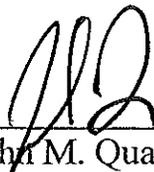


ACT 47
COORDINATOR STATUS REPORT
JULY 1, 2016

Section No. 11
Exhibit No. 67

Respectfully submitted this 1st day of July, 2016.



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Date: July 1, 2016

To: The Honorable Bonnie Brigance Leadbetter

From: *FAR*
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 and on the Modified Plan, the Harrisburg Strong Plan, filed with the Court on August 26, 2013 and subsequent to the Court's September 19 hearing, confirmed on September 23, 2013. This will be my tenth 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 over the second quarter of 2016.

Office of the Receiver/Coordinator

It has now been over two 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.

Foremost, during the second quarter was the adoption by City Council on April 27 of the ordinance to enact modifications to the Harrisburg Strong Plan. During April, the Act 47 Coordinator had multiple meetings with members of Council to review the plan modifications and incorporate their feedback. The ordinance to enact the Plan modifications was introduced in Council on April 12 and referred to the Administrative Committee which met with the Coordinator to discuss the Plan modifications on April 19. The ordinance enacting the Plan amendments was approved by Council on April 27, signed by the Mayor and subsequently filed with the Court on April 29. A status conference has been scheduled by the Court for July 18 to review the Plan modifications.

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 their distress determination can occur. It provides the City with a coherent and 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.

It is also noted that the City filed an application for "pre-authorization and approval" with your Court for the increase in Local Services Tax (LST) on December 17, which is now one of the additional revenue options afforded Act 47 municipalities. The City's application was then approved by the Court on January 27 and with the adoption of the Plan modifications the City is proceeding with the implementation of the increased LST. They have worked with Keystone Collections Group, their collector, to implement withholding of the tax July 1 with the tax effective for calendar year 2016.

Significant amendments to Act 47 were enacted at the end of 2014, and these required certain modifications to the Strong Plan. Act 199 which amended Act 47 last year has now provided certain options that were not available when the Strong Plan was enacted and thus it is appropriate that these options be considered as part of plan modifications. As we were now almost three years into the implementation of the Strong Plan, actual performance has varied from the 2013 projections thus requiring an update to make appropriate adjustments to further the City's recovery. Further, certain changes to the Strong Plan are now required by Act 199 in order to provide financial projections through 2018 which represents the initial five-year term for a municipality to be under the provisions of the Act. During the fifth year a review is to be undertaken by the Coordinator and recommendations made as to whether the distressed designation should be rescinded; the Receivership provisions of the Act invoked; a dissolution process undertaken (in limited instances); or a three year exit plan be prepared. Given these matters, the Coordinator and his Team worked with City officials to prepare modifications to the Strong Plan that will 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.

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, have continued to support the Receiver during this time. Following the procurement process last fall to obtain the services of firms to further pursue the forensic investigation and labor issues, Harris, Wiltshire & Grannis and Dilworth Paxson respectively are now fully engaged in their respective areas of responsibility.

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

Now that their organizational issues have been completed, the second quarter of 2016 saw the Impact Harrisburg Board moving forward with the application process for infrastructure and community/economic development funds. 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 has continued 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 assisting her with transitional issues, discussing the background of Impact Harrisburg 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 through the second quarter had met on April 5 and 19, May 5 and 17 and June 7 and 21. Officers include Neil Grover as Chair, Doug Hill as Vice Chair, Brian Hudson as Secretary and Brittany Brock as Treasurer. Although an arrangement had been effectuated with Pinnacle Health for use of space at their facility on North Third Street, given logistical issues the Board has decided to return to meeting at the PHFA office on North Front Street. Ms. Dow-Ford is currently working out of the Heinz-Menaker Senior Center though the Board is looking for more permanent space.

The Board is carrying an Operating account at Fulton Bank with a current balance of \$97,000. The balance of its funds is invested with Wilmington Trust. Currently \$3.2 million is invested in more liquid funds with the remaining amount invested in short-term investments.

Ms. Dow-Ford has continued to work with Harrisburg University (HU) on the development of a web site for the Board. The 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. HU is providing this assistance at no cost to the Board.

The Board and Ms. Dow-Ford have also been engaged in considerable outreach during the quarter including convening 5 public meetings around the City to inform organizations of the availability of

Impact Harrisburg funds, the guidelines and application process. She has also met with various organizations and individuals to inform the community about Impact Harrisburg and the resources available to advance the City's recovery and strengthen its tax base. The application deadline for economic and community development applications is July 15.

At their May 5 meeting, the Board heard presentations from City officials and Capital Region Water (CRW) officials on their proposed infrastructure projects. Subsequently, Ms. Dow-Ford had further discussions with both entities to further address questions. Applications were submitted by both the City and CRW by the June 10 deadline for infrastructure and infrastructure contingency funds. The Board considered the City's application for infrastructure contingency funds at its June 21 meeting, however, denied the application for funds to meet a debt service obligation on the LED streetlight project as the Board felt the application did not meet the criteria for contingency funds. An application review committee is meeting the week of June 27 to further review infrastructure applications and plans to provide recommendations at the Board's July 5 meeting.

The Board is also involved with litigation involving PA Media Group related to the application of the Sunshine Act to the Board's meetings. Impact Harrisburg has filed an application with Commonwealth Court for a declaratory judgment to determine the Board's status under the Sunshine Act. Several other media outlets have filed actions to intervene in the case. An agreement was reached in June between the parties on the facts of the case with the matter being an interpretation of the law. Impact Harrisburg's brief is due to the Court by July 5. The Board has taken the position that its meetings are open to the media and has invited the media to attend. The Coordinator supports the Board's need for transparency in its actions given that its funds were derived from public sources.

In looking ahead to the third quarter, it is anticipated that the Board and Executive Director will complete their review of the infrastructure applications and announce those awards. They should also have received and reviewed applications for economic and community development funding and be in a position to announce the initial round for those awards. Those applications are due by July 15. The set aside of these funds from the parking monetization to be used for infrastructure initiatives and incentivizing economic and community development projects is a critical element to strengthening the City's tax base and moving the City's recovery to a point of sustainability for the long term.

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 on February 19, 2015 pursuant to the agreement. PennDOT's commitment is to provide \$2 million annually in each of the next five years 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. This contract was executed and an initial \$630,000 was disbursed to the City in April 2016 pursuant to the contract.

An October 8, 2015 meeting was held 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. Dauphin County and AGM have both expressed concerns over the time it has taken to obtain the PennDOT funding. PennDOT thus recommended and the City filed an application under their Multi-Modal application program for the remaining funds in order to expedite the process moving forward though releases would occur on a project by project basis. PennDOT anticipates making an award announcement subsequent to the enactment of the FY 16-17 state budget. Pursuant to the Escrow Disbursement Agreement, the City Solicitor provided a Certification to AGM and Dauphin County on December 1, certifying that the City had not obtained an enforceable commitment of at least \$2,000,000.

