayor issued an Executive Order updating the City's purchasing policy to conform to municipal code and Commonwealth requirements. The Act 47 Coordinator also developed draft debt and fund balance policies for review and adoption by the City. The Chair of Council's Finance Committee has expressed strong interest in advancing this policy and in the fourth quarter City Council established a committee comprised of the Controller, Treasurer, Finance Director and Finance Committee Chair to review the proposed policies. The Coordinator's Team is providing support to the Committee and will continue to advocate for policy adoption as soon as possible.

Treasurer's Office

Following the resignation of Tyrell Spradley and consistent with the provisions of the Third Class City Code, City Council appointed former Controller and Councilmember Dan Miller as City Treasurer at its June 16 meeting. Mr. Miller was sworn in on July 5 and is working to make the Treasury Department efficient and well run.

In order to improve the operation of the Treasurer's office and address concerns that had arisen, the City engaged Alvarez & Marsal to undertake a review of the City's financial operation with a particular emphasis on the Treasurer's Office and its policies, procedures and processes. The review was

conducted in late 2015 and the report was issued in February. Although the review did not find any instances of suspicious activity, it did identify a number of key findings including:

- A lack of segregation of duties with the Deputy Treasurer performing multiple tasks without necessary checks and balances.
- Lack of timely reconciliation of the City's bank accounts leading to unresolved variances between book balance and bank balance
- No inventory of all City bank accounts
- Adjusting entries are not always recorded in the general ledger by the Finance Bureau
- A culture of the acceptance of errors in accounting and financial matters
- Lack of written policies and procedures in the Treasurer's office

The report further recommended the following:

- Segregate responsibility for the approval and release of wire transfers from their initiation
- Eliminate generic "Wires" bank token
- Move responsibility for account reconciliations from Treasury to another office, possibly the Controller's Office
- Bring all account reconciliations up-to-date and record all prior adjusting entries
- Address all known discrepancies in City books in a timely manner
- Create a master inventory of all City bank accounts/close unnecessary accounts
- Hire a strong Assistant Deputy Treasurer and ensure that person is empowered to act independently
- Create a set of written policies and procedures for all processes in Treasurer's Office
- Improve physical security of Treasurer's Office
- Address cultural issues related to acceptance and expectation of errors

Treasurer Miller completed a review of the report in September and acknowledged certain of the findings including the need for better segregation of duties to strengthen internal controls and the inability to reconcile the Treasurer's office accounts with those of the Finance Office. He further stated, however, that certain findings were not correct according to practices currently in place. He indicated that communication is good between the Treasurer, Controller and Finance Offices and that those offices would work together to further address the report's findings and stressed that the public should have full confidence in the office. The recommendations will strengthen internal controls and improve overall efficiency in the financial operation of the City.

The Treasurer's Office is currently recruiting for two positions – an Accounting Clerk and a Customer Service Representative. A candidate has been selected for the Accounting Clerk position and is to start in late January. This should augment the Office's ability to maintain effective segregation of duties.

Information Technology

As recommended in the Coordinator's IT assessment and the recent Strong Plan modifications, the City received approval of a \$75,000 Act 47 grant to provide an outsourced Information Technology project manager for the next year to address mission critical IT infrastructure issues and assist the City in prioritizing and coordinating IT system issues. A prevailing issue in the City has been

deteriorating and antiquated IT infrastructure. The City has had limited capacity to address these issues due to finite resources as well as difficulty maintaining a full complement of IT personnel. The City's IT staffing capacity is very limited and its Director is constantly putting out fires, thus the City engaged Sigma Resources to provide IT project management, assess IT needs and develop an IT strategy moving forward.

The overall culture and climate of the City has been one of silo and franchise preservation. The culture of IT in particular has been one of reactivity. A major initiative, in all activities, is to instill collaboration and acknowledge IT as a Service to the overall culture. While this "turn" won't occur immediately, as the problem took many years to manifest to this degree, the guidance provided by Sigma Resources is having an impact.

A Sigma facilitated IT retreat with all City departments in August resulted in the identification of three key IT objectives: Internal Communication; Document Management; and Business Processes. The implementation strategy will focus on each objective on an enterprise wide basis as there is a critical need to share information across City departments which can result in greater efficiencies in City services. They view IT as a service and are working to instill this concept throughout City government. The first initiative, a Service Desk program, was deployed in early October. This requires any individual/department needing IT support to complete a service ticket which will then be tracked thru completion. This approach will eliminate the current crisis approach to service. IT culture in the City remains a challenge with the implementation of this initiative though education to reinforce the need for this tracking is continuing.

As a further action the City established an IT Advisory Committee to provide input into the City's IT issues. The Advisory Committee is chaired by Charles Gerhard, the state's former IT manager, now with Harrisburg University's Government Technology Institute. The Committee includes individuals from Harrisburg University, the state's Office of Administration, Sigma Resources, the Coordinator and City Department representatives. It met several times in the fall to provide guidance on IT issues. As part of this effort Harrisburg University continues to provide in-kind services as have a number of local IT firms.

Late in the second quarter the City experienced significant problems with its IT infrastructure, especially with its network and the failure of its server drives. This resulted in considerable downtime, loss of information and productivity and prevented City officials from being able to access email, key documents and files stored on the shared drives. This crisis has been long in the making after decades of neglect and failure to update the IT infrastructure and provide staff training. Given the critical nature of this issue and its threat to access to financial and legal records, as well as police and fire records, the City with support from the Coordinator's office has moved forward with aggressively addressing this issue.

To address this problem the City has acquired the Microsoft Office 365 software. The acquisition is supported by a \$250,000 grant from Impact Harrisburg. Under the direction of Sigma Resources its implementation is underway. A target group of 20 users from across City departments will perform due diligence on the application beginning in early January. A kickoff

meeting and demo was held on December 14 where the pilot group was introduced to the product, its features and the intended usage plan. The pilot is scheduled to run for 30-60 days depending upon adoption, issues and overall learning curve of the pilot group. Following this pilot initiative, users will be grouped into logical segments and migrated to Office 365 based upon a schedule to be developed. It is anticipated that full migration will be completed in the March/April timeframe. Sigma has engaged a full-time project manager to manage this initiative and coordinate between vendors, the internal user base and Microsoft.

Concurrent with this PILOT project, various elements of internal network infrastructure are being upgraded. These items are network switches, routers, firewalls and other infrastructure elements. The initial order for this equipment has been placed and delivery is expected by year end with installation and configuration beginning in early January.

The third work stream of the overall Office 365 initiative involves process retrofit of helpdesk processes and other internal IT initiatives required to make ready for the pending upgrades.

A major problem exists with the City's secondary SAN server which uses outdated technology. This unit failed in early 2016 and the remaining storage is quite old and at or very near capacity. Several efforts have been made to replace the failed SAN unit including a used unit donated by Unisys that had been housed in the Commonwealth's Data Center. After a significant effort, this donated unit was found to be defective or improperly cleared by Unisys and was unusable to the City without a significant, cost-prohibitive repair. A second donated SAN was identified but was found to be incompatible with the City's current IT Infrastructure and requirements. Three options remain open to satisfy the storage needs of the City:

- Purchase a new SAN from a provider, i.e. Dell which would provide support contract relief (due to warranty) and provide a high performance platform for network storage. Although funds have been budgeted and approved for this unit other options may be more cost effective.
- Purchase a reconditioned SAN from a provider which would likely be at a lower cost but would have immediate and recurring support requirements from the vendor. The due diligence around this decision is ongoing and will be decided upon early in January 2017.
- There may be an opportunity to acquire SAN space at the Commonwealth Technology Center under the new Government for Government program. That would also solve problems about Disaster Recovery. This program is not fully implemented yet, but it is being explored by the City's IT consultant in coordination with the Commonwealth's Chief Technology Officer.

A variety of software upgrades and functional replacements are being considered for the City. Some of these offset legacy systems from the mainframe while others provide efficiency through automation that has not existed in the past. Where practical, software-as-a-service (SaaS) is being considered as the preferred paradigm as well as looking for solutions that support the Enterprise instead of only individual departments. Enterprise software is currently a challenge as no one has looked at IT needs across departments. Sigma Resources though is moving the City in this direction and undertaking due diligence on the above approaches. Implementation of any of these initiatives will be budget dependent.

Sigma Resources and the City's IT department are also working on improvements to the IT office. Used cubicles were donated by Unisys; however, they were missing certain hardware components in order to install them. In discussions with the Treasurer, there are cubicles in his office which he does not need and these may be moved to the IT office. At this point due to union issues the cubicles have yet to be assembled.

Also at the fall IT Advisory Committee meeting, Chairman Gerhard presented an offer from Harrisburg University to undertake a pilot IT training program involving 6 students who would work one on one with Fire Department employees. They have met with the Deputy Fire Chief and identified certain training needs and the students will work individually with the employees to address their IT issues. If this program is successful it could be expanded City wide.

The City's current Nortel phone system is quite old and requires a significant effort to maintain and scale. The obvious recommendation is to move toward a VoIP solution once the network infrastructure and/or budget permits. At this point, with the exception of the replacement of a failed system at Department of Public Works, no enterprise upgrade is planned. The City received a proposal from Comcast and plans to work with them on its installation. A City wide solution though is budget constrained and requires the network upgrades to be completed beforehand.

Representatives of Morefield Communications have been working with the City to identify inactive lines and have them disconnected. They have been in discussions with Windstream to obtain a refund of as much as \$10,000 for discontinued lines. Morefield is also working with the police department to address phone communication issues for non-emergency calls. These calls are not accepted by the County's 911 center and are referred to the City. A phone tree is being established with protocols on processing these calls.

Solicitor's Office

Following recruitment efforts over the summer and fall months, the City filled two additional positions, an Assistant Solicitor for Collections started in November and an Assistant Solicitor for Litigation in started in December. The Solicitor now has 4 attorneys assisting on various legal matters.

The City also utilized contracted professional assistance from labor negotiations in 2013 and 2014 as provided for in the Strong Plan. With the expiration of the FOP and AFSCME contracts December 31, the City is currently negotiating two collective bargaining agreements and will negotiate an IAFF contract in 2017. The Strong Plan amendments provided for the City to again retain experienced public-sector employment labor counsel for its labor relations activities beginning with negotiations of new collective bargaining agreements. In May 2016 following a proposal solicitation process, the City entered into agreement with Elliott Greenleaf to serve as outside labor counsel to assist with the 2016 bargaining processes. Negotiations are currently underway with both the FOP and AFSCME contracts and the Coordinator's Team serves as a resource to the City and its labor counsel during the negotiation process. A further discussion on labor issues is found in the collective bargaining section of this report.

Fire Service

In the 2013 Harrisburg Strong Plan, the Bureau of Fire had a total of 13 initiatives that were the direct responsibility of the Bureau of Fire. The Bureau has made significant progress toward implementing many of those initiatives. Notably, through collective bargaining negotiations, the Department closed one fire station and adjusted its company staffing level to 14 firefighter/lieutenants and one command officer per shift. This has in turn allowed the Bureau to significantly reduce its overtime expenses and added significant value from both a public safety and firefighter safety and response perspective. As of December 2016 the Bureau is experiencing approximately 13 firefighter vacancies. Testing occurred during the summer and there is currently an active hiring list of 25 eligible candidates. The Bureau is now in the process of conducting background investigations and anticipates filling 12 vacancies in January. This indicates that the Bureau is well positioned to deal with attrition in a timely manner and maintain overtime savings it has realized to date.

The Bureau has also worked to cover the cost of special services provided outside the course of normal firefighting services. City Council adopted an ordinance increasing emergency response and vehicle extrication fees and the City is now aggressively billing insurance companies accordingly. City Council also approved increased fire alarm fees that more accurately reflect the cost of providing services, though the Plan modifications address the need for additional adjustments to the false alarm fee structure based on current costs. The Bureau also created a formal Safety Committee review of each work-related injury, as well as observed safety issues, so that effective action can be taken to reduce the incidence of injury going forward.

There are however additional initiatives and opportunities that should be pursued by the Bureau in the coming years. The most significant initiative with the potential to both enhance service levels and revenue relates to regional fire service delivery.

With changes to the deployment model and the addition of personnel to the Bureau of Fire, staffing and deployment has stabilized in the Bureau. The Bureau provides a high level of service to residents, businesses and visitors, and maintains a complement of highly trained firefighters and command staff.

Given the level of service provided by the Bureau, and the Bureau's proximity to boroughs and township's surrounding the City, there are opportunities to develop regional partnerships or contracting models whereby the City could provide fire suppression, special rescue, and fire prevention services to neighboring municipalities. This is especially true given the loss of volunteers across the Commonwealth. Such initiatives have the potential to serve the purpose of improving fire services in neighboring communities while also serving as a potential revenue source for the City.

The Bureau of Fire has begun evaluating these opportunities and participated in a Firefighters Forum organized by the Capital Region COG in August. The goal of the Forum was to start a conversation on the need to address the significant decline in volunteer firefighters. Fire Chief Enterline participated in the Forum and voiced the opinion that fire companies should look at a regional staffing model that would be administered by an authority or possibly the COG. A full evaluation of options available will require detailed deployment and staffing analysis, cost estimates, and extensive

conversations with neighboring communities and their elected officials. It is therefore recommended that the City continue to engage with the COG and with the Coordinator's support seek to partner with surrounding municipalities to conduct a fire regionalization and service sharing study to identify and prioritize opportunities.

Another initiative in the Strong Plan modifications calls for the City to evaluate the hiring of a Deputy Fire Chief who would be responsible for inspection and fire prevention programs as well as reporting and billing. The salary for this position has the ability to be fully offset by revenue increases and/or expenditure reductions.

Lastly, in the fourth quarter of 2016, the Fire Department began proactively working with the City's IT Advisory Committee to address its IT needs. Harrisburg University and the Fire Department initiated a pilot IT training program involving six students who began working one on one with Fire Department employees. They have met with the Deputy Fire Chief and identified certain training needs and the students have begun working individually with the employees to address their IT issues. If this program is successful it will be expanded City wide.

Police Service

The Bureau of Police has made strides in implementing many of the initiatives outlined in the 2013 Strong Plan. The Bureau has consolidated the use of specialized units in the Bureau in favor of assigning additional personnel to the patrol function. It has reduced civilian staffing in the parking enforcement function as a result of the monetization of parking assets.

The most pressing issue confronting the Bureau though continues to be staffing shortages and the lack of sufficient resources to both hire new officers and outfit those officers with reliable and functioning equipment. To that end, it is appropriate to evaluate what steps can be taken to increase the availability of officers within the Bureau and to prioritize the funding of equipment deemed necessary and critical to effective public safety.

The most significant operational and financial challenge confronting the Bureau of Police relates to sworn staffing, especially in the Uniformed Patrol Division, which is the largest sworn police function. The Uniformed Patrol Division targets a daily shift staffing goal of 15 patrol officers per shift to meet its calls for service demand and adequately engage in the proactive policing activities, such as foot and bicycle patrols, according to interviews the Bureau's senior executive officers. This is based on Bureau's existing patrol beat and response structure. Though the target for the daily shift staffing is 15 patrol officers, the Department maintains a minimum required staffing level of 10 officers per shift. If staffing falls below the 10 officer minimum, officers are called in on overtime to meet minimum staffing targets. According to Bureau estimates, each platoon requires a target staffing of 25 officers in order to consistently meet the patrol officer staffing goal of 15 officers per shift; the current budgeted patrol officer staffing level per platoon is 21 patrol officers. According to the Department's staffing estimates, an additional 18 patrol officers are required to meet the shift target staffing level.

In late 2015, the Department of Justice awarded the City a COPS grant for over \$550,000 to fund five patrol officer positions through 2016 and 2017. These officers are devoted to community policing. The City must maintain funding for these positions through 2018.

As of December 21, the Department has 12 patrol officer vacancies as well as vacancies in senior positions of Lieutenant (1), Sergeant (3), Corporal (2) and Detective (3). The Department made conditional employment offers to 11 candidates on the existing civil service list for the first Police Academy class in 2017 and is awaiting their response. Of the 10 candidates selected for the July Police Academy class, 6 remain and are finishing up their training. Recruitment efforts are only minimally able to maintain staffing levels in the face of naturally occurring attrition and will not resolve the staffing shortfall discussed above. Further, it is not clear that sufficient financial resources will be available to the City in the coming five years to fund significant increases in patrol staffing. The adopted 2017 budget includes funding for one additional civilian position – a crime analyst – to support proactive policing initiatives.