In light of the delays in the release of escrow funds, in June AGM requested an additional meeting to discuss the status of the release of funds. A June 28 meeting was held with representatives of AGM, Dauphin County, PennDOT, the City and the Coordinator to further discuss the status of the City's projects and PennDOT's award process. The City indicated that they were finalizing the scope for a contract with PennDOT that would address the \$2.5 million balance from the \$3.19 million award and anticipated this contract should be finalized by the end of August. PennDOT indicated that the announcement of the award of the remaining \$6.9 million would be made subsequent to the enactment of the FY 16-17 state budget though these funds would be disbursed on an annual basis of \$2 million/year. Given AGM and Dauphin County's concern over timing of the release of escrow funds, PennDOT suggested that other work PennDOT was doing in the City could count against the \$10 million in the Escrow Agreement if all parties agreed. This would not diminish the commitments PennDOT has made though it would accelerate the release of the escrow funds and resolve the concerns of AGM and the County. Another meeting of this group will be held in September for a further update on Escrow agreement issues.

Fiscal Matters

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 by Council on February 11, 2016. The budget is balanced and generally consistent with the Harrisburg Strong Plan. The budget maintains current taxes at existing levels though it does provide for an increase in the Local Services Tax (LST) from \$52/year to \$156/year as authorized by the 2014 amendments to Act 47. New this year 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 services and road repair services, as those are related to the facilitation of refuse collection and disposal services. The NSF budget for FY 16 is \$16.5 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 budget from all sources is \$92.5 million though the vast majority of City operations are accounted for in the General Fund and the new NSF.

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 payroll averaged \$842,000 for the quarter. The Coordinator reviews City payables on a bi-weekly basis to insure expenditures are consistent with the confirmed Strong Plan. During the 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 critical creditor obligations through the second quarter as well as maintain a current status (within 60 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".

The City's fiscal position has been strong through the second quarter with the receipt of the majority of its real estate taxes as well as significant earned income taxes and parking related revenues. The receipt in February of the Commonwealth's \$5 million for public safety services also strengthened the City's cash flow during its low point. Although the City obtained a \$4.5 million TRAN from M&T Bank, it was able to have sufficient liquidity thru the early months of 2016 and did not have to draw upon it. It's important to note that each year since the Strong Plan's consummation in December 2013, the City has been able to obtain a TRAN, though it has not had to draw on it. Prior to 2014, the City had been unable to obtain a TRAN. This represents a major step in restoring the City's credibility in the financial marketplace.

The City had several significant debt service payments during the first quarter including its General Obligation debt service payment of \$4,681,069 on the 1997 Series D and F GO bonds; payment of

\$297,742.41 on the PA Infrastructure Bank loan; and payment of \$96,534.90 to M&T Bank on the streetlight LED conversion loan. During the second quarter the City made its annual payment to the Suburban Communities of \$1.5 million; payment to Sun Trust of \$105,085 on its long term lease; payment of \$241,362 on the Stadium Bonds and a payment to M&T Bank of \$596,534 on the LED streetlight project. The City is to be commended for fulfilling its debt service payments on a timely basis.

Payables on hold through the final months of 2015 averaged in the \$2.5 - \$3 million range as the City worked to manage the shortfall caused by the state budget delay. General Fund payables on hold after the June 30 check run total \$1,672,106 with virtually all internal and to the City Treasurer for medical related payments. There is an estimated cash balance of \$11,184,227 in the General Fund and \$995,774 in the NSF as of the June 30 check run. At the mid-year point of 2015 the General Fund cash balance was \$8.47 million and at mid-year 2014 it was \$7.9 million. This represents a very positive trend for the City's fiscal stability.

A review of actual revenues and expenditures through the end of May finds that the City's total General Fund revenues were \$33,997,935 (57% of budget) while expenditures were \$21,525,274 (36% of budget). The City has received 88% of its real estate taxes for the year along with 44% of its earned income taxes thus far. The City has also received \$1.2 million (58% of budget) in ground lease and priority parking distributions thus far. At this point there do not appear to be any significant budget variances with the exception of the LST. Revenues were projected based on the tax being implemented in early 2016. With its implementation in July the City will only receive 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 May with projections through year-end. A positive year-end balance of \$4 million is anticipated at this time.

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. The Coordinator has had periodic discussions with the Controller's office during the quarter to address fiscal related matters including issues related to accounting and purchasing.

The Controller's office continues to monitor compliance with purchase order procedures and recently updated its review of City purchasing procedures through June. The review found continued improvement in the various departments complying with purchasing procedures. When the Controller began its review early last year each individual department, bureau and office was acting as an

autonomous purchasing entity operating under its own policies. With the Mayor's support, the long vacant Purchasing Manager position was filled and a commitment made to follow City procedures for purchasing. Filling this position has done much to reduce non-compliance and there has been a marked improvement in adherence to related fundamental internal controls. The non-compliance rate dropped from 81% in the first quarter of 2015 to 26% in the second quarter and further dropped to 8% for the last two quarters of 2015. In the second quarter of 2016 the non-compliance rate dropped further to 3.58% and for the first 6 months was 10.5%. It's important that all City personnel follow the City's purchasing procedures and obtain purchase orders prior to a purchase to ensure available funding.

The Finance Office was also busy during the quarter in preparing for the 2015 audit. The City is committed to keeping their audits up-to-date and in advancing the audit calendar. Last year the City's accounting manager led the audit preparation work though Trout, Ebersole & Groff assisted on a limited basis by focusing on compensated absences, OPEB and workers compensation matters. This year they again relied on Trout Ebersole to assist though at a lesser level than previously. As the City continues to build internal capacity it is hoped that the reliance on outside assistance can ultimately be totally eliminated. As of the end of June the pre-audit work had been completed and Maher Duessel began work on the 2015 audit the week of June 20. The goal for 2016 is to have the 2015 audit completed by late summer. The timely completion of audits represents another critical step in the City's recovery.

DCED has recently 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 OpenGov technology allows governments to collaborate more effectively through their budgeting process, make data-driven decisions, and build civic engagement through transparency. The software was reviewed with City personnel in June and OpenGov staff will work with the City over the summer to import financial data into the system. The information should be very useful during the FY 17 budget process.

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. As provided in the Harrisburg Strong Plan, policies on debt and fund balance have been recommended to the City's administration and Council. The Coordinator has also reviewed these policies with the Committee.

City Treasurer Tyrell Spradley submitted his resignation as Treasurer effective May 20. Mr. Spradley had served as Treasurer since November 2014 and had won reelection to the position last November. Pursuant to the Third Class City Code Council solicited candidates for the position and pursuant to the Third Class City Code appointed former Controller and Councilmember Dan Miller as City Treasurer at their June 16 meeting. Mr. Miller has indicated he plans to work to make the Treasury Department efficient and well run. He also plans to review the recent Alvarez and Marsal report that addresses internal control matters to ensure its recommendations have been implemented.

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

As noted earlier, the second quarter was largely dominated of the update of the City's recovery plan, responding to Council's input and ultimately obtaining Council and the Mayor's approval on the Strong Plan modifications. This process allowed the Coordinator the opportunity to revisit and assess the success of prior recovery plan initiatives and identify new initiatives that will contribute toward the City's efforts to sustainably exit Act 47. Those accomplishments and proposed major initiatives are discussed below.

Finance and Administration

The 2013 Harrisburg Strong Plan included nine major initiatives for the Department of Administration. Many of the initiatives were the responsibility of the Bureau of Financial Management and focused on developing financial policies and procedures and appropriately staffing the financial management function.

Many of these initiatives have been accomplished effectively. 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 conducted a comprehensive review of City purchasing policies and worked with the Office of the Controller to implement improvements to the purchasing process and is more fully discussed in the fiscal section of this report.

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 and IT management. These improvements in internal expertise have resulted in real progress. One of the most significant improvements relates to financial management. The Bureau of Financial Management is fully staffed and has caught up on a backlog of prior year audits and built internal expertise to complete much of the annual pre-audit preparation. This advancement will allow the City to remain up-to-date on its annual financial audits. 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 in the coming months and years and are therefore included in the City's recovery plan update.

One of the most significant of these initiatives is to fill the position of Business Administrator. The City has been without a Business Administrator position for more than 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. It would provide the Mayor with a qualified and experienced individual who would manage the City's daily activities thus allowing the Mayor the ability to devote more time to external activities including the strengthening of partnerships with the many entities the City interacts with and that can provide resources to advance the City's recovery. Efforts to hire a Business Administrator have been very difficult given the City's limited resources. The Strong Plan and the current modifications to the Plan both address the need to fill this position and the Plan now provides an offer to assist the City by providing a partial salary funding contribution for period of three years to help attract a quality candidate. Consistent with the Strong Plan recommendations, in June 2016 the City completed an Act 47 grant application for partial funding of this key position. The Act 47 Coordinator's team is hopeful that this important position will be filled in 2016. The application also addresses undertaking a position and compensation study for non-represented and management employees which was also a recommendation of the Strong Plan modifications. A hearing on the City's request is scheduled for July 5.

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 in the City regaining credibility in the financial marketplace. In 2015, the Act 47 Coordinator developed a draft debt policy for prospective review and adoption by the City. This draft has also been reviewed with the City administration and Council. The Chair of Council's Finance Committee has expressed strong interest in advancing this policy. Examples of a Fund Balance policy have also been provided to the City for consideration. The City has also developed and adopted operating budget schedules and processes, processes for the annual closing of books, and cash

flow analysis process. However, there are still policies that warrant development. With guidance and support from the Act 47 Coordinator, the City must continue to establish formal financial policies.

Treasurer's Office

As discussed in the Fiscal section, Harrisburg now has a new City Treasurer in former Controller and Councilmember Dan Miller. In order to improve the operation of the Treasurer's office and address concerns that had arisen, the City engaged the firm of Alvarex & 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

It is very important that the Treasurer, Controller and Finance Offices work together to address the report's findings in an expeditious manner. Mr. Miller has stated that he plans to review the report's recommendations and work to see that they are implemented. The recommendations would

strengthen internal controls and improve overall efficiency in the financial operation of the City. The Coordinator's team will also assist in this process and will provide technical resources to further the implementation of the recommendations.

Capital Improvement Program

Though the City of Harrisburg has made strides in refining and improving its operating budget process, the City has yet to develop a multi-year capital budget and planning process that centrally identifies and prioritizes capital needs in the City. This tool has not been prioritized for development because the City has not had access to the financial resources necessary to fund a capital improvement program. However, this will not always be the case. The availability of and access to capital funds will improve as the City's financial position strengthens.

Resources provided through the parking monetization to Impact Harrisburg, the non-profit corporation established to administer \$12.3 million in funds available to the City 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. The City has also budgeted funds in 2016 for certain capital expenditures. 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 at both the state and federal level also provide resources to support capital investment. For example, PennDOT has committed to \$10 million in infrastructure development investment in the City of Harrisburg over the next five years. To that end it is important 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. Currently each department or bureau is responsible for funding capital investment as an element of their operating budget and there is no process in place to segregate and evaluate comprehensive capital investment needs or to plan to address needs beyond the one-year operating budget timeframe. Further, it places Department directors in the difficult position of deciding priorities between ongoing operational needs and capital investment.

Information Technology

The City has experienced significant recent problems with its IT infrastructure, especially with its network and the failure of its server drives. This has resulted in considerable downtime, loss of information and productivity. It prevented City officials from being able to access key documents and files stored on the shared drives. The City's IT staffing capacity is very limited and its Director is constantly putting out fires. To address this matter the City's Communication Director sought guidance from Harrisburg University's Government Technology Institute (GTI) and called in IBM support through an emergency purchase request of about \$7,500. As the City's SAN Server is

outdated technology, it was extraordinarily difficult to identify a technician who could provide the service. IBM was able to send over on Friday, June 17, one technician based in Harrisburg who was unable to effectuate repairs. Even after email had been restored and access to the shared server was partially restored, the City still faced losing one week of data stored on the shared drives. IBM and a Sigma Resources, which provided pro-bono assistance during the crisis, warned that it would take tens to hundreds of thousands of dollars to try to restore the files with no guarantee as to the result. Thus a decision was made to forego trying to restore the data. This crisis has been long in the making after decades of neglect and failure to update the IT infrastructure and provide staff training. The situation is now at a critical stage and threatens every department of City government, including access to financial and legal records, as well as police and fire records.

The City has now established an IT Advisory Committee which is chaired by Charles Gerhard, the state's former IT manager, now with Harrisburg University's GTI. The Committee includes individuals from Harrisburg University, the state's Office of Administration, the Coordinator and City Departments. The City has in the short term engaged the Sigma Resources to provide interim management assistance to address mission critical issues. Sigma Resources proposes a team approach which will build on both the assessment of the City's IT system undertaken by the Coordinator's Team and the assessment completed by Harrisburg University. As recommended in the Coordinator's IT assessment, the City has also included in their Act 47 grant application a request for funds to provide an outsourced IT project manager for the next year to address mission critical IT infrastructure issues. As part of this effort Harrisburg University will continue to provide in-kind services as will a number of local IT firms.

The City is also working with Microsoft to take its email service away from the server and into the cloud with Office 365. Microsoft and Sigma Resources led a recent presentation to the Mayor and senior city officials, and there was general consensus to move the email service to Office 365. The City is in the process of identifying funding for the new email service, as it anticipates there would be significant savings by moving the email away from the server and into the cloud. Currently the City is paying for more than 400 licenses for desktop computers, many of which may no longer be in service. Sigma has begun investigating the issue and will provide recommendations as soon as possible. The City is also pursuing funds from Impact Harrisburg to address this critical issue.

City Solicitor's Office

In the 2013 Harrisburg Strong Plan the Law Bureau had a total of three initiatives and all three initiatives have been completed. The Law Bureau hired outside counsel to assist in labor relations activities and increased the number of staff attorneys from one to three. In addition, the Law Bureau also completed, recodified, and enacted the Code of the City of Harrisburg.