In the alternative it is appropriate to evaluate if other deployments schedules are available to enable the Bureau to more effectively, or more efficiently, deploy its limited staffing resources. Police officers who are assigned to uniformed patrol perform regular tours of either 7:00 a.m. to 3:00 p.m.; 3:00 p.m. to 11:00 p.m.; or 11:00 p.m. to 7:00 a.m.; with steady days off. Although a steady tour schedule provides a welcome measure of regularity for the workforce, there are a number of other schedule alternatives that can be evaluated to determine if deployment and schedule changes can mitigate the impact of staffing shortages. For example, implementation of 12 hour schedule deployment models has demonstrated value in decreasing the incidence of unexpected time off, which impacts staffing availability and potentially overtime usage.

Effective scheduling requires analysis of operational and financial efficiencies, the unique needs of the Bureau and the community, and the impact of the schedule on its employees. There are numerous possible alternatives, and the evaluation of those alternatives must be made to ensure that they result in a more efficient use of resources that will enhance police service without creating undue stress on the officers of the Bureau.

Before a new duty schedule is implemented, an in-depth study should be conducted to ensure that the nuances of the Bureau are explored and addressed. Therefore, a committee consisting of the Chief of Police and/or designees, representative(s) of the Fraternal Order of Police, and the Act 47 Coordinator shall be established to implement this initiative and make the final determination on a new schedule that meets the operational needs of the Bureau, enhances efficiency and reduces expense to the greatest degree possible.

To address vacancies in command level positions that have occurred due to retirements, the Bureau held promotional testing in October for a Lieutenant, 3 Sergeants and 2 Corporals. Testing has been completed and the promotional list was recently certified and appointments are pending. The Bureau also hired an Animal Control Officer who started October 3 and will address stray animals in the City and coordinate efforts with the City's contract with the Dauphin County Humane Society.

As with the Fire Bureau, there are opportunities in the policing area to promote regional efforts that can enhance service and potentially generate revenue or reduce expenses. In 2015, Dauphin County and the District Attorney's Office, with support from the Act 47 program, contracted with the Police Executive Research Forum (PERF) to assess opportunities for regional police initiatives in the County. The City of Harrisburg Bureau of Police, as the largest police department in the County, was included as an important participant in that assessment. Harrisburg's Police Chief and the City's FOP representative both participated as members of the Task Force.

The final report with recommendations for service and cost sharing was completed in late 2015. The report identified opportunities for the City's Police Bureau to engage in cooperative efforts that may enhance service and potentially reduce expenses. It is recommended that the City aggressively and proactively pursue those opportunities as this intergovernmental initiative is consistent with the Strong Plan's goals and could open the door to even greater cooperative ventures in the future.

In their efforts to reduce crime the City's Police Department deployed two new tools in mid-2016. They have started a database of businesses and residences with video surveillance systems to help streamline investigations. The effort began in the police department's forensics unit in May and is designed to help direct detectives to known camera systems nearby after a crime is reported. The system can provide valuable information to identify individuals involved in criminal activity.

Police have also reactivated a crime mapping database for all reported crimes in the City. The system went down the end of 2015 and after resolving technical issues the searchable database went live in June. The new system known as RAIDS Online is a significant upgrade and now allows residents and others to conduct research on the City's real-time crime reports. It provides layers of useful data in maps, grids, and charts with analyses that show the frequency of crime by hour and day of the week. Residents can search by address or citywide and for crimes by date or type of crime and also sign up for email alerts.

The Act 47 grant award also provided funding to replace 28 Mobile Data Terminals (MDTs) in City police patrol cars. An MDT is the patrol car computer that allows an officer to access police records, driver information, and national warrant and stolen vehicle databases. Currently, 28 MDTs are operating on Windows XP – a system that is no longer supported by Microsoft security updates and so precluded from connecting with county and national policing databases. In addition, many MDTs are beyond their life cycle and suffer from recurring reliability issues. Unreliable MDTs overburden dispatch, resulting in delays for officers doing traffic stops as they cannot run the tags on a vehicle. In addition, the inability to access regional and national crime databases could result in a significant life safety issue in the field thus their replacement will address a critical public safety issue for the police department. Now that the contract for the Act 47 grant is in place, the City is proceeding with the acquisition of the MDTs.

In response to criminal events over the summer the Mayor convened ongoing neighborhood meetings to discuss crime and other City related issues. The meetings have attracted large

turnouts and much of the discussion has been on recent trends in crime and actions that can be taken to increase public safety.

Public Works – Sanitation System

The Department of Public Works (DPW) has undergone considerable change since the passage of the Strong Plan in 2013. The Bureaus of Water and Sewerage, and the responsibilities of those bureaus, have been transferred to Capital Region Water (CRW). This transfer, though necessary, decreased the number of Public Works staff that could be drawn upon to meet the department's maintenance responsibilities.

Staffing availability has further been limited as a result of systematic issues in the sanitation operation. Recurring staffing shortages in the sanitation operation historically forced the department to regularly draw upon street maintenance personnel to effectively perform refuse and recycling routes. As a result, the City had been unable to dedicate sufficient resources to street maintenance operations which impacted the City's ability to maintain its roads and streets in a timely and proactive way. In May 2016 the City hired a sanitation logistics coordinator (management position) to provide technical and project management support and to systematically incorporate commercial accounts in the City's refuse collection system. The City also made a great effort to bring the sanitation operation up to a full staffing level during 2016.

With Act 47 funding and support from the Act 47 Coordinator, a comprehensive sanitation program evaluation was completed in mid-2015 by Barton & Loguidice. The study concluded that the sanitation system was *broken and unsustainable without significant change* and provided a plan to modernize the sanitation operation which built on recommendations from the 2013 Strong Plan. Their report recommended a managed competition approach through a partnership between the City and the union with the goal of creating an efficient refuse collection system. Recommendations focused on obtaining new or refurbished collection vehicles, purchasing and deploying new trash and recycling containers, increasing recycling through educational efforts, enforcing current ordinances and validating all commercial and residential billing information. Significant improvements were made in 2015 including the purchase of a new recycling truck through a DEP Recycling program grant and the purchase of several refurbished front end loaders that allow for the collection of commercial accounts.

As part of the 2016 budget process the City restructured the sanitation and public works operations through the creation of the Bureau of Neighborhood Services. This restructuring added staffing resources to the sanitation operation, thereby allowing street maintenance personnel to be fully dedicated to their assigned tasks. This restructuring addressed both operational and financial needs and has enhanced the City's ability to provide more efficient sanitation and street related services to its residents.

The City continues to focus on a number of key initiatives relative to sanitation system improvements. The adopted 2017 budget includes funding for additional collection equipment and with an anticipated DEP Recycling Performance grant the purchase of several vacuum sweeper/clam trucks to assist with leaf collection and street sweeping. The City submitted and has received a grant

award under the Department of Environmental Protection (DEP) 902 grant program for the vacuum trucks though DEP has questioned the nature of the truck. The City proposed the purchase of a multi-purpose chassis with a cross-functional lift arm. The equipment would include removable leaf boxes that can be exchanged for salt boxes in the winter – an action that will maximize the utility and utilization of the vehicle. The Coordinator has intervened with DEP in an effort to have them understand the nature of the truck and how it can provide greater efficiency on a year round basis. A decision from DEP is pending.

Another recommendation was to hire an administrative assistant to help in managing solid waste accounts and billing for these accounts. This position was filled and the individual began work September 26.

A major focus during 2016 has been to update and retrofit the City's refuse and recycling collection fleet. The City's aged refuse and recycling vehicle infrastructure has been plagued with reliability issues. Collection vehicles are regularly out of service for extended periods of time which significantly impacts the City's ability to effectively meet its collection expectations. In addition, the types of refuse and recycling collection equipment operated by the City has limited its ability to service all residents and businesses. As a result, the City has focused upon enhancing its collection fleet. In August the City entered into an agreement to purchase two truck chassis and will install functional packers from existing City vehicles on the new chassis. In addition, in October the City finalized a lease purchase agreement to procure seven additional refuse trucks. This will allow the City to enhance its collection procedures and potentially provide additional commercial properties with collection service.

A major focus in the fourth quarter has been to advance discussions with the Harrisburg School District and Susquehanna Township on the development of an intergovernmental agreement to utilize a school district site to serve as the location for a yard waste composting facility. The Act 47 Coordinator's Team worked with the City to develop a conceptual layout of the yard waste composting site and has coordinated with PADEP to review the site layout to ensure that all regulatory requirements are accounted for in the conceptual design. Following a presentation to the Harrisburg School Board in September of the conceptual layout certain modifications were made based on School Board members comments. In November, the City and the Act 47 Coordinator's team presented a revised conceptual layout of the composting facility layout and core features of an intergovernmental agreement to the School board and Township commissioners. The presentation was well-received and there was also strong interest from several commissioners on development of a good educational component to this project. At its November meeting the School Board also authorized entering into negotiations on an intermunicipal agreement for a shared yard waste facility and having the City proceed with permitting and site development.

The development of a composting site will serve two important goals. First, it will enhance the City's yard waste collection and composting program which will in turn decrease the number of tons of waste disposed of at the Harrisburg incinerator. This will result in decreased disposal expenses. Second, it serves to advance intergovernmental corporation in the Harrisburg metropolitan area. Progress on this initiative has been steady and it is anticipated that an agreement will be finalized in 2017.

The City, with technical support from the Act 47 Coordinator's team, has also begun developing specifications for a sanitation route management software for purchase and implementation. This software will serve to create valuable management billing process efficiencies. The software will be pursued in 2017 and will be coordinated with the enterprise application development that is being led by the City's IT consultant and the IT Advisory Committee. The goal is to maximize route efficiency and ensure maximum revenue collection.

As of the end of November, tonnage from the City disposed of at the Susquehanna Resource Management Complex (SRMC) was 32,990 tons (94%) of the City's minimum put or pay requirement of 35,000 tons in 2015 and is again on target to meet or exceed the minimum disposal requirement. Tonnage is running slightly below the 2015 level which is a result of the continued increase in recyclables. With deployment of 14,000 new recycling containers in 2015 and continued educational efforts the City's recycling rate has increased from around 5% to over 20% of the waste stream.

With the education and outreach program now underway, and through coordination with the County's recycling office, the City should be able to further increase recycling tonnage while still meeting the required tonnage by monitoring and deterring diversion of municipal solid waste from exempt commercial establishments. Although glass is not currently part of the recycling program due to the lack of a market, the City is pursuing a glass recycling program in concert with LCSWMA. The more the City recycles, the less it has to pay from sanitation fees collected for disposal, which is all-in-all, a good thing. These improvements will not only help stabilize the refuse and recycling collection operation but also improve the overall appearance of the City.

Key to continuing to maximize the tonnage that needs to be disposed of at the incinerator is ensuring that all of the waste, especially commercial waste, that is generated in the City is attributed to the City's waste stream. Although difficult to fully identify leakage in the system, the City has taken an aggressive approach with commercial accounts to ensure that all waste generated in the City is taken to the LCSWMA facility and credit given to the City. The Mayor continues to meet with various commercial accounts to facilitate transition of these accounts from private haulers to the City. Another round of commercial accounts transition to the City's system from private collection in December based on the expiration of the private collector contracts. The next transition will occur in June 2017.

A new assistant attorney started November 28 and has been assigned to work on collections from the largest commercial accounts that combined owe the City over \$1 million. The audit of all commercial accounts was completed the end of November and identified some additional accounts that were not previously included in the City's system. The final report based on the audit is being completed and will be provided in early 2017.

A new intergovernmental agreement was also negotiated during 2016 with the Department of General Services for sanitation services for 33 Commonwealth facilities in the City. The new agreement is expected to generate an additional \$600,000/year in sanitation fees.

These are all positive steps that are being taken to address sanitation system responsibilities. The progress that has been made in the sanitation operation is to be commended. There are however, additional steps that must be taken moving forward to ensure that the City can capitalize on this progress and advance further improvements in the sanitation operation. The 2016 Strong Plan outlines many of those initiatives, which, in most cases, will require investment by the City.

The development of a comprehensive Capital Improvement Plan as called for in the Strong Plan is one of those actions. This will allow capital needs involving sanitation to be prioritized along with other pressing needs. The City has begun this effort with the development of a stand-alone capital budget for 2017 that is segregated from the operating budget. A representative from Barton and Loguidice, as a member of the Act 47 Coordinator's Team, continues to provide implementation support to the City and meets with City leadership on a regular basis to provide consultation services and assist with implementation matters.

The City has proceeded cautiously in staffing decisions and has followed recommendations in the B&L report – to undertake a trial period, evaluate the results and determine whether there are specific and measureable changes and improvements. If the changes do not result in measurable and observable system improvement, “then acknowledge this and move on to a private bid process to procure waste and recycling collection system services...” In evaluating whether the current effort is cost effective (that is, whether the increases in expenditure will be offset by revenue increases), the City should make sure it includes the salaries resulting from new hires, as well as associated health care and pension costs. The sanitation reform process will be further evaluated after the close of 2017 to determine success and viability going forward.

Public Works Facility

The City was recently notified that its lease for the Department of Public Works garage facility on Paxton Street that expires in March of 2017 would not be renewed. The Strong Plan modifications address the need to develop a long range plan for a public works facility. The City, with the support of the Act 47 Coordinator's Team, has explored alternate sites, however, options are extremely limited due to available land and flood plain issues. The City has included funding in the FY2017 budget for this project as it continues to explore options.

Through a misunderstanding of its tax obligation, the City was required to pay real estate taxes on the DPW facility. Although the lease provided that the City was responsible for any taxes, the City believed that no taxes were due as the facility was being used by the City for a public purpose. The City requested that the school district waive their tax, however, the Board's Solicitor ruled that the district did not have authority to do so. The City transferred funds for this purpose in the fall and kept the property from being subject to a tax sale while efforts continue to waive the remaining taxes.

Transportation Infrastructure

The Bureau of Engineering, with Commonwealth enabled funding, has also made significant investments in the City's infrastructure. In 2014, the Pennsylvania Department of Transportation (PennDOT) committed to providing \$10 million over a five year period for street related infrastructure improvements in the City. This commitment stood in addition to PennDOT's planned repairs and projects on Commonwealth managed roads in Harrisburg. Since that time, the City was awarded \$3.19 million in May 2015 by PennDOT as the first phase of this commitment. A portion of these funds was used to pave heavily traveled streets that are used to come into and out of the City. They have thus far received \$630,000. The City has also advanced planning activities related to the remaining Multi-Modal grant funds and is approximately 40% complete with final design work for significant improvements on the Third Street corridor that are funded with a portion of the \$2.5 million balance from the \$3.19 million award. Utility work has been underway thru the summer and fall in advance of construction. Bids are expected to be advertised in March 2017 with construction beginning soon thereafter. The other projects funded with the remaining funds re in the preliminary design phase.

Following meetings with PennDOT and based on their recommendation, the City submitted an application under PennDOT's multi-modal program last December for the balance of the \$10 million. On October 14, PennDOT announced the award of a \$2,236,667 grant to improve the vehicular, transit, pedestrian and bicycle movements in the City and to address several transportation safety issues. As part of this award, PennDOT also committed a total of \$6,710,000 over the next three years for this project. This approach fully satisfies PennDOT's commitment and will expedite the process moving forward though releases will occur on a project by project basis.

Although not part of the \$10 million commitment, PennDOT also announced on October 14 the award of \$1.8 million for roadway improvements on Cameron Street between Herr Street and Goodwill Street to include widening for turning lanes, ADA improvements at Herr Street, traffic signals at Goodwill, new curb and storm water management drains, and relocation of utilities. This work will greatly improve access to the Capital View Commerce Center and though it was the obligation of the developer of the Capital View Commerce Center as part of PennDOT's Highway Occupancy Permit process, PennDOT has agreed to assist with its funding. By agreeing to subsidize the developer's obligation the project schedule was pushed back. The new traffic signal at Goodwill – is being installed by the developer so that the tenants can make left turns in and out of the Commerce Center. The new traffic signal will cost the City approximately \$6,000 per year to maintain plus the electricity costs. The Commerce Center property construction was 85% complete though had stood vacant for over five years after the developer filed for bankruptcy. The site when fully occupied offers 208,000 square feet of customizable offices, retail areas, warehouse and light industrial facilities as well as community oriented workspace and is another step in the City's revitalization.