Though the City utilized contracted professional assistance from labor negotiations in 2013 and 2014, the City will be tasked with re-negotiating two collective bargaining agreements again in 2016 and a third in 2017. It continues to be important for the City to contract for specialized expertise in this area. As such, the adopted recovery plan calls for the City to 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 process.

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. In addition, the Bureau has decreased the number of captain positions from three to two.

However, the most pressing issue confronting the Bureau 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. According to interviews with the senior executive officers of the Bureau, 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. 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 12 patrol officers are required to meet the shift target staffing level.

In late 2015, the City received word that it received a Department of Justice COPS grant for over \$550,000 to fund the salaries for five patrol officer positions through 2016 and 2017. These officers will be devoted to community policing. The City must maintain funding for these positions through 2018. Recruitment efforts are underway which resulted in ten conditional offers of employment

being made. Two candidates withdrew as they took positions in other departments. Eight candidates are currently going through pre-employment testing with the intent to have those that pass enroll in the next Police Academy class that starts this summer. Though this will help the Bureau maintain staffing levels in the face of naturally occurring attrition, it 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.

To address the staffing situation 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 steady 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 the agency's employees. There are literally dozens of 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 members of the Police 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

Similar to the Bureau of Fire, 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. Both the Harrisburg Police Chief and the City's FOP representative participated as members of the study Task Force.

The final report with recommendations for service and cost sharing was completed in late 2015. The report identified opportunities for the City of Harrisburg Bureau of Police 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 has recently deployed two new tools. 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 in November and police have been working on the system for the last several months. After resolving technical issues the searchable database went live earlier in June. The new system 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 City is also engaging a crime analyst to study reports and help spot increasing crime trends. Although they had an officer conducting crime analysis, the individual was promoted to detective last year and there was no one else available to continue this effort. Although there is no current funding for the position a retired federal crime analyst is willing to volunteer until funds could be budgeted next year.

In response to recent criminal events the Mayor has been holding a series of 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.

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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 has been able to close one fire station and adjust its company staffing level to 14 firefighter/lieutenants and one command officer per shift, which has in turn allowed the Bureau to significantly reduce its overtime expenses. This has added significant value from both a public safety and firefighter safety and response perspective.

The Bureau has also worked to cover the cost of providing 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. The 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.

The Bureau, with the cooperation of the IAFF, has also converted an Administrative Assistant position to a civilian position. In addition, the Bureau has 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 other boroughs and township's, there are opportunities in the coming years to develop regional partnerships or contracting models whereby the City of Harrisburg could provide fire suppression, special rescue, and fire prevention services to neighboring communities. 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. However, 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 seek to partner with surrounding municipalities and the Act 47 Coordinator 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.

Public Works

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 been further limited as a result of systematic issues in the sanitation operation. Recurring staffing shortages in the sanitation operation have 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 repair transportation infrastructure issues in a timely and proactive way.

However, 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 number of recommendations and a plan developed to modernize the sanitation operation which built on recommendations from the 2013 Strong Plan. The approach of the study was one of a managed competition through a partnership between the City and the union with the goal of creating an efficient refuse collection system. The report's 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 containers.

As part of the 2016 budget the City restructured the sanitation and public works operations through the creation of the Bureau of Neighborhood Services. This restructuring adds staffing

resources to the sanitation operation, thereby allowing street maintenance personnel to be fully dedicated to their assigned tasks. The budget also includes funding for additional collection equipment and with the assistance of another DEP Recycling Performance grant the purchase of a vacuum sweeper to assist with leaf collection and street sweeping. The restructuring addresses both operational and financial needs and will enhance the City's ability to provide more efficient sanitation and street related services to its residents.

The Coordinator recommends that the City proceed cautiously in staffing decisions and pay attention to the recommendations in the report – to undertake a trial period, evaluate the results and determine whether there are specific and measurable 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. Finally, the Coordinator encourages the City to develop a Capital Improvement Plan as called for in the Strong Plan for City-wide needs and prioritize capital expenditures between sanitation and other pressing needs. City has also begun an effort to establish a municipal composting site. This effort is being completed in partnership with the school district and with the support of the Act 47 Coordinator's Team. The City has continued discussions with the school district in the second quarter of 2016 and is developing a plan for implementation in 2016. The City, with technical support from the Act 47 Coordinator's team has also begun developing specifications for sanitation route management software for purchase and implementation in 2016. This software will serve to create valuable management and billing process efficiencies. 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 questions.

These are positive steps in addressing core responsibilities of City government and the progress that has been made in the sanitation operation is to be commended. There are however, additional steps that must be taken into the future 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, many of which will require investment from the City. The sanitation reform process will be further evaluated at the close of 2017 to determine success and viability going forward.

The City continues to be able to both increase recycling volume and satisfy the 35,000 ton put or pay requirement with LCSWMA. Even if recycling begins to exceed 30% of the waste stream, the Strong Plan assumed the City could earn some money through recycling of its waste and could use some of the amounts it received in disposal fees, in excess of what was then needed

to be paid for disposal, to fund sanitation system improvements. The City deployed 14,000 new recycling containers in 2015 and has increased its recycling rate from around 5% to over 20%.

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. 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 help stabilize the refuse and recycling collection operation and improve the overall appearance of the City.

Key to continuing to maximize the tonnage that needs to be disposed of at the incinerator is capturing all of the waste, especially commercial waste, which is generated in the City but not attributed to the City's waste stream through greater enforcement efforts. Although identifying waste leakage is difficult, 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 has met with the major haulers and continues to meet with various commercial accounts to facilitate transition of these accounts from private haulers to the City. The review of all accounts is to be completed by the end of 2016. A Solid Waste Logistics coordinator to assist with this process was also hired and began work May 31. A new intergovernmental agreement has also been negotiated 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.

Tonnage from the City disposed of at the Susquehanna Resource Management Complex (SRMC) again exceeded the City's minimum required 35,000 tons in 2015. For 2015 the City disposed of 36,636 tons (105%) of the put or pay minimum. Thru the end of May 2016 the City had disposed of 14,447 tons (42%) of the put or pay requirement. At the same time, recycling has increased dramatically.

The City continues to address a lawsuit requesting that a declaratory judgment be issued claiming that the City's current commercial refuse rates are unreasonable and unenforceable. The above course of action with respect to commercial refuse is intended to assist in resolving this suit.

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 contributing \$10 million over a five year period toward infrastructure repair funding in the City. This commitment stood in addition to PennDOT's planned repairs and projects on Commonwealth managed roads in Harrisburg. In May 2015, the

City was awarded \$3.19 million in funding from PennDOT as the first phase of this commitment. The City used a portion of these funds to pave heavily traveled City streets that are used to come into and out of the City. They have thus far received \$630,000 and are moving forward with final design plans for the remaining \$2.5 million. This funding will serve to allow the City to make major road repairs in the coming months and years. Following meetings with PennDOT and based on their recommendation, City submitted an application under PennDOT's multi-modal program in December for the balance of the \$10 million. This funding will allow the City to make major road repairs in the coming years. PennDOT has indicated that grant awards are to be issued subsequent to the adoption of the FY 16-17 state budget.