The Bureau of Engineering is also in the final stages of completion of a comprehensive street light upgrade program to replace the City's incandescent street lights with Light Emitting Diode (LED) lights. This project was funded through an Energy Savings Performance Contract (ESCO), with initial funding from a \$3.2 million loan from M&T Bank and a \$500,000 PEDTA grant. It will reduce the

City's ongoing utility expenses by approximately \$400,000/year. The M&T loan was the City's first capital borrowing since before it entered the Act 47 program. Only 255 lights remain to be converted to LED. 18 of those are City owned and will be converted within the next 30 days. 237 are PPL owned and the process to purchase the PPL owned lights is moving along. The 237 PPL owned lights have 90 feed originations. PPL regulations require that the feed origination be separated with hand holes and fuses. That work involves excavation and rewiring and is tentatively scheduled to begin Spring 2017. As part of the PPL purchase process, PPL had to inventory the PPL owned lights. The inventory revealed that the City was paying PPL for 41 lights that did not exist. As a result, the City received a credit in the amount of \$63,640. This is in addition to the credit related to the billing anomalies of the City owned lights. Finally, on November 28, 2016, the City received the Act 129 rebate in the amount of \$374,141.77.

The Department has also made significant improvements in its fleet maintenance operation. It appointed a full-time fleet manager and in September filled vacant auto mechanic and secretary positions. There are, however, opportunities for the Bureau of Vehicle Management to more proactively take advantage of existing software to improve fleet management, and to implement practical best practices.

Capital Improvement Program

The City has made strides in refining and improving its operating budget process, and now with the 2017 budget has begun to develop a capital budgeting program. The City has previously not had access to the financial resources necessary to fund a capital improvement program, however the Strong Plan has provided certain resources as well as a pathway back into the credit markets. Access to the marketplace has improved with the City's ability to obtain TRANS for three successive years and its successful financing of the LED streetlight project.

Resources provided through the parking monetization to Impact Harrisburg, the non-profit corporation established to administer \$12.3 million in funds available for infrastructure and economic development, along with the completion of the City's comprehensive plan, will serve as a foundation for a capital improvement program.

Further, the modification of the City's debt structure should afford the City the opportunity to regain access to the capital markets over the next several years. Finally, grant funding opportunities from state and federal agencies also provide resources to support capital investment.

Recognizing these evolving opportunities, and consistent with the Strong Plan modifications, the City prepared an initial Capital Improvement budget with significant capital expenditures in 2017 for capital needs ranging across many departments. By segregating the capital and operating budgets policy makers and managers are better able to interpret and evaluate competing needs. It is important for the City to develop the necessary process and planning tools to take advantage of funding opportunities that become available. It is especially important to have a structure in place to centrally and comprehensively evaluate all capital needs and prioritize investment within the strategic priorities of the City. Those needs must be professionally

assessed and options evaluated so that both daily maintenance plans and capital investment requirements can be appropriately prioritized. This represents a positive step in addressing the City's long neglected facility and infrastructure needs. This process should be further expanded in the coming years with the development of a five year capital improvement planning process.

Community and Economic Development

In 2014 Harrisburg amended its organization structure to create a consolidated Department of Community and Economic Development led by a new position, the Director of Community and Economic Development. This reorganization consolidated the Bureaus of Planning, Business Development, Building and Housing Development, and Parks and Recreation under the direction of one director. In addition, the reorganization created a new Bureau of Arts, Culture and Tourism under the direction of the Director.

The Bureau's that now comprise the Department of Community and Economic Development have made noteworthy progress toward the implementation of key 2013 Strong Plan initiatives. In late 2014, the City began the process to update its 30 year old Comprehensive Plan. With the Court's approval to allocate up to \$75,000 from the funds set aside for economic development in the Harrisburg Growth Fund, the City reinitiated the Plan update process. Council and the Planning Commission took action to move forward with the update in early 2015. In April 2015, the City awarded the contract to Office of Planning and Architecture (OPA) of Harrisburg to lead the process supported by 5 other firms (K&W Engineers & Consultants, Good Land Collaborative, ARUP Americas, CSPM Group and AB3 Development). Following a contest to brand the planning process, "BeHBG" was selected as the name for the update. A "BeHBG" web site was established to provide the community with ongoing updates and to allow further community input. To date over 500 users have registered and generated over 1200 ideas to date in topical areas of transportation, housing, economic development, historic resources and parks and recreation.

The process has included extensive public engagement with numerous stakeholder meetings and community workshops. Staff also participated in 24 community events in getting the word out about the update, to gather further input on how the City should evolve and develop over the next twenty years and to obtain a sense of the priority of City issues. The consultants have met with PennDOT to coordinate on transportation issues and Harrisburg Housing Authority representatives to discuss housing issues. A day long community workshop was held last December at the Capitol View Commerce Center to summarize the results. The entire consulting team presented information the status of the plan including specific presentations on housing and transportation to about 150 people who attended throughout the day.

2016 has focused on retooling the document based on the public input received in advance of a presentation to Council. The Plan process has slowed due to staffing limitations in the Planning Office. The initial timeline for the development of the Plan was a bit optimistic; however, the Administration and the Consultant met during the summer to discuss a realistic, achievable timeline for finalizing the document. The Planning Director has spent considerable time reviewing and editing the consultant's draft with a proposed final submission date to Council and the public in January 2017. The comprehensive plan will provide land use guidance and strategies for housing and

economic development and is a significant accomplishment that will serve to guide the City's strategic investments going forward.

The City and its Redevelopment Authority (HRA) have continued to work closely with PennDOT on a plan to make major improvements to the Harrisburg Transportation Center (HTC). The Center serves as a key anchor for the downtown and a hub for both rail and bus service for the City and region. In the spring of 2016 PennDOT announced the award of \$15 million to fund a number of needed physical improvements to the Center including new roofs, energy efficient heating and cooling systems and replacement windows. Expansion of the HTC's multi-modal transportation services can serve as the foundation for the transit oriented redevelopment of surrounding and underutilized properties including the sizeable former U.S. Postal Service property on Market Street, and possibly the former Patriot News Building also located on Market Street.

In late August PennDOT announced the initiation of a Transit Oriented Development (TOD) concept study. In partnership with the City and HRA, PennDOT has engaged the Michael Baker firm as consultant to study promote the reuse and redevelopment of the area adjacent to the Transportation Center. The study focuses on a four block area surrounding the HTC and provide different scenarios that may be advanced for implementation that will promote redevelopment, business attraction and connectivity of the Center to the adjacent neighborhoods. PennDOT, the City and Baker undertook a Visioning Week exercise September 19-22. The consultant team held 18 different events during the week to solicit as much input as possible on the reuse and redevelopment of the Market Street corridor and surrounding area. Public engagement and response to these events was enthusiastic. The HTC and surrounding properties possess great potential for supporting mixed use residential and commercial development designed to maximize access to public transportation and incorporate features encouraging transit ridership all with a resulting positive impact on the City's tax base. The consultant has reviewed all of the input received and in late fall provided 3 different concepts for further consideration. The next step in the TOD development is to complete a Hydrological and Hydraulic study of the Paxton Creek corridor to assess impact on the TOD development area. This study funded by PennDOT is to begin in the first quarter of 2017.

Though limited by staffing, the Bureau of Planning has also made significant strides in increasing the utilization of the City's Geographic Information System (GIS). The City has fully developed internal capacity to manage the GIS and has taken over the responsibility from a contracted third party. In addition, the Bureau has worked cooperatively with Capital Region Water to consolidate and share GIS information that will prove useful to City planning and operations and maintenance personnel.

The Urban Planner/Zoning Officer submitted his resignation in May. Following an extensive recruitment process, a qualified candidate was found and this critical position was filled as of the beginning of October. Council also recently engaged in discussions on the possible hiring of an additional planner given the significant workload of this office and its importance to the City's further revitalization.

During the quarter a \$3.5 million state Redevelopment Assistance grant was awarded to assist with an \$8 million investment in commercial and residential revitalization in mid-town. A second Redevelopment Assistance grant of \$3 million was awarded to the City in October to launch the

revitalization of an entire neighborhood in Allison Hill (MulDer Square) with new streetscaping, affordable apartments and retail stores. The City is also in the process of issuing RFP's for housing revitalization projects in several areas including Capital Heights, Barkley Land and Uptown.

The City has developed and adopted a Local Economic Revitalization Tax Assistance (LERTA) program. LERTA is a tax abatement program designed to incentivize development within Harrisburg by offering tax abatement programs for those individuals and businesses interesting investing in targeted neighborhoods. Priorities of the LERTA program will be further informed by the City's updated comprehensive plan. In May, with the support of the City, the Harrisburg School District approved their participation in the LERTA program. This was then followed by Dauphin County's approval over the summer. Now that the three taxing bodies have approved LERTA, the City undertook recruitment efforts for a LERTA program administrator and recently selected an individual who will start in January 2017.

The City continues moving forward with the organization of a Land Bank Board, following the enactment of an ordinance to create a Land Bank which will assist the City with its focus on blighted properties and provide the ability to acquire vacant or abandoned properties, undertake improvements and return them to the tax base. The Land Bank Board has been meeting regularly with support from the Community and Economic Development Director. Its Solicitor recently resigned though thus an RFP process is again underway to fill this position. They are also developing operational by-laws. The Land Bank will use available resources to facilitate the return of vacant, blighted, abandoned and tax-delinquent properties to productive use, thus combating community deterioration, creating economic growth and stabilizing the housing and job market. This will provide the City with a major tool to tackle blight and assist in growing the City's tax base and furthering its recovery. The City is awaiting finalization of the comprehensive plan to provide further strategic direction for Land Bank opportunities and initiatives.

Another recent positive development was the September action by the House of Representative's Transportation and Infrastructure Committee to approve a resolution that among other projects includes \$194.4 million in funding for the design and construction of a new 243,000 square foot Federal Courthouse to be built at 6th and Reily Streets in Harrisburg. Although there is still an authorization needed for construction, this action is a significant step forward for the project which should spark further economic development in mid-town.

The City remains faced with significant housing and infrastructure issues related to the sinkholes on South 14th Street. With the federal government's expansion of the definition of a disaster in late 2014 to include sinkholes, Harrisburg was now eligible to apply for federal mitigation money to buy homes ruined by sinkholes on South 14th Street. Although initially denied funding, in September 2016, FEMA awarded the City \$1.65 million to undertake an initial phase of the project to acquire and demolish approximately 25 homes in the center of the block. DCED also identified approximately \$8.5 million in Disaster Recovery funding available statewide through the Department of Housing and Urban Development (HUD). The South 14th Street project has been prioritized by DCED for this funding which would be used for the acquisition and demolition of the remaining South 14th Street properties impacted by the sinkholes. DCED held a public hearing on the use of the funds on July 25

where approximately a dozen residents, City officials and the Coordinator testified in support of the use of these funds for the South 14th Street project. Subsequent to the hearing DCED submitted its formal request to HUD and in late October HUD announced its approval of the additional funding needed to complete the sinkhole mitigation project. The combination of the FEMA and HUD funds will allow for the acquisition and demolition of all of the properties on South 14th Street that were adversely impacted by the sinkholes. Following their demolition the site will become a greenspace with no further development. DCED and PEMA staff are now working with properties owners on the buyout process.

Parks and Recreation

The Bureau of Parks and Recreation is responsible for the management of recreation programming at the City's active recreation areas, such as the City's two pools, Reservoir Park, and the City Island beach. Park maintenance is completed by park maintenance staff housed in the Bureau of Neighborhood Services. It is important for recreation programming to be closely coordinated with park maintenance. The Bureau of Park Maintenance and the Bureau of Neighborhood Services have a good working relationship and coordinate with each other well but there are opportunities to build upon this relationship. This opportunity is further emphasized by the fact that park maintenance was transferred from the Bureau of Public Works to the Bureau of Parks and Recreation in the 2016 budget.

The adopted 2017 budget also includes funding for eight new positions in the Bureaus of Parks and Recreation and Neighborhood Services who will be dedicated to park maintenance and management. These include six laborers, one secretary, and one park ranger. These positions are intended to enhance park infrastructure and recreation programming quality. Further, they are intended to ensure that skilled laborers in Neighborhood Services can dedicate attention toward other infrastructure maintenance that may require specialized skill sets (e.g., transportation infrastructure maintenance)

City Island is a significant asset for not only the City but also the region. It offers many opportunities that can support the City's economic development plans though without a thoughtful strategy the Island's full potential will not be achieved. The City has undertaken a more comprehensive view of City Island and continues its efforts to try to determine its best use as a regional asset. The City participated in a charrette undertaken by the Urban Land Institute (ULI) that provided both short-term and long-term recommendations. Key recommendations included developing a master plan for the Island and centralizing management for island related activities.

There are also issues related to permits and prior grants the City received under the Federal Land and Water Conservation Program (LWCP) for work on City Island including the stadium area. The Department of Conservation and Natural Resources (DCNR) is the administrator for these grants and close coordination with them is needed to resolve outstanding issues. There remain numerous City Island issues that are yet to be fully addressed including parking issues, DCNR related matters and the Senator's park permit. The Strong Plan modifications address moving forward with the development of a long term plan for the Island that addresses these

issues and enhances the Island's role in the City's recovery. The City anticipates submitting an application to DCNR in 2017 for grant funds to develop a master plan for the Island.

Summer programs were also very successful this year. There was a 20% increase in attendance at the Morrison, Reservoir and Sunshine playgrounds over 2015 and the pools had increased attendance due to the extended hot weather. Playground renovations are also moving forward with the projects ready to bid and the work anticipated to be completed prior to next summer.

Another of the City's park and recreation assets is Reservoir Park which the Mayor has referred to as the "crown jewel" of the City's park system. DCNR recently awarded the City a \$50,000 matching grant to develop a master site plan that will reimagine the large and historic park. The City has retained H. Edward Black and Associates as lead consultant supported by Simone Collins landscape architects and Urban Partners to undertake the study which was initiated with an October 25 public forum to gather input from City residents on the park's future. The study is scheduled to be completed by mid-2017.

Intergovernmental Cooperation

While there are specific instances of cooperation between and among the City, the Commonwealth, Dauphin County, the Harrisburg School District and other neighboring municipalities as discussed below, it remains important for the City to take a proactive role in pursuing intergovernmental cooperation opportunities.

Prior to, and since the City's entrance into the Act 47 program, the City has engaged in collaborative work with a variety of intergovernmental agencies. Examples include the City producing, distributing and collecting real estate taxes on behalf of the School District and performing a similar function for the shared Business Privilege/Mercantile Tax.

The City and Dauphin County collaborate in the provision of various public safety services. The Harrisburg Police Bureau participates in the Dauphin County Special Weapons and Tactics Team (SWAT) and works closely with the Dauphin County District Attorney's Office in criminal investigations. In June 2011, the Dauphin County Communication Center began providing 911 and dispatch operations for the City of Harrisburg, providing a significant savings to the City.

Dauphin County, through its Department of Community and Economic Development, directly assists businesses and municipalities within the County in undertaking economic development projects. The Dauphin County Economic Development Corporation, a non-profit development entity, has partnered with the City in ongoing efforts to retain and grow existing businesses as well as attract new ones through business resource networks and calling programs.

Following a Strong Plan recommendation, the City also became a member of the Capital Region Council of Governments (CRCOG) in 2014. CRCOG is a voluntary association of 40 member boroughs and townships from Cumberland, Dauphin, Perry and York Counties, formed to promote intergovernmental communication and cooperation. It offers a joint purchasing program and an auction for surplus property and equipment. Participation in the COG has resulted in cost

savings for various commodities and services. The COG also provides a forum to discuss common issues in the Harrisburg region and recently sponsored the Firefighters Forum discussed in the Fire Bureau section of the report.

The City is also a member of the Dauphin County Tax Collection Committee which has engaged Keystone Municipal Service to collect the Earned Income Tax for all municipalities and school districts in the County. Beginning in 2016 the City entered into a contract with Keystone Municipal Service for the collection of the Local Services Tax in order to have a more efficient collection operation for its employment based taxes.

The City is currently engaged in active discussions with the School District and Susquehanna Township on a joint yard waste facility project that is discussed further under public works. The City also entered into a new intergovernmental agreement with the Commonwealth for the collection of solid waste from all state facilities in the City and it is partnering with PennDOT on a Transit Oriented Development study of the Transportation Center and surrounding area.