The Bureau of Engineering is also in the process of updating its traffic signal system and has adopted the practice of updating traffic signal infrastructure when other road projects are being completed. This is a prudent approach to replacing the antiquated traffic signal system. The City used residual funding from the historic artifact sale to meet the matching requirements for PennDOT's "Green Light Go" program to fund the replacement of outdated traffic control system equipment. In addition, the City is currently well along with 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 PennDOT grant. It will reduce the City's ongoing utility expenses by approximately \$500,000/year. The M&T loan was the City's first capital borrowing since before it entered the Act 47 program. Though these are noteworthy projects and represent important progress in the City's recovery, there are still significant infrastructure issues to be addressed.

Though the Department has made strides in the area of infrastructure repair, the City will be confronted with significant facility viability issues in the future. The City's lease on the Department of Public Works garage facility expires in March of 2017 and the City must assess and pursue alternatives well in advance of the lease termination date. The Strong Plan modifications address the need to develop a long range plan for a public works facility. In addition, the City will be confronted with the need to make significant facility related capital improvements in the coming years. Those needs must be professionally assessed and options evaluated so that both daily maintenance plans and capital investment requirements can be appropriately prioritized.

The Department has also made significant improvements in its fleet maintenance operation. It appointed a full-time fleet manager and has included additional fleet maintenance personnel in the 2016 budget. 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.

The Act 47 Coordinator will continue to work proactively with the City to pursue these initiatives as outlined in the proposed recovery plan modifications.

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. Beginning 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 and Consultants, Good Land Collaborative, ARUP Americas, CSPM Group and AB3 Development). Following a contest held to brand the planning process, "BeHBG" was selected as the name for the update process. 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 final day long community workshop was held in December at the Capitol View Commerce Center to summarize the results. At this workshop 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.

The first half of 2016 has focused on the retooling of the document based on the public input received in advance of a presentation to Council. The Plan process has slowed a bit 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 in late June to discuss a realistic, achievable timeline for finalizing the draft document. The next couple months will be spent on finalizing the review of the various sections of the Comprehensive Plan update, with a proposed final submission from the Consultant in early/mid-October. 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 Bureau of Planning, which has been heavily involved in the comprehensive planning process, 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 the City planning and operations and maintenance personnel.

The Urban Planner/Zoning Officer submitted his resignation in May. The position has been advertised and 26 resumes have been received. After an initial review of the applications, this number was reduced to 15 applicants and will be further reduced to 4 or 5 for interviews. It is anticipated that this critical position will be filled by late July/August.

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 further be 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. The City is now waiting on action by Dauphin County to approve the LERTA program. Concurrently though the City is now recruiting for a LERTA program administrator and anticipates hiring an individual in July.

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). In January 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. The Center serves as a key anchor for the downtown and a hub for both rail and bus service for the City and region. 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. To that point, PennDOT indicated in their grant announcement the intent to make further investments in the Transportation Center and surrounding area of up to \$50 million to strengthen the Center's role

as a transportation focal point for the region. 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 located at the corner of Market and Cameron Streets, and possibly the former Patriot News Building located on Market Street. There is ultimately the potential for a P3 arrangement for the HTC for future years. PennDOT has now moved forward with the selection of a consultant for the study and as of June had selected the Baker firm to lead this effort with a design Charette study just beginning.

As a result of the parking asset sale, approximately \$12.3 million was set aside, under the administration of a non-profit board called Impact Harrisburg, to be used for infrastructure investment and economic development purposes. It is important that the City work closely with the Impact Harrisburg Board and Capital Region Water to coordinate projects that meet the intent of the funding, have maximum impact, and where possible, leverage other funding resources available at the Commonwealth and Federal level. These funds serve as a valuable opportunity to leverage additional resources toward economic development that will grow the City's tax base and aid in its economic recovery and ultimate exit from Act 47. This process should also be integrated with the development of five-year Capital Improvement Plan, as discussed above. This is more fully discussed in the Impact Harrisburg section of the Plan.

The City continues moving forward with the organization of a Land Bank Board, following the enactment of an ordinance to create a Land Bank last summer. The Land Bank will assist the City with its focus on blighted properties and provide the City with the ability to acquire vacant or abandoned properties, improve them and return them to the tax base. The Land Bank Board is scheduled to meet monthly and has issued an RFP for legal services to assist it though it has had difficulty finding someone with the expertise to fill this position. 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 remains faced with a 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 is now eligible to apply for federal mitigation money to buy approximately 23 homes ruined by sinkholes on South 14th Street. In cooperation with Dauphin County and PEMA, the City pursued federal funding to address the sinkhole problem and acquire these homes. Although ranked as the number 1 project by PEMA, FEMA awarded funding to Palmyra to address their sinkhole problem. DCED was then able to identify approximately \$8.5 million in Disaster Relief 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 properties impacted by the sinkholes. A public hearing City is scheduled for July 25 on the use of these funds, after which DCED will submit its funding request to HUD. It is anticipated that HUD would then issue their approval by late summer. The City is hopeful that a significant portion of the funds would be available to provide relief to residents of South 14th Street.

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. To that end it will be important to define clear expectations of service and workload standards for the park maintenance function. Identifying these standards clearly establishes a standard and provides a metric that the Bureau of Parks and Recreation can use to evaluate park maintenance service alternatives.

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. Other priorities though have limited further pursuit of these recommendations.

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. It is the City's intent to submit an application to DCED for Municipal Assistance Program funds to undertake this master plan.

In addition, the 2016 budget provides for a full-time position to manage the City's extensive festivals and special events. These festivals and special events are important community development and economic development tools for the City and need this type of focus. The City undertook a recruitment process for this position and the position was filled in April in time to address the City's three major summer festivals occurring over the Memorial Day, July 4th and Labor Day periods.

Intergovernmental Cooperation

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. For example, The City produces and distributes property tax bills on behalf of the School District and also collects the payments. They perform a similar function for the shared Business Privilege/Mercantile Tax.

The City and Dauphin County collaborate in the provision of 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, at no charge 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 including last fall the contract for street line painting. The City is also a member of the Dauphin County Tax Collection Committee which administers the collection of the Earned Income Tax for all municipalities and school districts in the County. In November 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.

While there are specific instances of cooperation between and among the City of Harrisburg, the Commonwealth of Pennsylvania, Dauphin County, the Harrisburg School District and other neighboring municipalities, there is no mechanism or body that facilitates discussion of issues of

mutual interest or concern. It is therefore important for the City to take a proactive role in pursuing intergovernmental cooperation opportunities.

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 targeted for completion in late 2015. The study, which was 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. However, these opportunities should be aggressively pursued as part of the City's recovery effort.

The City must also work closely and cooperatively with the County and the Commonwealth 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 cooperative relationship that exists between the City and PENNDOT should be maintained. The City and the County are also important partners in the region's economic development and, equally important, in the delivery of services to City and county residents. 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 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, have been implemented, and cost reductions resulting from these changes continue to be monitored. Although the formal Amendment documents setting forth the revised contract language have been

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 will continue to insure implementation of the negotiated changes and to assist as may be necessary with respect to any issues and grievances that arise relating to those changes or to any of the Plan initiatives.

In the Amended Strong Plan that was passed by City Council in April 2016 and filed with the Court, 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, this 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 terms of compensation that are most important to the employees in each unit.

Because the CBAs with FOP and AFSCME expire on December 31, 2016, the City has begun preparing for negotiations with the bargaining units. The negotiations for the FOP and AFSCME successor agreements will be 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. As an initial step, the City has implemented one of the Strong Plan modification recommendations through the retention of the law firm of Elliott Greenleaf to assist with its labor negotiations. The Coordinator and team met with counsel from Elliott Greenleaf and City officials in June in order to formally meet, review the labor provisions of Act 47 and prioritize negotiation topics. Counsel from Elliott Greenleaf sent letters of intent to initiate negotiations of new CBAs to both the FOP and AFSCME on June 23, 2016. The letters incorporated language suggested by the Coordinator with respect to Act 47 and the City’s adopted Recovery Plan.

There is a pending class action grievance filed by the IAFF on behalf of the Harrisburg Bureau of Fire members who entered the Fire Academy in March 2014 and began receiving pay from the City at that time. In the grievance, it is alleged that this class of individuals is not being afforded the proper benefits in accordance with the former iteration of the CBA (pre-April 2014 amendments). It is the Coordinator’s understanding that City employees in cadet status, whether attending the Fire Academy or Police Academy, are not members of the respective bureaus/bargain units until they graduate and are sworn into service by the Mayor. Accordingly, they are not afforded the benefits of collective bargaining until such time and are, likewise, not obligated to pay dues or participate in any

other bargaining unit activities. It is the Coordinator's further understanding that that the City and the IAFF were both aware at the time of the amendments that fire cadets enrolled in the Fire Academy at the time of the amendments would join the bargaining unit upon being sworn in by the Mayor pursuant to the terms of the amended agreement. The arbitration of that grievance was held on April 29, 2016, and the parties have until July 13, 2016 to submit their briefs on the issue. The Coordinator provided testimony at the hearing in support of the City's position. While the Coordinator is hopeful that there will be a favorable decision, an adverse decision will create further restraints on the maximum expenditures available for the IAFF unit.

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. As of this writing, this dispute is still pending. The Coordinator will provide a further update when more information becomes available.

Fire overtime had been a continuing issue for the City and was constantly exceeding budget; however, with the new fire contract approved in April 2014, the closing of a fire station and the addition of a new complement of firefighters in July 2014; the City has been able to significantly reduce its overtime expense. The City's Fire Chief has used these tools and through prudent personnel management has contributed greatly to cost containment in the Fire budget. Total overtime (inclusive of premium pay) for the first quarter of 2014 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 prior to the new contract. For the year overtime was 40.5% of salary and 91% of the \$2 million overtime budget. Positive trends have continued in 2015 and to date in 2016. The City has been able to contain overtime and stay within the \$900,000 annual budget - which is less than half the 2014 overtime budget. For 2015 fire OT was \$848,996 or 24% of salaries and 94.3% of budget. Through May 2016, overtime (inclusive of premium pay) was \$339,700 or 18.6% of salary and was at 33.5% of budget. This pattern of reduced overtime has had a positive impact on City finances and is anticipated to continue through 2016.

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 by either the Lancaster County Solid Waste Management Authority (LCSWMA) on the Resource Recovery Facility or the Pennsylvania Economic Development Financing Authority (PEDFA) for the parking system. 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 the so-called "Verizon Bonds." The former were restructured as part of the Plan's consummation and the latter were restructured in January 2015 as part of the Settlement Agreement on the Verizon Tower.

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 to put in place a monetization structure that maintained ownership of the assets in Harrisburg, and aligned the incentives of the parties so that the better the system performed, the more the City would benefit. The latter was chosen and therefore it is important that the City 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 year,
 - e. Repay Pennsylvania Investment Bank, and
 - f. Repay agreed upon amounts to equipment lender.

With Plan consummation, the parking assets are now under the auspices of the PEDFA. Capital Region Economic Development Corporation (CREDC) has been engaged 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 last fall 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 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 has now been implemented)*