The Act 47 Plan includes a number of initiatives relating to intergovernmental relations and cooperation. In the area of public safety, there are two major opportunities going forward. The first opportunity relates to the recommendations of the regional policing study which was completed in December 2015. The study, funded partially by the Act 47 program, and completed by the Police Executive Research Forum (PERF), identifies multiple opportunities for intergovernmental service sharing and cooperation in the policing area. It is important for the City to pursue those opportunities to determine where costs savings and/or service improvements can be achieved.

The second public safety opportunity relates to the fire service. As staffing in the Bureau of Fire has stabilized, and volunteer firefighter availability in surrounding communities declines, the City may be in a position to offer fire service to its neighbors. The deployment approach, service impact, and financial implications of such opportunities must be fully vetted but they potentially serve as an opportunity to enhance service levels and secure valuable revenue for the City, while potentially enhancing fire service quality in neighboring communities. These opportunities should be aggressively pursued as part of the City's recovery effort.

The City must continue to work closely and cooperatively with the County and Commonwealth agencies on infrastructure and economic development initiatives. PENNDOT has committed to contribute significant resources to the City for infrastructure repair and development that will be critical in fostering the City's economic recovery. The County along with the Harrisburg Regional Chamber and CREDC are important partners in the region's economic development. These efforts, and others, should be aggressively pursued to strengthen the City's recovery and support its sustainable exit from Act 47.

Collective Bargaining

The substantial 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"). Each of the City's three unions voluntarily entered into mid-term negotiations to amend their collective bargaining agreements in connection with the filing of the initial Strong Plan in August 2013. The amendments to the prior collective bargaining agreements for the bargaining units, as well as those initiatives for the non-union City employees, were implemented, and cost reductions resulting from these changes continue to be monitored. Although the formal Amendment documents setting forth the revised contract language were finalized and agreed to by AFSCME and the FOP, an amendment document for the IAFF was never completed. The City prepared a formal Amendment document setting forth the changes in the Tentative Agreement document – which was formally ratified by both the IAFF and the City and provided it to the IAFF for execution – however, the IAFF never responded to this formal Amendment document.

The Coordinator has continued to insure implementation of the negotiated changes and assist as necessary with respect to any issues and grievances that arise relating to those changes or to any of the Plan initiatives. For example, earlier in 2016, the Coordinator assisted the City in successfully defending against the IAFF's class action grievance seeking enhanced benefits for a group of firefighters who entered the Fire Academy in March 2014 but did not graduate and become members of the Fire Bureau until June 2014 – **after** the CBA with the IAFF had been amended and differentiated the levels of benefits offered to current members of the Fire Bureau from those available to future members. The Coordinator is extraordinarily pleased with this outcome, since an adverse result could have spiraled into providing a series of additional expensive benefits for this newer group of firefighters, which would have put further strain on the City's ability to implement a balanced budget in 2016 and in many years to come.

In the Amended Strong Plan that was passed by City Council in April 2016 and approved by the Commonwealth Court on July 20, 2016, the Coordinator established new compensation allocations for the FOP, AFSCME, and IAFF units that are consistent with significant amendments which were made to Act 47, commonly referred to as the Act 133 Amendments of 2012 ("Act 133 Amendments"). As amended, Act 47 now requires the Coordinator to project revenues and expenditures for the current and next three fiscal years, and develop a capped amount for each city bargaining unit to be available for total compensation and benefits for employees in that unit. For that reason, and unlike the predecessor Strong Plan, the Amended Strong Plan separates the costs related to each of the City's collective bargaining units included in the overall cost projections in the Plan so that each bargaining unit can have an active role in collectively bargaining for those compensation items that are most important to the employees in each unit.

Because the CBAs with FOP and AFSCME expired on December 31, 2016, the City started negotiations with the FOP in September, with AFSCME negotiations starting thereafter. The negotiations for the FOP and AFSCME successor agreements are the first time since the City entered into Act 47 that the unions are obligated to negotiate **all** terms with the City and that the City has the right to renegotiate employment terms with the unions. The City has retained the law firm of Elliott Greenleaf to handle its labor negotiations. Members of the Coordinator team have met with

City officials and its new outside labor counsel to discuss negotiation topics in light of the Amended Strong Plan.

Elliott Greenleaf represented the City in its negotiations with the FOP and AFSCME throughout the fourth quarter of 2016. Negotiations with the FOP were proceeding well; however, in mid-December 2016, the FOP voted down the proposed CBA that had been negotiated by its bargaining committee with the City's labor counsel, and an interest arbitration hearing is tentatively scheduled for March 20, 2017. Negotiations are nonetheless ongoing, and the Coordinator will provide a further update when more information becomes available.

While negotiations with AFSCME started more slowly, they are now progressing with a goal of reaching a contract now likely. City representatives and their labor counsel provided the proposed contract to the Coordinator's team for review. A conference call was held by the Coordinator and his labor counsel with the City and its counsel on December 22 to review cost elements of the proposal for consistency with the Amended Strong Plan. The City is now addressing several questions raised on the call and hopes that a contract can be finalized by early January 2017 which is in compliance with the allocations made in the Amended Strong Plan for this unit.

In terms of pending grievances, on January 12, 2016, the FOP filed a grievance against Harrisburg after the police chief would not allow officers to perform off-duty work at the Great American Outdoor Show. A FOP grievance is also pending on an individual employee suspension issue, and there is a pending request for arbitration from the FOP related to a police officer's request to return to work or receive injury-on-duty benefits. An IAFF grievance is also pending regarding the City's failure to implement promotions related to civil service testing and the parties' prior agreement related to same. From the Coordinator's understanding, there is not a significant risk of exposure on any of these pending matters, and the Coordinator will provide further information when it becomes available.

Fire overtime has been a continuing issue for the City since long before the City entered into Act 47, as the expenses were constantly exceeding budget. However, the City has been able to significantly reduce its overtime expense after the IAFF CBA was amended in April 2014, one fire station closed, and new firefighters were appointed in June 2014. Through prudent personnel management, the City's Fire Chief has successfully been able to continue to contain Fire overtime costs. For example, for the first quarter of 2014, total overtime (inclusive of premium pay) was \$727,432 or 64% of salary, while for the balance of 2014 total overtime was \$1,100,943 or 32.5% of salary, half of what it had been averaging before the CBA amendment. For the full 2014 year, overtime was 40.5% of salary and 91% of the \$2,000,000 budget for overtime. Positive trends have continued in 2015 and to date in 2016. The City has been able to contain overtime and went only 1% over its \$1,015,000 annual budget for overtime and premium pay – which budget is nearly half of what the budget was in 2014. For 2016, expenditures for overtime combined with premium pay total \$1,024,953.68, or 24.7% of regular salary. This expense is at 101.0% of budget for these items. Needless to say, this pattern of reduced overtime since 2014 has had a positive impact on City finances and is anticipated to continue into 2017.

Asset Monetization Matters

This section of the report provides an updated summary of progress made with respect to:

- Long-term capital lease of Harrisburg’s parking assets from the City and the Harrisburg Parking Authority (HPA) to the Pennsylvania Economic Development Financing Authority (PEDFA),
- The sale of the incinerator from The Harrisburg Authority, now Capital Region Water (CRW) to the Lancaster County Solid Waste Management Authority (LCSWMA),
- Activities related to the “Verizon Bonds”,
- Activities related to the transfer of the water and sewer operation from the City to CRW.

After consummation of the Strong Plan in December 2013, the City no longer is a guarantor of debt service payable on either the Resource Recovery Facility or parking system. Debt service on these assets is now payable by the Lancaster County Solid Waste Management Authority and the Pennsylvania Economic Development Financing Authority (PEDFA) respectively. The Strong Plan focused not merely on a restructuring of City liabilities, but the elimination of the vast majority of the City’s debt and other obligations (see chart attached). The exceptions were the City’s General Obligation Bonds and to a more limited extent, the so-called “Verizon Bonds.” The former were restructured as part of the Strong Plan’s consummation. As to the latter, it is anticipated that over half of the debt service will be paid for by lease payments made by the Commonwealth and expense reductions achieved by management. The remaining obligation of the City was restructured as part of the Settlement Agreement on the Verizon bonds in January 2015.

Harrisburg Parking

The parking monetization was the cornerstone of the City’s recovery plan. The choice faced by the Office of the Receiver was whether to sell the system to a private equity firm or hedge fund, or put in place a monetization structure that maintained ownership of the assets for Harrisburg, and aligned the incentives of the parties, so that the better the system performed, the more the City would benefit. The latter approach was chosen and therefore it is to the City’s benefit that it do everything in its power to improve revenues and support the parking system.

The proceeds of the parking monetization that were received in December 2013 were allocated to the “Acquisition Price” used by the HPA and City as follows:

1. Repay balance of negotiated settlement with Resource Recovery Facility creditors (\$128 million).
2. Pay debt service on GO Bonds for first time since 9/15/11 (\$6 million).
3. Repay all of the Harrisburg Parking Authority’s debt (\$99.8 million).
4. Pay \$36 million to the City of Harrisburg to be used to:
 - a. Reduce payables,
 - b. Create an OPEB Irrevocable Trust and fund an initial deposit,
 - c. Fund deposit to Impact Harrisburg,
 - d. Fund a budgetary reserve to get through first three months of each year,
 - e. Repay Pennsylvania Investment Bank, and
 - f. Repay agreed upon amounts to equipment lender.

Subsequent to Plan consummation, the parking assets are under the auspices of the PEDFA who engaged Capital Region Economic Development Corporation (CREDC) as their agent to oversee the operation and management of the parking operation. PK Harris/Trimont Real Estate Advisors is responsible for managing the parking assets and Standard Parking Corporation/SP+ is managing day to day operations. PEDFA contracted with CDM Smith in the fall of 2015 to review certain financial elements of the Park Harrisburg System, given the failure to satisfy the 125% rate covenant under the bond indenture. PEDFA in consultation with the bond guarantors determined that a review of the operational issues to provide recommendations aimed at improving the system's operations and financial performance would be undertaken. CDM Smith issued its report at PEDFA's October 21, 2015 meeting. Key comments and recommendations were:

SP+

- *It is the opinion of CDM Smith that a much smoother handover from HPA to SP+ could have taken place, including temporarily hiring former HPA employees. Hence, we believe that SP+ management should have better planned for the transition from HPA to their firm. This transition also should have included more support from SP+ managers outside Harrisburg.*
- *It would have been difficult to completely mobilize because the transfer date was uncertain. Devoting resources in a standby capacity during the holiday season would have been difficult.*
- *Further complicating the transition period from HPA to SP+ was the company's recent merger between Standard Parking and Central Parking becoming SP+.*
- *PK Harris also expressed concern with the on street parking enforcement equipment's inability to allow a 5 minute grace period on parking meter violations. According to SP+, it is a technology issue, and the vendor had not provided a solution. A 5 minute grace period would engender some goodwill with downtown Harrisburg parkers. (The grace period was subsequently implemented)*

Results of Operation - Parking System Revenues and Expenses

- The 2016 Operating and Capital Budgets were acknowledged by PEDFA at its December 21, 2015 meeting. Rate increases were generally held to rates stipulated in the project documents or existing rates except for Transient Rates which were increased slightly to meet the Rate Covenant (1.25% coverage on Series A, B and C bond debt payments for 2016).
- Through November 2016 system parking revenues are on budget. Commonwealth and Monthly Contract Parker revenues are running slightly above budget while (4% and 3% respectively). Transient revenue is lower than budget by -1% but offset by favorable results from Meter revenue +9% and Fine/Penalties +2%.
- Operating Expenses are slightly over budget (3%) due to higher legal expenses and utility expenses. Legal expenses are being incurred as a result of enforcement of zoning ordinances and to address an issue related to the Indenture flow of funds.

City Parking Revenues

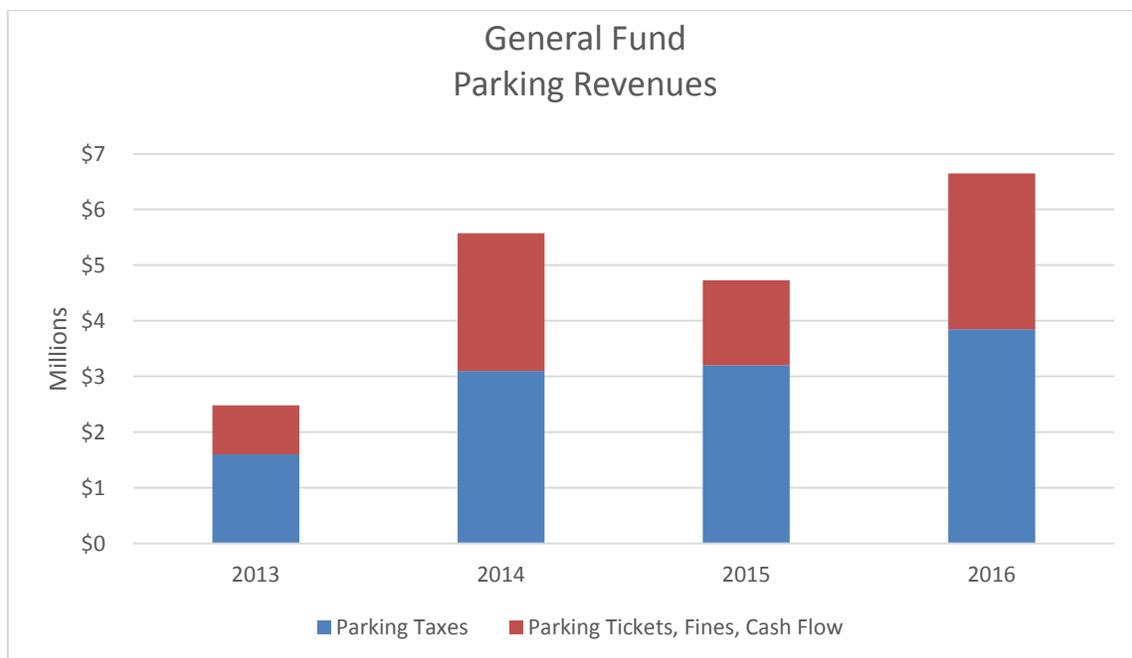
Tables I and II below reflect the significant positive impact the parking transaction has had on revenues of the City derived from parking related fees and charges. In 2012 and 2013, parking tax receipts that the City collected and retained in its general fund were approximately \$1.5 million and

\$1.6 million respectively. Parking tax revenues have consistently risen year over year and are expected to do so again this year. The 2016 budget for Parking Taxes is \$3.8 million and through November the City had received \$3,221,442 or 85% of budget. As noted the City is on track to exceed its budget amount for 2016 and revenues under the waterfall are expected to meet the scheduled amounts contained in the Asset Transfer Agreement. The 2014 payments include what has been identified as an overpayment by SP+, otherwise this amount would be significantly lower. It is anticipated that the new parking construct will generate in excess of \$4 million more in 2016 than the old construct generated in 2013.

City of Harrisburg		Table I		
Parking Revenues				
Acct#	Account Description	2014	2015	2016*
327000	MBP PARKING TAXES CURRENT	\$ 3,100,722	\$ 3,289,446	\$ 3,221,442
327001	MBP PARKING FEE	16,721	11,573	13,724
327002	PARKING LICENSE FEE-PRIOR	3,266	2,131	710
327003	PARKING LICENSE FEE-PENAL	3,477	2,007	1,488
342015	TOWING FEES	28,360	21,665	20,695
342050	METER BAG RENTAL	62,834	21,504	24,096
342092	FINE AND COSTS	72,570	49,535	30,330
342099	BOOTING FEES	14,595	8,850	3,300
346020	PARK TICKETS-VIO FINE	1,887,962	1,100,593	403,271
397002	PRIORITY PARKING DISTR.	587,286	527,900	1,572,181
355001	HPA RENTAL INCOME	20,800	0	1,000,922
397000	HBG PRK AUTH COORD PKG	0	0	0
	Total Parking Revenue	5,798,592	5,035,205	6,271,485

*Through November 2016

Table 2



*2016 Estimated to year-end

City Payments

- Payments received by the City through the December 1 distribution from waterfall payments are significantly more than received in 2014 and 2015. The City has been paid \$1,717,787 (180% of the City's budget amount) under the waterfall and \$1,093,623 (94% of the City's budget amount) for the ground lease.

Other Subordinate Payments

- For other expenses paid at the Subordinate Expense level of the Trustee waterfall, there have been no Performance Fee deposits or payments made to the Asset Manager or Parking Operator in 2016 and no PEDFA fee deposits payments made in 2016. Approximately \$334,000 is being held separately pending disposition of ongoing negotiations between the credit enhancers of the parking revenue bonds and the City.

Overpayment by SP+

- After a painstaking review and accounting, it was determined that SP+ overpaid to the Trustee an amount equal to approximately \$800,000, during the start-up of the new parking operation (the "2014 Overpayment"). The overpayment was allocated and paid based on the waterfall distribution. It is intended to be repaid to SP+, and is subject to the ongoing discussions related the resolution of the accrual issue. The City's portion is approximately \$500,000.

Accruals

- The trustee has provided an opinion on language in the trust indenture related to the waterfall payments and stated that the language related to accruals is ambiguous. In light of this opinion PK Harris has made the City's payments for 2016 consistent with the schedules in the Asset Transfer Agreement until such time as all parties agree to any changes. A meeting was held in July with all parties to discuss a resolution of this matter. The meeting resulted in positive discussions though no agreement was reached. The Asset Manager engaged CDM Smith to update the capital study in order to factor in capital requirements for the system as part of a term sheet. Subsequent to the completion of the updated capital study, AGM and Dauphin County in their role as creditors prepared a proposed term sheet for discussion. Several positive meetings were held during the fourth quarter between the creditors and the City and have resulted in requests for additional information. Discussions have been constructive and a further meeting is scheduled for January.

2017 Operating and Capital Budgets

- Initial drafts of the 2017 Operating and Capital budgets were prepared by the Asset Manager as required under the Indenture and distributed to all parties. The budgets are also part of the ongoing discussions related to the Accrual issue and Term sheet. The 2017 budgets are in place; however they could be amended to reflect any agreed to terms that develop from the ongoing discussions and which are then presented to PEDFA and the trustee for potential amendment of the indenture. Effective January 1, 2017 rate

increases for the garages and transient parking went into effect though there is no increase in on street meter rates or parking violations.

Capital & Operational Improvements

Many enhancements to the system have occurred and continue to occur since the monetization. Over \$9 million in capital investment was set aside for improvements to on-street and off-street parking facilities and technology. The capital budget for 2016 was \$2.7 million.

- Capital Improvement projects completed during the year included repair of concrete, major caulking repairs at four garages and other minor repairs.
- An energy saving contract was entered into that has saved \$33,000 to date and is projected to provide savings of approximately \$120K in electricity costs annually.
- Lighting improvements at four garages were also completed that will save \$100K in utility expenses per year and increase visibility and enhance safety. Various other safety improvement measures were also undertaken during the year.
- A new 10 year capital study was completed by CDM Smith and will be utilized to generate a 10 year cash flow projection and identify and prioritize capital improvements to the system in coming years.

Parking Meter Enforcement

- The Coordinator and Trimont/SP+ worked cooperatively with the County Court system and Administrative Office of the Pennsylvania Courts to coordinate efforts to improve the delinquent collection process.
- As a result, the booting program was launched in April and initiated on parkers with 3 or more citations. Following publication of the program, booting of parkers with 3 or more warrants began in September. It is anticipated that additional revenue will be generated as a result of this program, with the hope that people will pay their parking tickets on a timely basis.

Incentive Programs

- Following the implementation of several successful incentive programs in 2015, a 15 minute free parking program was initiated earlier in 2016 for several parking areas in the Central Business District previously marked as loading zones. To date, parking revenue from meters located surrounding the free parking spaces has not been less than budgeted. Expansion of the program to convert additional loading zones areas in the CBD to 15 minute free parking spaces is being considered for 2017.
- With the new garage technology now in place, additional parking programs and improvements should become available to workers, merchants and residents thus providing additional benefits to system users. This technology will also allow for further analysis of parking patterns, thus allowing additional enhancements to occur.

Parking Advisory Committee

A Parking Advisory committee chaired by PK Harris/Trimont Real Estate Advisors, the Asset Manager, and comprised of representatives from CREDC (as PEDFA's representative); SP +, the Operator; HPA; the Mayor; City Council; Department of General Services (DGS); AGM; and the County was

established under provisions of the Asset Transfer Agreement and continues to meet periodically to keep stakeholders informed on the system's operation. Although it has no decision-making authority, the Advisory Committee serves as a forum for communication and interaction among the parties with interests in the operation of the Parking System and as a vehicle for customer and public input with respect to the operation of the system. The Committee's last meeting was held on December 12 with all members in attendance. The Committee heard comments from several community residents on issues related to the need to have improved technology and a more customer friendly system.

Resource Recovery Facility

Results for 2014 - 2016

The Lancaster County Solid Waste Management Authority (LCSWMA) has been operating the resource recovery facility since December 2013. Tonnage from the City, delivered to the Susquehanna Resource Management Complex (SRMC) exceeded the City's minimum required 35,000 tons in 2014, again in 2015 and is on track to do so again for 2016. For 2015 the City disposed of 36,636 tons (105%) of the put or pay minimum. Thru the end of November 2016 the City had disposed of 32,990 tons (94%) of the put or pay requirement. At the same time, recycling has increased dramatically. The more the City recycles, the less the City has to pay from sanitation fees collected for disposal. The City also received an annual Host Fee from SRMC of \$299,277 for 2015, slightly exceeding the estimated \$285,000 per year. Through November the City has received \$234,617 in host fees for 2016. Tipping fees, which were reduced in 2014, were not increased for 2016 and will remain the same for 2017.

The "Verizon Bond Problem"

The "Verizon Bond Problem" that involved the issuance of long term, capital appreciation bonds in 1998 to fill a budget gap at that time has been addressed. It was addressed through the combination of a lease with the Department of General Services and the renegotiation of a settlement agreement with AGM and has been discussed thoroughly in prior reports.

The benefits to the City of the arrangement that was consummated on January 30, 2015 include:

- The Commonwealth as a Single tenant, with high credit rating and high likelihood of staying in Harrisburg entered into a 17 year lease, the entire repayment term of the Verizon Bonds.
- HDC concessions and DGS willingness to make installment purchase payments provide significant reduction in City's ultimate obligations (Expected to be in excess of a \$20 million reduction).
- HDC is provided incentives to increase the subsidy of City debt service coming from lease payments.
- Remaining debt service is affordable, allows for incremental capital borrowing over time and maintains the City's debt service ratio within financial industry accepted limits.
- Property remains on tax rolls generating approximately \$4.4 million per year.
- Over \$16 million in capital improvements to the 3 buildings in the Strawberry Square complex.
- Significant energy saving improvements to reduce the cost to Commonwealth and increase amounts available to City.

- Approximately 800 people moving into central business district will increase Local Service Tax to City by approximately \$120,000 per year and provide increased economic activity.
- Additional vehicles parked in system will increase parking tax revenues by approximately \$325,000 per year and total parking revenues by approximately \$1.650 million annually at the 2016 rate of \$180/space/month.

Current Status of Commonwealth (formerly Verizon) Tower Project

The Commonwealth renamed the Tower the Commonwealth Tower and by mid 2016 DGS had completed the build out and all Human Services employees had been transferred to the Tower. All told approximately 780 new Commonwealth employees now work in the Commonwealth Tower. By all accounts the project is one of the biggest improvement projects that has been undertaken in downtown Harrisburg and has spawned considerable additional activity in the Strawberry Square complex. This project will result in considerable savings to both the City and the Commonwealth (the former in regard to reduced total debt service obligations and the latter in regard to reduced energy costs under its lease).

Harristown Development Activities

In December, after much work, the Certificate of Participation Bonds, (debt on the Commonwealth leases for the Strawberry Square Tower and 333 Market Street Tower) were refinanced as part of the agreement with the Commonwealth under the Modernization and Cooperation Agreement executed in January 2015. As part of the agreement the Maintenance reserve fund for the Towers was "refilled" to its agreed upon ceiling at \$2 million--the fund had been depleted by the energy projects thus \$1.2 million of the excess bond proceeds were transferred into this fund per the agreement. The Commonwealth also will be using their portion of the excess proceeds to skip a debt payment under future bond payments. As mutually agreed, DGS and HDC are planning on replacing the 333 Market Street escalator in the spring of 2017. This project is currently out for bid with an estimated cost of \$450K.

Harristown Development Corporation (HDC) continues to actively pursue additional development opportunities in Strawberry Square (SS) and the surrounding neighborhood. Strawberry Square itself continues to be a great redevelopment story based in large part on the 17 year Commonwealth lease for the Commonwealth Tower. Over the summer HDC announced the relocation of the Rite Aid store from across Market Street to the Square. Work on the retrofit of 14,000 square feet in SS began the end of September and has proceeded rapidly with an expected opening by early February, 2017. Several new establishments opened over the summer including a child care center and a Hallmark store. An apparel retailer, Amma Jo has expanded and Capital Area School for Arts leased an additional 2,000 square feet for their charter arts school. In addition, Fresa Bistro, a new 50 seat sit-down restaurant in SS will open in January. Discussions are also underway with several additional restaurant and commercial office prospects which will further build on SS's success.

Residential development has also occurred with HDC completing renovations that created 22 upscale apartments known as The Flats at Strawberry Square. They opened for lease in August 2016 and as of late December only 1 unit remained available. Two additional residential projects -- F@TT (Fifteen at 22 S. Third) and SoMa on Third -- opened with a ribbon cutting on November 15 and provide an additional 29 new upscale apartment units for lease. Already 21 have been leased with a number

more pending. Also, Jump Street Arts Development group leased and moved into an entire 5,000 square foot row building in the middle of the SoMa project on September 23rd.

HDC recently completed a new residential market study with a national consultant Real Property Research Group. The study concluded that a market exists for about 300 new residential units in downtown Harrisburg over the next few years—a very encouraging sign for the City's future. All told the positive resolution of the Verizon Tower matter has had a very significant impact on economic development in downtown Harrisburg.

Strawberry Square Energy Efficiency Upgrade

The Energy Upgrade was a separate Project thru DGS and HDC that was coordinated with the build out in PHASE 1 and PHASE 2 and is now complete. HDC entered into the performance agreement phase of the contract where the guarantee of saving by Siemens should be sufficient to pay the debt service on the loans. Siemens as part of their performance agreement maintains a very tight oversight of the building's operation during the ten year period. One very positive outcomes that has surfaced relates to the ability of the engineers to now have real data to test the assumptions used in creating the savings forecast, as one might expect, the savings forecasts were conservative, the real data now being seen predicts an even higher potential for savings. Comparative data for 2016 to date reflects an overall energy cost savings of 33% over 2015.

Senator's Stadium Bonds

The park permit/lease with the Harrisburg Senators for the City Island stadium remains an issue as the City has had to make up the difference in debt service from what the permit revenue provides. This had amounted to between \$180,000 and \$200,000 annually between 2012 and 2013 and appears to be a growing obligation. The goal of the Receiver and now Coordinator was for the City to enter into a new permit/lease that insured adequate revenues paid from operations of the Stadium to fulfill the debt service obligations on the stadium bonds without further burdening City taxpayers. The City and Coordinator met on several occasions to discuss options and staffing for reaching out to the parties involved. The City has now assumed responsibility for the "Senators' Stadium" financing matter though the Coordinator's team continues to be available to assist should the City desire.

Unfortunately, in 2015 the owners of the team held back certain payments to the City in order to fund capital improvements to the stadium, thereby increasing the amount of debt service the City was required to pay under the Guaranty of the bonds. In October 2015, the City had to transfer an additional \$85,000 (beyond a May payment of \$163,061) to meet the debt service requirement and paid a total of \$248,061 on these bonds for 2015. In May 2016, the City made a payment of \$241,362 on these bonds and in October paid an additional \$91,272 for a total 2016 payment of \$332,634. The increase in debt service being paid by the City versus the Strong Plan projections heightens the reasons for making best efforts to use all resources and capacity available to reduce or eliminate this obligation. A resolution of the Stadium Bonds in a manner where they become self-supporting would have saved the City more than \$330,000 in debt service. The 2017 budget will again have to support this additional debt service unless a resolution is found.

The Mayor has met with the Senators new owner, a local businessman, and is pursuing additional uses for the stadium that would generate additional revenue for the City. Earlier in 2016 an agreement was effectuated whereby the City Islanders soccer team would play ten games in the stadium. This was a successful additional use for the stadium with the final game at FNB field on August 30. Uses of the stadium for other events are also being discussed by the City with the new owner. The addition of the City Islanders to the schedule and other initiatives that would increase cash flow to support the Stadium's expenses would inure to the benefit of the City and are recognized by the Coordinator as positive steps by the City.

The Coordinator has recommended in the adopted Plan modifications that so long as the City is making payments under its guaranty of these bonds; all advances made are memorialized in a manner that enables the City to maximize its ability to be reimbursed by the team ownership out of excess revenues, if and when they become available.

Finally, settlement proceeds from the *In Re Derivatives* class action law suit have been paid to the Harrisburg Redevelopment Authority and should be used to defray some of the debt service expenses of this bond issue. A second payment of like amount is expected sometime during the first half of 2017.

Water Sewer and Storm Water Operation - Transfer of Assets

When the Receiver's Team looked at the City's assets and assessed options, three different strategies for three different assets were pursued. The incinerator was sold, the parking system was "monetized", and water and sewer (wastewater and stormwater) operations were transferred to The Harrisburg Authority, now Capital Region Water ("CRW"), which was converted into an operating authority (from a financing authority). Under this structure, water and sewer revenues would be insulated and separated from the City's general fund; and the infrastructure would be improved through expert and focused management and by eventually reinstating an investment grade credit rating.

The transfer, effectuated in late 2013, consolidated the ownership, administrative, operational and financial responsibilities for the drinking water, wastewater and stormwater operations to CRW. All City employees from the Bureaus of Water, Sewerage, and Operations & Revenue became employees of CRW. This transfer and consolidation was supported by the suburban communities served by the water systems, regulators, and has been well-received by the citizens of Harrisburg. The organization is managed by a five-member City-appointed Board of Directors with an administration comprised of a Chief Executive Officer, Chief Financial Officer, and Directors of Engineering, Operations and Administration. It has grown from approximately 80 staff to over 115 since late 2013, vastly improving the quality of service being provided to the City's water and sewer customers.

Effluent Water Reuse (CRW and LCSWMA agreement)

As part of the sale of the incinerator from The Harrisburg Authority to the Lancaster County Solid Waste Management Authority (LCSWMA), the two parties entered into an Effluent Water Reuse System (EWRS) Agreement wherein LCSWMA would replace potable water with effluent water from (now) CRW's Advanced Wastewater Treatment Facility for use in the incinerator's cooling processes.

CRW received the benefit of receiving funds from LCSWMA to repay PENNVEST for the construction loan taken out to complete the EWRS (approximately \$1-million). LCSWMA received the benefit of a reduced cost of water (the effluent rate was established as \$2.00 per 1,000 gallons compared to the potable water rate in excess of \$7.00 per 1,000 gallons). While revenue to CRW's wastewater system would be enhanced through the receipt of approximately \$125,000 per year in non-rate revenue, CRW's water system would lose rate revenue on the order of \$500,000 annually. This arrangement was one of the many items necessary to reach the necessary purchase price negotiated by the Office of the Receiver.

In November 2015, LCSWMA approached CRW with a proposal to abandon the EWRS and to drill onsite wells to meet all of their non-potable water demands. LCSWMA offered to pay CRW the EWRS rate for all water pumped from the wells. Because there would be no expense to CRW's wastewater customers, there would be no reason to offset with non-potable rate revenues. CRW would instead deposit non-potable water revenues into the water revenue fund to help to offset the loss due to the difference in retail and contracted rate. Because LCSWMA's non-potable demand is much greater than just the cooling usage originally contemplated, this proposal would result in zero revenue to CRW's wastewater system and a loss of rate revenue to CRW's water system of \$1.17-million (or almost 6% of the total water rate revenue).

LCSWMA and CRW successfully negotiated, and their Boards approved, the terms of an Amendment to the Effluent Reuse System Agreement needed to allow LCSWMA to obtain water for non-potable uses in the most cost efficient manner (which will indirectly have a positive impact on CRW's customers through lower solid waste disposal rates) while reducing the negative impact to CRW's water customers. Under the terms of this agreement, LCSWMA will pay CRW \$4.70 per 1,000 gallons of water consumed for non-potable uses beginning January 1, 2017. This agreement reduces the loss of rate revenue to CRW's water system by \$695,000.