Results of Operation

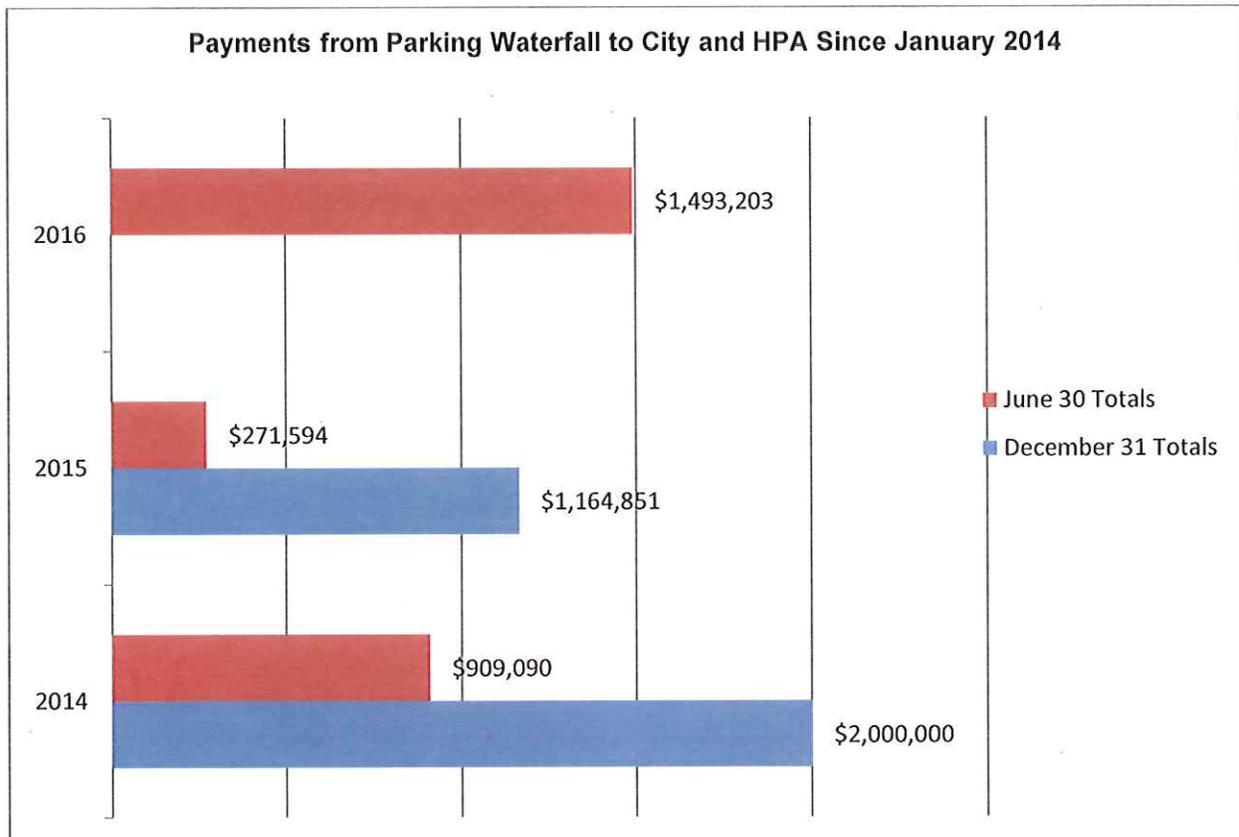
Parking Revenues and Expenses

- The 2016 Operating and Capital Budgets were approved by PEDFA at its December 21 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 (i.e. 1.25x coverage on Class A, B and C bond debt payments for 2016).
- Through May parking revenues are on budget. Commonwealth and Monthly Contract Parker revenues are on budget. Transient revenue is lower than budget by -3% but is offset by favorable results from Meter revenue +5% and Fine/Penalties +9%.
- Operating Expenses are slightly over budget (4%) due to higher utility expenses and timing of payments for administrative expenses.

City Payments

- Payments received by the City through the June 1 distribution from waterfall payments are significantly more than received in 2014 and 2015. The City has been paid \$912,358 under the waterfall as compared with 2016 scheduled payments totaling \$916,505. HPA has been paid \$580,844 for the ground lease compared with 2016 scheduled payments totaling \$583,495.

- For other expenses paid at the Subordinate Expense level of the Trustee waterfall, there have been no Performance Fee deposits/payments or PEDFA fee deposits/payments made to date in 2016.
- There have been no repayments to SP+ for the 2014 Overpayment of approximately \$800,000.
- The trustee has provided an opinion on language in the trust indenture related to the waterfall payments and stated that the language is ambiguous. In light of this PK Harris has stated that the City's payments will be made consistent with the schedules in the Asset Transfer Agreement until such time as all parties agree to any changes. A meeting has been scheduled for July with all parties to discuss a resolution of this matter.
- The following graphic illustrates the improvements in cash flow to the City, under the waterfall as compared to 2014 and 2015. The City is expected to receive in excess of \$2.3 million more from the parking waterfall in 2016 than it did from HPA in 2013 (\$0 was booked as income from HPA in 2013) and approximately \$1.2 million more in 2016 than received in 2015.



Taxes and other Receipts Collected by the City

- With the Verizon Building (now Commonwealth Tower) transition now completed, and the associated parkers working in the Commonwealth Tower, the City will begin to realize additional revenue from two sources. First, the City will receive additional Local Service Taxes from these Commonwealth employees and second, the City will receive additional parking tax and waterfall payments as a result of these employees parking in the garages.
- In 2012 and 2013, the tax receipts that the City collected and retained in its general fund related to individuals parking in the system was approximately \$1.5 million and \$1.6 million respectively. The tax receipts budgeted for this year are approximately \$3.8 million and the City is on track to meet or exceed budget.
- Taken together along with the City Payments and HPA Rent (the so-called waterfall payments), the City is currently expected to reap approximately \$4.5 million in its general fund from the parking transaction this year in excess of what it received in 2013.

Capital & Operational Improvements

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

- Capital Improvement projects have been approved for repair of concrete and other minor repairs. Release of additional significant repair work is being postponed until the new capital study is completed.
- The project entered into an energy saving contract that is projected to provide savings of \$120K in utility expenses per year.
- The project also entered into a contract to install lighting improvements at four garages that will save \$100K in utility expenses per year and increase visibility and enhance safety. Various other safety improvement measures will also be undertaken during the year.
- CDM Smith has been retained to provide a new 10-year capital study. The initial draft report is under review and the final report is expected to be issued in July.

Parking Meter Enforcement

- The Coordinator and Trimont/SP+ continue to be engaged 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 has led to an increase in Enforcement Revenues of 9% over budget or approximately \$48,000 above budget through May 2016.

Incentive Programs

- Following the implementation of several successful incentive programs in 2015, a 15 minute free parking program has been initiated this year for several parking areas in the CBD previously marked as loading zones. To date, parking revenue from meters located surrounding the free parking spaces have 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.
- 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.

Market Square Associates appeal

- Market Square Associates, the owner of an office building and parking garage in the Harrisburg CBD has requested a variance from the Harrisburg Zoning Board that would allow Market Square to lease parking spaces to the public. PK Harris Advisors as asset manager has retained counsel, Killian Gephart, who has presented arguments opposing the request for variance by Market Square Associates. Representatives of the City of Harrisburg have participated in the Zoning Board meetings and also opposed the request for variance. The Zoning Board's next hearing is scheduled for June 29.

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 on a periodic basis 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.

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 May 2016 the City had disposed of 14,447 tons (42%) 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. Thus far the City has received \$72,995 in host fees for 2016. Tipping fees, which were reduced in 2014, have not been increased for 2016 all as agreed to with LCSWMA.

The City can increase recycling further through continued focus on best practice techniques in cooperation with the County's Recycling Coordinator. The deployment of new recycling containers in 2015 and continued educational efforts have and will continue to further the increase. The City has been able to increase recycling volume and exceed the required tonnage specified in the put or pay agreement and should be able to continue to do so with continued monitoring. Concurrently the City has been focusing on ensuring all municipal solid waste especially from large commercial establishments is accounted for as part of the City's waste stream. The City should continue to closely monitor the commercial waste stream so that it avoids the risk that the Neighborhood Services Fund may need to generate additional revenue if the put or pay is not otherwise satisfied.

The "Verizon Bond Problem"

The "Verizon Bond Problem" is described in greater detail in the Strong Plan, and originated from the fact that the so-called Verizon Bonds were issued as long term, capital appreciation bonds in 1998 to fill a budget shortfall of the City at the time. Bond proceeds were received and spent by the City nearly 20 years ago, and now tax dollars were slated to pay back the debt.

The assumption was that Verizon or someone would be tenant in the building paying sufficient rent to service approximately \$41.6 million of debt service from 2016 – 2033. The City had guaranteed repayment of all the debt service on the Verizon Bonds. The Verizon lease ended, however, prior to the requirement that debt service be paid. Therefore, if Verizon moved out prior to the debt service becoming due, which in fact has occurred, and the building remained vacant, the City would be required to pay the entire \$41.6 million in debt service. This would have been disastrous and would have undermined the City's financial recovery.

The Coordinator's team worked diligently with the various parties involved, especially DGS and Harristown Development Corporation (HDC), through 2014 and early 2015 to develop a viable resolution to this liability. The negotiation of a lease between HDC and DGS was a critical component to providing an ongoing revenue stream. The resolution of the Verizon Bond Problem included:

- Obtaining a tenant for the entire building
- Negotiating a rental rate and lease
- Amending a Commonwealth statute to accommodate the move
- Negotiating concessions from HDC

- HDC procured an energy savings based loan for significant improvements to the building,
- The Coordinator's Team negotiated with creditors and obtained a flexible repayment schedule for the City for that made the remaining obligations more affordable and provide the City with capacity to borrow for capital improvements within the next several years
- Negotiating a Settlement Agreement entered into with AGM which was approved by the Court on March 13, 2015.