Strategic Planning

Capital Region Water's Strategic Plan will be presented at its October 26, 2016 Board meeting. The Plan preparation effort involved staff from all levels of the organization, the Board of Directors, and external stakeholders.

The Strategic Plan identifies the following guiding principles that will lead the organization's decision making process in the coming years:

Vision: To be a leading, innovative and efficient water utility focused on serving our community.

Values: Capital Region Water has a shared commitment to sustainability and to doing the right thing for public health and the environment, customers and coworkers.

Mission: Capital Region Water is a dedicated team of professionals devoted to customer satisfaction and stewardship of our community's water systems from raindrop to river.

Goal teams created measurable objectives and strategies for each of the following Goals and will lead the implementation of the Plan.

Goals: (1) Efficient Use of Resources, (2) Public Health & the Environment, (3) Customers & Stakeholders, (4) Workforce, and (5) Infrastructure Stability.

Wastewater and Stormwater Compliance – Partial Consent Decree

The US Department of Justice and the US Environmental Protection Agency (“EPA”), along with the Pennsylvania Department of Environmental Protection (“DEP”) viewed the transfer favorably due to the capacity and expertise at CRW that would ensure the system's compliance with the Clean Water Act and Chesapeake Bay requirements.

Due to the authority's ability to access capital and work closely with the regulatory agencies, the conversion of CRW into an operating authority resulted in millions of dollars in savings to the City and rate payers through fine and penalty avoidance and lower cost of debt associated with environmental compliance orders including improvements to the Advanced Wastewater Treatment Facility (“AWTF”) and significant wet weather pollution initiatives.

The City faced millions of dollars in fines and penalties from the Department of Justice (representing the EPA) and from DEP, due to failure to treat sewage properly and comply with applicable effluent treatment and combined sewer overflow standards. With the support of the Commonwealth, Capital Region Water secured a \$24 million low interest loan from PENNVEST for construction of the AWTF upgrades. With this low interest loan commitment, CRW was able to arrange for a private placement for the balance of the AWTF project. As of December 2016 the project was complete (pending final documentation) and is projected to come in under budget.

CRW has complied with all milestones of the Partial Consent Decree entered into by CRW, the City, the State Department of Environmental Protection, the US Environmental Protection Agency, and the US Department of Justice. The potential fines and penalties that would have been imposed on the City appear to have been avoided.

City Beautiful H₂O

“City Beautiful H₂O” is a community based campaign to improve the health of local waterways and green the City while meeting stormwater and combined sewer system compliance issues. This campaign includes a Green Stormwater Infrastructure plan for CRW's stormwater service area, a partnership with Lower Paxton and Susquehanna Townships to complete a watershed-wide compliance strategy to meet Paxton Creek water quality standards, and a robust community education and engagement process. These plans will be incorporated into the City's Comprehensive Plan and CRW's Wet Weather Planning for regulatory compliance and will result in significant investment into the community while attempting to minimize the financial impact to rate payers.

The Green Stormwater Infrastructure Plan was presented to the CRW Board of Directors on December 21 and will be finalized at the January 2017 Board meeting. CRW held three “Community

Greening Parties” throughout the City over the last year to provide education and receive resident feedback on the plan’s development. The project team is now taking the feedback received and preparing several conceptual designs including creating a “green block” between the Camp Curtain YMCA and Camp Curtain Memorial-Mitchell United Methodist Church on North 6th Street. CRW and its consultants are also working with the City’s Parks and Recreation Department on the development of a master plan for the City’s Reservoir Park and the incorporation of green elements into five city parks, three of which will receive pervious basketball courts.

Harrisburg’s municipal separate storm sewer system (MS4) is permitted by the Pennsylvania Department of Environmental Protection. The system is operated under a permit issued to the City of Harrisburg. This permit could not be transferred to CRW as part of the transition in 2013 because the permit had expired. CRW submitted an application for a permit in October 2014 and has provided all information requested by DEP, but a permit has yet to be issued. CRW continues to operate the system under the City’s permit through a cooperative agreement.

Close coordination and cooperation with the City is imperative to being able to meet the requirements of the MS4 permit and our NPDES permit for Combined Sewer Overflows. CRW and its consultants continue to coordinate and facilitate multiple meetings with representatives from the City’s Codes, Engineering, Planning, Parks and Recreation, and Fire Departments to discuss the best way to jointly meet the requirements of the permits and City Ordinances. CRW is currently drafting Consolidated Rules and Regulations for its Drinking Water, Wastewater, and Stormwater systems, and will be providing requests/recommendations to the City for modification to City ordinances to ensure consistency between the two.

Drinking Water Compliance

In April 2016, the Department of Environmental Protection (DEP) issued results of their January 2016 Filter Plant Performance Evaluation (FPPE) of the Dr. Robert E. Young Water Services Center Water Treatment Plant. In 2012-13, the last time the evaluation was completed, DEP issued a performance rating of “Needs Improvement”. This year, noting that “...many improvements have been made at this facility...”, and that “...significant progress...” has been made, DEP issued an upgraded performance rating of “Satisfactory”.

Following an aggressive leak detection and repair program from January through May 2016, improvements were made that have reduced leaks in the distribution system. The finished water production decreased from a 10-year average of 8.5 MGD to 7.0 MGD. Additional reduction in non-revenue water is anticipated as CRW takes additional steps on several fronts – from meter accuracy and billing system optimization to additional leak detection and repair work.

In April 2016, CRW’s Board unanimously approved an agreement to conserve its 8,200 acre DeHart Property in Dauphin County by easement in partnership with the Ward Burton Wildlife Foundation, Nature Conservancy, and Fort Indiantown Gap. The agreement will result in up to \$9 million in one-time revenue and the potential for ongoing revenue through the sale of timber and pulpwood and carbon credits. CRW also engaged a forestry consultant to advise on timbering operations and prepare a Forest Stewardship Plan which was approved at the Board’s September 2016 meeting.

The easement purchase will be phased based on funding availability. During each funding round, a portion of the property will be eased and the purchase price (\$1,125/acre) will be paid to CRW. Revenues received will go to the direct benefit of the drinking water system. The intent of all partners is to enroll the entire DeHart Property under a Conservation Easement with The Nature Conservancy by September 30, 2019. In the first round of funding that ended September 30, 2016, CRW received \$4,407,300, representing payment for 3,917.6 acres (19 of 30 total parcels).

Project Funding

CRW has been successful in preventing large costs of borrowing by developing successful financial strategies. CRW has completed five successful borrowings since 2013 and is working on an additional borrowing in early 2017.

Due to many factors, including purchase of the water system from the City, water system debt service grew to 60% of operating expenses. In 2014, certain short term finance deals were scheduled to begin collecting accelerated principal and interest payments. Because of the transition, CRW was able to refund these amounts resulting in a present worth savings of over \$2-million. In early 2016, with two years of financial records and operating history, CRW was able to restore its credit rating and refinance over \$52 million in bonds. Until this year, CRW had not been able to access the financial bond markets due to withdrawal of the bond ratings of the City and then of The Harrisburg Authority in 2011. With the restoration of a rating on March 25, 2016 (A+ from Standard and Poor's with respect to the water bonds), CRW successfully marketed refinancing bonds in early April 2016 resulting in a present worth savings of approximately \$9 million.

The rating agency report had several notable remarks including:

"Based on our Operational Management Assessment (OMA), we view Capital Region Water to be a '3' on a scale of 1-6, with '1' being the strongest. This indicates, in our view, that operational and organizational goals are generally well-aligned, even if some challenges exist. The OMA of "good" includes a secure long-term water supply by way of a CRW-owned-and-operated dam and reservoir on the Susquehanna River that, combined with existing treatment facilities, provides the system with more than twice its peak day demand requirements.

"The water system's financial risk profile is an area of strength, with only minimal qualifications. The current management team has been very aggressive in ensuring that asset management and preventive maintenance are the focus of the capital improvement program. Therefore, the current five-year capital improvement plan (CIP) through 2020 has identified about \$23.7 million in capital commitments, a number that has been verified by an external consulting engineer that provides annual updates to the general system condition and the financial forecast."

CRW will be seeking to reestablish its credit rating with respect to sewer bonds in early 2017 to allow for new borrowing to support the \$30+ million per year Capital Improvement Plan and to refinance the non-PENNVEST funding of the AWTF. Meetings with underwriters are underway.

On June 8, 2016, CRW submitted two applications to Impact Harrisburg to offset capital expenses. A "Contingency Application" was submitted requesting \$500,000 to offset an estimated \$1.5-million cost of emergency repair and rehabilitation of the sewer system in the vicinity of Arsenal Boulevard. This project was not included in either the 2016 budget or the Capital Improvement Plan due to the lack of condition information. The condition became apparent when raw sewage was observed in an unnamed tributary to Asylum Run. Impact Harrisburg did not award funding for this project.

The second application stems from the Impact Harrisburg Board's desire for collaborative projects between the City and CRW. After learning of the City's plans for street restoration in areas with underground infrastructure ("Multimodal Transportation Projects") and the importance for their receiving funding for that work, CRW laid aside plans to apply for funding to offset project costs included in the 5-year Capital Improvement Plan, and submitted an application requesting funding for water and sewer infrastructure in alignment with the City's Multimodal Transportation Projects.

CRW was notified on July 22, 2016 that Impact Harrisburg voted to provide \$2,743,645.25 to Capital Region Water for CRW's work associated with the City of Harrisburg's Multimodal (COH-MC) Project. The funding will offset up to \$8 million in CRW costs for condition assessments, design, bidding, and construction of rehabilitation of drinking water, wastewater and stormwater infrastructure. The project also includes the incorporation of Green Stormwater Infrastructure as practical in accordance with CRW's City Beautiful H2O wet weather and community greening plan. CRW is working to complete work in coordination with the City. Representatives of both bodies met with the IH Board on August 16, to discuss their plans and address concerns of the Board. The City's projects include: 3rd Street Resurfacing Project, 2nd, 7th and Division St Project, Berryhill Pedestrian Improvements Project, and North 17th Street Reconstruction.

CRW is currently coordinating with the City on the 3rd St project and will soon be meeting with the City's design engineers to discuss stormwater drainage. CRW performed leak detection of the drinking water system with in-house staff and will utilize Disadvantaged Business Enterprise firms to provide wastewater and stormwater system inspection and reporting services. The scope of replacement and rehabilitation will be dependent upon inspection results. CRW is also coordinating stormwater management with traffic calming elements of the road work to incorporate Green Stormwater Infrastructure. CRW will take a similar coordination approach for other multi-modal projects.

Relationship with City

In 2013, the City and CRW entered into a Shared Services Agreement to facilitate the transition of service from the City to CRW and to provide for the effective coordination of services between the parties. The Coordinator continues to encourage the City and CRW to work cooperatively on a number of fronts pursuant to the Shared Services Agreement; however areas for mutual service cooperation may disappear entirely unless current disputes are resolved and additional service agreements are negotiated.

By the second half of 2015, CRW had implemented its new billing system for water and sewer and separated from the City's utility billing system ending several of the shared services. The

amount paid to the City under the Shared Services Agreement has diminished significantly as a result. Adding further to the reduction in City revenue under the Shared Services Agreement, CRW provided notice to the City in June 2016 that after December 31, 2016, it would no longer pay 70% of the City's street cleaning expenses as a shared service due to the inability of the City to provide the standard of service necessary for CRW to meet its regulatory requirements. CRW will be publicly bidding for the service and has invited and encouraged the City to provide a bid in accordance with the bidding documents if they wish to continue to provide this service.

CRW has indicated that it does not anticipate making any payments to the City in 2016 for shared services due to offsets due them, the amounts of which was confirmed by the City at the end of the third quarter. It was CRW's hope that all outstanding financial issues would be resolved by year end; however, the City recently reversed its position about the amounts involved. CRW is currently reviewing new information the City provided in late December.

One project that CRW is providing service to the City for is related to sanitary sewer overflows at the Harrisburg Transportation Center (HTC). The HTC has experienced sanitary sewer overflows into its lower areas for quite some time, but until now, nothing had been done to remedy the situation. To date, CRW has completed significant onsite inspection and investigation into possible factors contributing to the problem. In-house and hired contractors were used to complete pipe and manhole inspections and determine connectivity of pipes and drains/downspouts. Consultants mapped and modeled the system to trouble shoot the problem. Initial results point to several compounding and separate factors with no cheap or easy system-based remedy likely. CRW met with PennDOT in December to review these findings and discuss alternatives.

Since 2013, CRW has been completing a comprehensive mapping and condition assessment of its underground infrastructure. Consultants and in-house staff are compiling both observed and historically documented data into a Geographic Information System and Asset Management System that will allow for a prioritization of capital repairs and improvements and identify weaknesses in the system for repair prior to failure. CRW intends to include the City's capital improvement plan and economic development schedules in its renewal and replacement plan schedule preparation.

Cooperation between the City and CRW has improved through the regular meetings discussed above and through improved communication of issues between parties. A large part of this improvement is the result of revised channels of communication that allow better management of tasks. There are numerous areas where CRW and the City can collaborate for the benefit of all including comprehensive and green infrastructure planning (including parks and playgrounds), coordination of roadway and utility capital improvement plans, increasing code enforcement, and issues related to the sinkhole and utility line collapse problems. As Coordinator I continue to encourage such collaboration as it benefits the City's recovery process.

Forensic Claims

To date many parties have been impacted by the Strong Plan and participated in the resolution of the City's debt related issues. This includes City residents who are faced with higher taxes, City employees who suffered wage freezes and made other concessions, AGM, Dauphin County and AMBAC creditors of the City and Authority, other creditors who were involved in the

renovations to the Resource Recovery Facility and the City through the monetization of City assets. The one group of parties that has not participated to date in the City's recovery is the various professionals who were involved in the financing transactions related to the Resource Recovery Facility. Pursuant to the provisions of the Strong Plan, the Receiver and now the Coordinator continues to actively pursue the forensic claims.

The Receiver initially engaged the firm of McKenna Long & Aldridge, (now Dentons) as Counsel in the pursuit of these claims. With the forensic audit completed by The Harrisburg Authority as background, letters were sent to parties involved in the various financings related to the Resource Recovery Facility. Meetings were also held with various parties in an effort to achieve a consensual resolution as to their role in the financings.

In the absence of an amicable resolution of the claims, the Coordinator through the Office of General Counsel solicited proposals and engaged the firm of Harris Wiltshire and Grannis LLP with their main office in Washington to represent the Coordinator in the further pursuit of all outstanding claims up to and including litigation, if necessary. The pursuit of a resolution of these claims remains a high priority for the Coordinator.

Concurrently a separate claim related to the Harrisburg Parking Authority (HPA) and Harrisburg University has also been pursued. This claim relates to the payment of \$3.6 million that was made at plan consummation in order to obtain free and clear title to the Harrisburg Parking Authority facilities at Harrisburg University. A complaint has been filed and the matter is pending in the Dauphin County Court of Common Pleas.

Summary

The City continues to make progress on many fronts with the further implementation of the Harrisburg Strong Plan. Following the Office of the Receiver being vacated in March 2014, the City returned to the underlying Act 47 process with continued oversight of Strong Plan implementation provided by the Court. With the adoption of the Strong Plan modifications by the City in April and their subsequent approval by the Court on July 20, an updated recovery strategy is now in place that addresses both statutory changes to Act 47 and the City's current fiscal position. The Plan modifications provide direction on a number of issues which include fiscal projections for 2016-18 and parameters for the current collective bargaining processes. The enactment of the Strong Plan modifications represents a critical next step in the City's recovery and its move towards a path of sustainability and an exit from Act 47.

The Coordinator's Team continues to work with Mayor Papenfuse and his Administration as well as City Council and other City officials to assist the City as it moves forward with Strong Plan initiatives and other operating matters. Regular interaction with the City administration occurs on issues involving finance, budget, tax collection, IT issues, planning, sanitation, public safety, parking and personnel. Agendas have focused on the most significant issues that are pending at the moment with the plan modifications being high priority. Discussions have been productive and resulted in addressing plan related issues in a constructive and positive way. I have also engaged in periodic meetings with Council President Williams, other members of Council and the Controller's Office, with

the same objectives. Again, these meetings have been very productive as we work to achieve consensus between City officials on plan related initiatives.

Through the end of the fourth quarter of 2016, the City's operating position is healthy and its cash position is strong. The fourth quarter was helped by revenues from the increase in the LST along with significant EIT and parking revenues. December ended with a General Fund cash balance of \$12.4 million which is \$10.9 million higher than at the end of 2015 when the City's cash position was only \$1.447 million. Continued strength and stability in the City's cash position as it enters 2017 is a very positive sign and negates the need for a TRAN for 2017.

The City has taken a number of steps to restore its fiscal credibility in the financial marketplace including keeping their audits up-to-date, securing a TRAN in 2016 for the third consecutive year, compliance with SEC disclosure requirements, making timely debt service payments, bringing all payables into a current status and undertaking its first capital borrowing since entering Act 47. It is approaching the time where it can re-enter the bond marketplace to assist in financing needed capital infrastructure.

With full occupancy of the Commonwealth Tower by almost 800 DHS employees, the City is seeing a number of positive economic benefits in Strawberry Square and surrounding area including new businesses and residences resulting in increased tax and parking revenues. This project along with the TOD study of the Transportation Center area can serve as a further stimulus for additional economic activity in the downtown. Likewise the announcement in the fall of \$194.4 million in funding for the new Federal Courthouse in mid-town will likely spur further economic activity in that area. Recent state Redevelopment Assistance grants for revitalization efforts in both mid-town and Allison Hill will further incent economic activity all of which serves to strengthen the City's tax base.

As the City enters 2017 our focus is on the continued implementation of the Strong Plan modifications that include the Act 199 provisions, the increase in LST pursuant to Act 199, financial projections for 2016-18 and related recommendations to further advance the City's recovery process. We will continue to work with City officials to effectively manage the now adopted 2017 budget including its capital improvement component, increase the City's management capacity, enact sound financial management policies, pursue collective bargaining negotiations with the FOP and AFSCME, further strengthen public safety, further implement sanitation system improvements, address City Island matters, pursue intergovernmental initiatives, finalize work on the City's comprehensive plan update and work with the Impact Harrisburg Board to implement the infrastructure and economic development projects recently approved to spur development and improve the quality of life for City residents.

As Coordinator, I will continue to keep the Court apprised of the progress on these initiatives through subsequent reports.

**CITY OF HARRISBURG
CASH FLOW**

City of Harrisburg
2016 Estimated Cash Flow

12/14/2016

9:41 AM

	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual June	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Estimated Dec	Total
Cash Summary													
Unrestricted Cash Balance Beginning of Month	1,223,853	459,372	9,256,163	13,030,078	11,797,910	12,803,557	11,184,228	9,105,914	15,911,597	15,987,278	8,404,723	13,053,610	
Surplus/(Deficit)	-805,251	6,994,149	5,192,817	-1,100,706	2,191,653	-2,655,845	-1,275,196	6,282,668	-647,452	-5,704,365	3,976,841	-3,457,220	
Change in Accounts Payable	62,818	736,289	-833,993	827,189	33,071	-120,839	-803,118	98,604	-135,681	6,008	-50,000	12,081	
Other items affecting Cash	-22,047	1,066,353	-584,910	-958,650	-1,219,077	1,157,355	0	424,411	858,813	-1,884,198	722,046	0	
Unrestricted Cash Balance End of Month	459,372	9,256,163	13,030,078	11,797,910	12,803,557	11,184,228	9,105,914	15,911,597	15,987,278	8,404,723	13,053,610	9,608,471	
Revenues, Expenditures, Surplus/(Deficit)													
Revenues without Transfers	1,629,387	5,118,222	13,437,163	3,886,562	5,422,601	2,416,777	2,410,856	4,210,843	5,294,346	1,985,407	5,993,895	2,643,574	54,449,634
Neighborhood Services Fund	0	0	0	0	0	0	0	0	0	0	811,063	0	811,063
Landfill/Incin Utility Fd	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers in from Host Fee for Enviromental Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Other Funds	0	4,504,000	0	0	0	0	0	4,504,000	0	0	0	0	9,008,000
Total Revenues	1,629,387	9,622,222	13,437,163	3,886,562	5,422,601	2,416,777	2,410,856	8,714,843	5,294,346	1,985,407	6,804,958	2,643,574	64,268,697
Expenditures													
Personnel	1,795,312	2,006,019	2,424,791	2,151,175	2,390,574	3,377,697	2,950,524	1,712,293	2,137,238	6,467,213	2,135,359	4,119,146	33,667,341
Services	363,001	259,957	305,181	411,176	279,426	397,223	257,389	372,689	253,069	546,252	282,908	682,174	4,410,446
Supplies	97,541	154,171	193,191	366,714	113,770	248,899	234,099	123,555	141,758	152,296	121,676	449,251	2,396,921
Other	178,784	207,927	245,837	1,953,117	205,815	452,268	244,039	223,637	302,129	524,011	288,174	753,689	5,579,429
Debt Service	0	0	5,075,346	105,086	241,362	596,535	0	0	3,107,604	0	0	96,535	9,222,468
Total Expenditures	2,434,638	2,628,074	8,244,346	4,987,268	3,230,948	5,072,622	3,686,052	2,432,175	5,941,798	7,689,772	2,828,117	6,100,794	55,276,605
Operating Surplus/(Deficit)	-805,251	6,994,149	5,192,817	-1,100,706	2,191,653	-2,655,845	-1,275,196	6,282,668	-647,452	-5,704,365	3,976,841	-3,457,220	8,992,093
Accounts Payable													
Accounts Payable Beginning of Month	-967,572	-1,030,390	-1,766,678	-932,685	-1,759,874	-1,792,945	-1,672,106	-868,988	-967,592	-831,911	-837,919	-787,919	
Accounts Payable End of Month	-1,030,390	-1,766,678	-932,685	-1,759,874	-1,792,945	-1,672,106	-868,988	-967,592	-831,911	-837,919	-787,919	-800,000	
Change in Accounts Payable	62,818	736,289	-833,993	827,189	33,071	-120,839	-803,118	98,604	-135,681	6,008	-50,000	12,081	

Cash Summary

Revenues, Expenditures, Surplus/(Deficit)	Actual Sept YTD	Estimated 4th Quarter	Total
Revenues	52,834,758	11,433,940	64,268,697
Expenditures	38,657,921	16,618,684	55,276,605
Operating Surplus/(Deficit)	14,176,837	-5,184,744	8,992,093
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Unrestricted Cash Balance Beginning of Period	1,223,853	15,987,278	
Surplus/(Deficit)	14,176,837	-5,184,744	
Change in Accounts Payable	-135,660	-31,911	
Other items affecting Cash	722,249	-1,162,152	
Unrestricted Cash Balance End of Period	15,987,278	9,608,471	
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Accounts Payable

Accounts Payable Beginning of Month	-967,572	-831,911
Accounts Payable End of Month	-831,911	-800,000
Change in Accounts Payable	-135,660	-31,911

City of Harrisburg
2016 Projected General Fund Revenues

Revenue Group	Actual Jan	Actual Feb	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	Estimated Total 2016	Budget 2016	Variance
Real Estate Taxes Current	274,767	1,968,130	9,936,517	702,950	992,027	202,531	164,492	110,751	104,225	111,828	84,837	326,527	14,979,581	14,777,056	202,525
Real Estate Taxes Delinquent	0	83,314	71,080	172,478	378,554	0	177,227	293,783	368,203	0	387,083	63,825	1,995,547	1,937,945	57,602
Tax Liens Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EIT	131,843	428,954	383,093	121,005	500,974	276,525	141,977	422,683	323,006	248,624	392,306	151,924	3,522,914	3,572,143	-49,230
Act 47 EIT	263,685	857,908	766,186	242,011	1,001,948	553,050	283,954	845,367	646,011	497,248	784,612	303,848	7,045,828	7,144,287	-98,459
EMS/LST	94,380	229,073	147,720	70,866	544,874	50,498	7,737	485,784	81,043	51,488	2,204,364	74,801	4,042,629	4,989,344	-946,715
Mercantile Business Privilege	165,962	286,686	446,232	1,233,312	292,590	74,192	105,321	163,107	41,899	121,748	143,976	68,195	3,143,222	3,265,457	-122,235
Other Act 511 Taxes	36,530	119,839	39,991	33,795	76,076	53,760	60,676	66,460	105,630	9,480	921,724	163,634	1,687,595	1,779,838	-92,244
Capital Fire Protection	0	0	496,000	0	0	0	0	496,000	0	0	0	0	992,000	496,000	496,000
Cdbg Reimb. - Demolition	0	0	0	0	0	0	0	0	0	0	0	14,909	14,909	115,000	-100,091
District Justice Fees	29,393	25,991	23,677	47,262	50,226	37,563	31,919	27,734	28,626	35,961	30,817	21,021	390,189	394,009	-3,819
Fed/State(Fed)Pass Thr Gr	3,750	0	7,500	3,750	3,750	3,750	3,750	0	7,500	3,750	3,750	4,583	45,833	45,000	833
Federal Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees/Permits	172,383	108,579	122,572	158,739	120,594	78,090	124,433	149,476	158,601	98,278	132,566	185,351	1,609,662	1,245,721	363,940
Government Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	1,333	1,966	1,954	1,361	14,321	1,365	11,000	17,272	7,164	4,350	3,933	3,927	69,948	26,525	43,423
License	0	132,628	15,600	0	148,212	0	0	148,859	0	13,350	142,518	387	601,554	581,744	19,810
Miscellaneous	42,382	97,420	194,415	92,672	57,202	210,024	248,812	151,744	207,589	78,097	120,528	197,892	1,698,777	1,994,836	-296,059
Pension System State Aid	0	0	0	0	0	0	12,994	2,532,920	0	0	0	0	2,545,914	2,200,000	345,914
Public Safety Fees/Permits	13,877	20,293	20,463	29,792	10,867	26,862	29,394	12,891	22,075	22,602	13,865	11,757	234,738	156,530	78,208
Public Safety Grants	25,306	23,227	42,541	49,641	15,826	42,762	9,836	13,273	13,078	6,052	4,730	8,230	254,503	273,106	-18,603
Public Safety Reimbursements	32,008	48,850	29,841	307,113	64,239	106,748	32,383	197,874	29,467	74,046	46,227	42,276	1,011,071	1,000,459	10,612
Public Works Fees/Permits	0	0	0	0	0	0	0	0	0	0	125,000	124,431	249,431	125,000	124,431
Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	163	163	163	163	163	238	163	163	163	163	163	181	2,044	2,113	-69
Recreation Fees	0	0	5	138	566	2,092	6,493	1,034	5	0	15	36	10,384	14,677	-4,293
Sale Of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle Maintenance Charges	0	170,245	63,748	0	0	41,612	0	49,814	41,333	4,999	3,279	21,847	396,877	430,080	-33,203
PILOTS	0	698	0	107,444	121,667	38,112	302,345	17,500	0	1,750	126,792	0	716,309	500,000	216,309
Pub Utility Realty Tax	0	0	0	0	0	0	0	0	0	41,845	0	0	41,845	45,000	-3,155
Sewer Maint Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewer Maint Liens-Penalty	0	0	0	0	8	0	0	8	4	0	5	0	24	0	24
Sewer Maint Liens-Princip	18	0	0	0	14	6	0	11	71	10	29	0	159	0	159
Sewer Utility Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sanitation Utility Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Neighborhood Services Fund	0	0	0	0	0	0	0	0	0	0	811,063	0	811,063	1,911,063	-1,100,000
Landfill/Incin Utility Fd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewerage Utility Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hbg Water Utility Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hbg Prk Auth Coord Pkg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Other Funds	0	4,504,000	0	0	0	0	0	4,504,000	0	0	0	0	9,008,000	4,504,000	4,504,000
Parking Taxes	266,332	324,426	274,153	118,971	602,711	305,971	376,939	296,350	273,630	330,996	64,688	624,266	3,859,432	3,812,500	46,932
Parking Fees	21,620	6,378	3,188	4,729	5,008	14,859	5,046	8,360	5,908	2,452	3,070	19,461	100,079	113,436	-13,357
Parking Tickets	25,277	30,595	20,636	27,750	48,730	46,166	36,961	46,016	46,197	33,349	41,594	33,448	436,719	350,000	86,719
Ground Lease Payments	0	59,462	149,519	140,280	134,334	97,249	97,249	68,282	97,249	75,054	82,244	97,249	1,098,171	1,166,990	-68,819
Priority Parking Distribution	28,379	93,398	180,371	220,340	237,120	152,751	152,751	107,252	152,751	117,888	129,181	79,568	1,651,748	954,810	696,938
THA Shared Service	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	-400,000
Harrisburg Authority	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	1,629,387	9,622,222	13,437,163	3,886,562	5,422,601	2,416,777	2,410,856	8,714,843	5,294,346	1,985,407	6,804,958	2,643,574	64,268,697	60,324,669	3,944,029

City of Harrisburg 2016 Estimated Expenditures by Month		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Estimated December	Estimated Total 2016	Budget Total 2016	Variance Act - Bud
Office of City Council Personnel	Personnel	21,460	21,457	21,457	21,457	21,457	35,315	21,953	21,953	21,953	21,953	21,953	32,804	285,174	285,811	-637
Office of City Council Services	Services	1,024	21,829	154	720	2,703	98	2,001	114	1,338	3,934	1,065	23,538	58,517	105,593	-47,076
Office of City Council Supplies	Supplies	331	1,247	248	0	0	149	126	0	0	202	0	6,214	8,517	29,450	-20,933
Office of City Council Other	Other	0	0	0	0	0	0	0	222	222	0	222	0	666	0	666
Office of City Council		22,815	44,533	21,859	22,177	24,160	35,563	24,080	22,289	23,513	26,089	23,240	62,556	352,873	420,854	-67,981
Office of Mayor Personnel	Personnel	1,234	1,147	1,147	1,147	1,147	1,813	1,162	1,162	1,162	1,079	1,162	1,629	14,989	15,983	-994
Office of Mayor Services	Services	165	1,668	204	164	166	165	1,873	0	470	171	204	3,377	8,628	15,214	-6,586
Office of Mayor Supplies	Supplies	0	0	0	915	0	0	0	0	69	0	0	2,224	3,208	4,300	-1,092
Office of Mayor Other	Other	16,753	15,676	15,676	15,676	15,676	24,676	15,869	15,869	15,869	14,792	15,869	21,447	203,850	207,000	-3,150
Office of Mayor		18,152	18,492	17,028	17,903	16,990	26,654	18,904	17,030	17,569	16,042	17,234	28,677	230,675	242,497	-11,822
Office of City Controller Personnel	Personnel	745	745	803	747	747	1,121	747	748	747	747	747	1,038	9,682	10,109	-426
Office of City Controller Services	Services	40	0	0	0	3,479	0	0	0	0	0	0	274	3,793	12,025	-8,232
Office of City Controller Supplies	Supplies	46	5,108	65	207	0	0	0	43	196	17	25	4,201	9,907	7,975	1,932
Office of City Controller Other	Other	10,091	10,128	10,146	10,156	10,150	15,240	10,146	10,161	10,157	10,156	10,149	13,518	130,199	132,142	-1,943
Office of City Controller		10,922	15,980	11,013	11,111	14,376	16,361	10,893	10,951	11,100	10,921	10,921	19,031	153,581	162,251	-8,670
Office of City Treasurer Personnel	Personnel	1,210	1,522	1,630	1,513	1,516	2,134	1,493	1,558	1,440	1,323	1,323	2,517	19,179	23,782	-4,603
Office of City Treasurer Services	Services	12,391	48	1,683	25,632	282	-10,160	49	3,413	72	87	298	6,466	40,261	80,155	-39,894
Office of City Treasurer Supplies	Supplies	0	0	0	319	0	96	0	68	0	0	290	2,016	2,788	9,000	-6,212
Office of City Treasurer Other	Other	16,357	20,499	20,376	20,376	20,415	28,788	20,089	20,935	19,335	17,735	17,735	26,674	249,313	312,336	-63,022
Office of City Treasurer		29,958	22,070	23,689	47,839	22,212	20,858	21,631	25,974	20,847	19,145	19,646	37,673	311,541	425,273	-113,731
Office of City Solicitor Personnel	Personnel	1,608	1,695	1,870	2,062	1,712	3,344	1,750	1,750	1,750	1,760	1,762	3,238	24,300	29,440	-5,140
Office of City Solicitor Services	Services	2,739	50,169	4,165	1,588	14,727	20,183	20,791	7,684	3,479	4,922	11,760	83,114	225,323	315,763	-90,439
Office of City Solicitor Supplies	Supplies	1,716	1,876	1,853	1,505	269	4,431	2,871	1,720	1,249	2,709	1,249	7,765	29,212	36,068	-6,856
Office of City Solicitor Other	Other	21,905	23,112	23,758	23,343	23,343	37,405	23,853	23,853	23,853	23,984	24,011	41,664	314,084	373,670	-59,586
Office of City Solicitor		27,968	76,853	31,646	28,499	40,051	65,363	49,265	35,006	30,331	33,375	38,782	135,780	592,919	754,941	-162,021
Office of Business Administrator Personnel	Personnel	337	335	335	335	335	503	335	335	335	335	483	479	4,485	5,290	-805
Office of Business Administrator Services	Services	0	0	0	2	4	2	0	109	0	0	308	476	900	11,110	-10,210
Office of Business Administrator Supplies	Supplies	4,841	4,616	4,653	4,637	4,647	6,952	4,639	4,633	4,650	4,615	4,672	6,686	60,240	62,700	-2,460
Office of Business Administrator Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office of Business Administrator		5,179	4,951	4,988	4,974	4,986	7,456	4,974	5,078	4,985	4,951	5,463	7,641	65,626	79,100	-13,474
Bureau of Financial Management Personnel	Personnel	1,818	1,897	2,051	1,921	1,986	3,009	2,852	1,932	1,932	2,377	1,932	3,044	26,748	31,196	-4,448
Bureau of Financial Management Services	Services	21,169	2,270	1,959	240	958	4,672	43,313	58,483	74	21,432	15,470	16,756	186,796	287,391	-100,596
Bureau of Financial Management Supplies	Supplies	16	6,148	16	1,289	16	16	16	16	16	447	81	1,922	9,997	13,532	-3,535
Bureau of Financial Management Other	Other	24,508	25,633	25,953	25,953	25,953	39,760	26,107	26,107	26,107	26,107	26,107	36,870	335,165	392,111	-56,946
Bureau of Financial Management		47,511	35,949	29,978	29,403	28,913	47,457	72,288	86,537	28,128	50,362	43,589	58,591	558,706	724,231	-165,524
Bureau of Communications Personnel	Personnel	866	945	945	945	945	1,491	956	1,198	1,198	1,281	1,198	1,919	13,890	16,668	-2,778
Bureau of Communications Services	Services	1,491	217	180	234	180	691	449	45	359	2,836	510	1,201	8,391	14,634	-6,243
Bureau of Communications Supplies	Supplies	0	0	0	0	0	0	0	0	1,967	890	105	2,000	4,962	4,300	662
Bureau of Communications Other	Other	11,846	12,923	12,923	12,923	12,923	20,354	13,077	16,308	16,308	17,385	16,308	24,831	188,108	215,000	-26,892
Bureau of Communications		14,203	14,085	14,048	14,102	14,048	22,536	14,482	17,551	19,832	22,392	18,120	29,951	215,351	250,602	-35,250
Bureau of Risk Management Personnel	Personnel	398	398	398	398	398	708	415	415	415	415	415	706	5,479	6,228	-749
Bureau of Risk Management Services	Services	259	0	0	0	0	0	0	0	0	0	338	0	597	1,500	-903
Bureau of Risk Management Supplies	Supplies	5,308	5,308	5,308	5,308	5,308	9,415	5,538	5,538	5,538	5,538	5,538	8,308	71,954	72,000	-46
Bureau of Risk Management Other	Other	0	0	0	0	0	0	0	0	0	0	281	0	281	0	281
Bureau of Risk Management		5,965	5,706	5,706	5,706	5,706	10,123	5,954	5,954	5,954	5,954	6,572	9,014	78,311	79,728	-1,417
Bureau of Information Technology Personnel	Personnel	1,939	2,298	2,167	1,944	2,027	2,917	2,177	2,283	2,283	2,087	1,892	3,126	27,139	32,684	-5,545
Bureau of Information Technology Services	Services	7,768	9,644	8,163	71,906	32,292	2,614	9,572	5,317	11,153	4,390	19,609	18,593	201,021	237,446	-36,425
Bureau of Information Technology Supplies	Supplies	33,189	31,774	32,275	33,642	34,661	45,168	35,786	36,532	43,148	36,958	31,267	59,455	453,855	542,800	-88,945
Bureau of Information Technology Other	Other	0	24,500	0	0	0	0	0	2,350	0	0	27,340	91,500	145,690	151,000	-5,310
Bureau of Information Technology		42,896	68,216	42,605	107,492	68,980	50,699	47,535	46,481	56,584	43,435	80,108	172,674	963,931	1,136,226	-136,226
Bureau of Human Resources Personnel	Personnel	1,222	1,271	1,247	1,247	1,247	2,166	1,293	1,293	1,293	1,293	1,293	1,689	16,553	17,742	-1,188
Bureau of Human Resources Services	Services	1,041	2,640	546	4,923	2,994	4,297	4,471	1,751	5,036	1,405	3,033	10,632	42,769	47,525	-4,756
Bureau of Human Resources Supplies	Supplies	0	0	0	0	0	0	0	44	0	0	302	603	950	1,800	-850
Bureau of Human Resources Other	Other	16,587	17,280	16,972	16,972	16,972	29,285	17,587	17,587	17,587	17,587	17,587	21,997	224,003	228,538	-4,535
Bureau of Human Resources		18,851	21,191	18,765	23,142	21,213	35,748	23,351	20,675	23,916	20,285	22,216	34,921	284,274	295,605	-11,330
Operations and Revenue (Office of the Director) Personnel	Personnel	995	1,041	1,069	1,042	1,042	1,786	990	1,033	1,078	1,174	1,270	1,410	13,931	17,845	-3,914
Operations and Revenue (Office of the Director) Services	Services	15,069	6,602	22,393	23,176	9,548	17,994	14,098	12,346	7,545	9,760	12,536	26,356	177,423	176,372	1,051
Operations and Revenue (Office of the Director) Supplies	Supplies	0	1,521	2,761	1,846	129	7,434	-24	1,889	0	2,909	785	4,160	23,412	28,100	-4,688
Operations and Revenue (Office of the Director) Other	Other	13,534	14,287	14,542	14,191	14,191	24,187	13,471	14,147	14,772	16,049	17,326	18,737	189,434	234,366	-44,933
Operations and Revenue (Office of the Director)		29,599	23,451	40,766	40,255	24,911	51,401	28,535	29,414	23,395	29,892	31,918	50,663	404,200	456,684	-52,484

**City of Harrisburg
2016 Estimated Expenditures by Month**

		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Estimated December	Estimated Total 2016	Budget Total 2016	Variance Act - Bud
General Expenses Personnel	Personnel	211,915	504,877	921,431	754,775	872,558	879,453	1,454,039	8,861	676,312	1,803,631	719,336	1,683,172	10,490,362	11,810,335	-1,319,973
General Expenses Services	Services	121,576	57,173	111,594	58,809	101,927	125,569	42,395	67,505	33,819	154,495	63,692	95,546	1,034,101	1,124,510	-90,409
General Expenses Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	102	102	306	-204
General Expenses Other	Other	128	0	57,429	1,500,379	0	57,072	0	30,520	57,072	250,000	20,000	182,800	2,155,400	2,136,587	18,813
General Expenses		333,618	562,050	1,090,454	2,313,964	974,485	1,062,094	1,496,434	106,887	767,203	2,208,127	803,028	1,961,621	13,679,965	15,071,738	-1,391,774
Transfers to Other Funds Debt Service	Debt Service	0	0	5,075,346	105,086	241,362	596,535	0	0	3,107,604	0	0	96,535	9,222,468	8,759,227	463,241
Transfers to Other Funds Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Other Funds		0	0	5,075,346	105,086	241,362	596,535	0	0	3,107,604	0	0	96,535	9,222,468	8,759,227	463,241
Office of the Director for the DCED Personnel	Personnel	430	424	424	558	692	1,038	692	692	692	695	698	1,062	8,095	14,246	-6,151
Office of the Director for the DCED Services	Services	0	0	0	0	0	1,098	0	0	0	0	0	0	1,098	500	598
Office of the Director for the DCED Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	42	42	52,000	-51,958
Office of the Director for the DCED Other	Other	5,616	5,538	5,538	7,385	9,231	13,846	9,231	9,231	9,231	9,265	9,308	13,989	107,409	160,077	-52,668
Office of the Director for the DCED		6,046	5,962	5,962	7,942	9,923	15,982	9,923	9,923	9,923	9,960	10,005	15,093	116,643	226,823	-110,179
Bureau of Planning Personnel	Personnel	6,946	6,946	6,946	6,946	6,946	8,847	3,969	3,969	5,755	7,938	7,938	8,207	81,353	93,871	-12,517
Bureau of Planning Services	Services	14,765	764	3,648	5,154	2,697	1,436	5,405	3,617	18,376	3,156	2,354	11,171	72,544	60,600	11,944
Bureau of Planning Supplies	Supplies	0	0	0	0	0	0	0	0	445	199	440	397	1,480	7,800	-6,320
Bureau of Planning Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Planning		21,711	7,710	10,594	12,100	9,643	10,282	9,374	7,586	24,576	11,294	10,732	19,775	155,378	162,271	-6,893
Bureau of Codes Personnel	Personnel	41,470	42,172	44,966	45,901	48,156	75,877	48,270	48,043	48,067	48,369	48,711	72,065	612,067	669,734	-57,666
Bureau of Codes Services	Services	1,056	1,224	1,861	1,088	1,718	2,454	1,351	1,054	3,218	998	3,664	3,992	23,678	26,300	-2,622
Bureau of Codes Supplies	Supplies	0	1,995	3,963	154	998	465	85	555	413	180	140	3,597	12,544	19,400	-6,856
Bureau of Codes Other	Other	0	100	100	100	100	100	100	100	100	100	100	0	996	1,095	-99
Bureau of Codes		42,527	45,489	50,889	47,243	50,971	78,895	49,806	49,753	51,798	49,647	52,615	79,654	649,285	716,529	-67,243
Economic Development Personnel	Personnel	4,548	4,548	4,548	4,548	4,548	6,822	4,548	4,548	4,548	4,548	4,548	6,832	59,133	59,208	-74
Economic Development Services	Services	0	0	0	0	636	0	0	0	0	0	0	0	636	3,000	-2,364
Economic Development Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	469	469	750	-281
Economic Development Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Development		4,548	4,548	4,548	4,548	5,184	6,822	4,548	4,548	4,548	4,548	4,548	7,301	60,238	62,958	-2,719
Office of the Police Chief Personnel	Personnel	939,925	856,374	800,105	821,194	863,902	1,405,072	798,764	984,819	822,282	3,759,813	802,494	1,424,445	14,279,189	15,479,636	-1,200,447
Office of the Police Chief Services	Services	95,630	37,498	88,470	77,030	7,406	98,082	22,443	44,176	40,102	92,937	37,348	86,792	727,913	868,707	-140,794
Office of the Police Chief Supplies	Supplies	505	3,196	79,611	23,730	392	4,526	19,691	4,231	11,498	8,480	3,692	13,306	172,859	245,696	-72,837
Office of the Police Chief Other	Other	0	0	100	100	100	100	100	110	100	100	100	72,957	73,863	243,000	-169,137
Office of the Police Chief		1,036,059	897,068	968,285	922,054	871,800	1,507,779	840,998	1,033,336	873,982	3,861,330	843,633	1,597,499	15,253,824	16,837,039	-1,583,215
Bureau of Fire Personnel	Personnel	499,576	489,841	561,650	430,448	507,067	830,772	476,360	509,784	476,891	748,510	458,118	761,156	6,750,173	7,121,673	-371,500
Bureau of Fire Services	Services	16,972	12,683	15,857	17,940	12,603	38,287	9,871	7,983	23,456	10,288	10,844	97,726	274,512	326,200	-51,688
Bureau of Fire Supplies	Supplies	17,034	29,669	7,995	13,791	13,249	33,993	60,034	8,989	2,692	23,278	15,894	68,165	294,784	286,150	8,634
Bureau of Fire Other	Other	0	0	0	250,000	1,227	514	0	80	196	71,289	7,722	0	331,027	155,000	176,027
		533,583	532,193	585,502	712,179	534,147	903,565	546,265	526,837	503,235	853,365	492,578	927,047	7,650,497	7,889,023	-238,526

City of Harrisburg
2016 Estimated Expenditures by Month

		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Estimated December	Estimated Total 2016	Budget Total 2016	Variance Act - Bud
Office of the Director of Public Works Personnel	Personnel	47,716	50,216	46,597	49,019	49,036	79,893	56,871	56,375	56,185	53,182	53,905	99,192	698,187	724,523	-26,336
Office of the Director of Public Works Services	Services	39,664	40,707	23,107	112,353	70,885	55,509	60,449	146,464	64,509	181,777	71,017	133,906	1,000,346	1,474,406	-474,060
Office of the Director of Public Works Supplies	Supplies	86	11,795	3,689	228,699	1,511	54,555	21,085	3,057	10,035	3,657	6,185	37,963	382,318	352,500	29,818
Office of the Director of Public Works Other	Other	359	770	1,379	14,604	13,779	84,590	58,527	148	51,071	4,532	30,448	102,734	362,942	674,808	-311,866
Office of the Director of Public Works		87,826	103,488	74,772	404,675	135,211	274,547	196,932	206,045	181,800	243,148	161,554	373,795	2,443,794	3,226,237	-782,443
Bureau of City Services Personnel	Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of City Services Services	Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of City Services Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of City Services Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of City Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Vehicle Management Personnel	Personnel	8,057	14,969	2,078	2,097	2,138	3,003	1,867	1,864	2,082	2,529	2,777	5,609	49,070	53,662	-4,592
Bureau of Vehicle Management Services	Services	9,884	11,690	13,864	8,661	12,305	28,758	13,090	7,572	28,505	45,279	14,266	48,779	242,654	292,850	-50,196
Bureau of Vehicle Management Supplies	Supplies	34,122	47,683	48,862	48,271	46,294	70,868	79,288	40,864	56,383	58,562	50,445	215,450	797,094	1,088,000	-290,906
Bureau of Vehicle Management Other	Other	29,012	25,317	28,429	28,403	28,635	39,891	25,301	25,310	26,715	34,480	35,767	61,454	388,711	532,600	-143,889
Bureau of Vehicle Management		81,075	99,659	93,233	87,432	89,372	142,520	119,546	75,610	113,685	140,851	103,255	331,293	1,477,529	1,967,112	-489,582
Office of the Director of Parks, Recreation and Enrichment Personnel	Personnel	896	900	927	930	973	30,611	69,023	57,677	8,838	2,174	1,405	3,806	178,160	243,427	-65,267
Office of the Director of Parks, Recreation and Enrichment Services	Services	298	3,129	7,334	1,557	1,918	5,477	5,767	5,057	11,558	8,383	14,592	13,477	78,547	212,900	-134,353
Office of the Director of Parks, Recreation and Enrichment Supplies	Supplies	347	2,235	1,894	2,401	6,296	10,831	4,963	15,375	3,458	3,655	566	4,207	56,228	103,900	-47,672
Office of the Director of Parks, Recreation and Enrichment Other	Other	12,088	12,165	12,516	12,557	13,120	36,462	10,581	10,600	13,436	10,450	11,797	22,516	178,287	195,471	-17,184
Office of the Director of Parks, Recreation and Enrichment		13,629	18,429	22,670	17,445	22,306	83,380	90,334	88,710	37,290	24,663	28,360	44,006	491,220	755,697	-264,477
Bureau of Act, Culture & Tourism Personnel	Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Act, Culture & Tourism Services	Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Act, Culture & Tourism Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Act, Culture & Tourism Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Act, Culture & Tourism		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		2,434,638	2,628,074	8,244,346	4,987,268	3,230,948	5,072,622	3,686,052	2,432,175	5,941,798	7,689,772	2,828,117	6,100,794	55,276,605	60,530,347	-5,253,743

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

DENNIS M. DAVIN, IN HIS
CAPACITY AS SECRETARY
FOR THE DEPARTMENT OF
COMMUNITY AND ECONOMIC
DEVELOPMENT

Petitioner,

v.

CITY OF HARRISBURG

Respondent.

NO. 569 MD 2011

Certificate of Service

I, John M. Quain Jr., hereby certify that on this day I served the foregoing document upon the persons and in the manner indicated below, which service satisfies the requirements of Pa. R.A.P. 121:

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Dated: 1/5/17



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