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 should help merchants and will increase Local Service Tax to City by approximately \$120,000 per year with the imposition of the \$3 per week rate.
- Additional vehicles to be parked in system should increase parking tax collections of the City 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 Verizon Tower Project

The Commonwealth has renamed the Tower the Commonwealth Tower and by mid-June the project had been completed. 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. The final structure will save both the City and Commonwealth considerable sums of money (the former in regard to reduced total debt service obligations and the latter in regard to reduced energy costs under its lease).

HDC has recently announced several new additions to Strawberry Square including the relocation of the Rite Aid store from across Market Street to the Square. Also a number of new establishments have or are on the verge of opening in Strawberry Square including a new restaurant, child care center and Hallmark store. Further HDC is developing 22 upscale loft apartments in the Square and adding 29 apartments to two buildings along South Third Street near the Square. The Verizon Tower project has had a very positive impact on the downtown.

Verizon Fit-Out Project: The Coordinator has worked closely with DGS to monitor construction activity. Construction work started in February 2015 with R.S. Mowery as the general contractor. Phases 1 & 2 were completed by the end of 2015 with the 6th, 7th and 9th floors successfully occupied by 409 Department of Human Services (DHS) employees. By late December, Verizon had vacated the remaining space and Phase 3 construction commenced on the remaining floors (4th, 8th, 11th and 12th). By mid-June Phase 3 was completed, accepted by DGS and the additional 4 floors were occupied by nearly 400 additional DHS employees. All told approximately 780 new employees are now working in the Commonwealth Tower.

Strawberry Square Energy Efficiency Upgrade: The Energy Upgrade was a separate Project thru DGS Facilities Management and HDC that was coordinated with build out in PHASE 1 and PHASE 2. This project is approximately 95% complete. HDC has 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 buildings operation during the ten year period. Once the Siemens implementation team leaves the complex and moves on to other installations there will be quarterly operations meeting with a Siemens representative to insure that the building is operating to the specs outlined in the agreement. They will of course address any changes in schedule or customer issue as it arises, however, the meetings will provide the opportunity to find the best solution to issues that arise. 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 2015 reflects an overall energy usage savings of 15% and cost savings of 21% over 2014.

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 and appears to be a growing obligation. 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 to meet the debt service requirement on these bonds. In May 2016, the City made a payment of \$241,362 on these bonds. The increase in debt service 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 save the City approximately a quarter million dollars per year in debt service. The goal of a new permit/lease is to insure that adequate revenues are received to fulfill the debt service obligations on the stadium bonds without further burdening City taxpayers.

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.

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 this year an arrangement was announced whereby the City Islanders soccer team would play ten games in the stadium this year. 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 at Metro Bank Park and any initiatives that would increase cash flow to support the Stadium's expenses could inure to the benefit of the City and are recognized by the Coordinator as positive steps by the City. The City has assumed responsibility for the "Senators' Stadium" financing matter though the Coordinator's team continues to be available to assist should the City desire.

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, Chief Executive Officer, Chief Financial Officer, and Directors of Engineering, Operations and Administration and 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.

Wastewater and Stormwater Compliance

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 of Pennsylvania, Capital Region Water secured a \$24 million low interest loan from PENNVEST for construction of the AWTF upgrades. With this low interest loan committed to, CRW was able to arrange for a private placement for the balance of the AWTF project. In April 2016, the project reached "substantial completion" and "final completion" is currently scheduled for July 2016. EPA and DEP recently visited the AWTF and were very pleased with the outcome and the progress made. While completion has occurred after the milestones in the Consent Decree, regular communication and consistent progress has been viewed favorably by regulators. The potential fines and penalties that would have been imposed on the City appear to have been avoided.

In April 2015, CRW launched "City Beautiful H₂O"—a community based campaign to improve the health of local waterways and green the City of Harrisburg, Pennsylvania 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 meeting Paxton Creek water quality standards, and robust community education and engagement. These plans will be incorporated into the City's Comprehensive Plan and CRW's

Wet Weather Planning for regulatory compliance. These plans will result in significant investment into the community while attempting to minimize the financial impact to rate payers.

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 2012/2013, 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 to "Satisfactory".

In May 2016, Capital Region Water was selected winner of the "Best Tasting Tap Water in Pennsylvania" state-wide competition held by the Pennsylvania Section of the American Water Works Association.

Due to an aggressive leak detection and repair program from January through May 2016, improvements have also been made in reducing 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.

Also in April 2016, Capital Region Water's Board of Directors 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, the Nature Conservancy, and Fort Indiantown Gap. The agreement will result in up to \$9-million in one-time revenue and potential for ongoing revenue through the sale of timber and pulpwood and carbon credits.

Project Funding

CRW has been successful in preventing large costs of borrowing by developing successful financial strategies. They have completed five successful borrowings since 2013 and plan for one more in 2016. Due to many factors, including the purchase of the water system from the City, water system debt service grew to 60% of operating expenses. In 2014, certain short term financial 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. As a result of the defaults on the incinerator debt and the resultant withdrawal of bond ratings for both the City and The Harrisburg Authority, CRW had not been able to access the financial bond markets. In early 2016, with two years of financial records and operating history, the Authority was able to restore its credit rating and refinance over \$52 million in bonds. 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 later this year to allow for new borrowing to support the \$10-million per year Capital Improvement Plan and to refinance the non-PENNVEST funding of the AWTF.

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.

Learning of the City's plans for street restoration in areas with underground infrastructure ("Multimodal Transportation Projects") and the Impact Harrisburg Board's desire for collaborative projects with the City, CRW laid aside plans to apply for funding to offset project costs included in the 5-year Capital Improvement Plan, and instead submitted a "Project Application" requesting funding for water and sewer infrastructure in alignment with the City's Multimodal Transportation Projects. This funding would offset costs of condition assessments, design and construction of rehabilitation of drinking water, wastewater and stormwater infrastructure. The project also includes incorporation of Green Stormwater Infrastructure as practical in accordance with CRW's City Beautiful H2O wet weather and community greening plan.

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 have not yet been confirmed by the City, though they were brought to the attention of the City Administration early in 2014.

CRW continues to seek engagement from the City for collaboration on 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 that have faced the City.

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.

Strategic Planning

Capital Region Water is currently preparing a Strategic Plan with an anticipated completion date of September 2016. The Plan preparation effort has involved staff from all levels of the organization, the Board of Directors, and external stakeholders.

The following Draft Statements have been proposed but not yet formally adopted by the Board of Directors:

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

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

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

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

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 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 the 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 in the summer of 2015 from firms to engage in possible litigation. Harris Wiltshire and Grannis LLP with their main office in Washington was selected in September and is now engaged to represent the Coordinator in the continued pursuit of all outstanding claims up to and including litigation, if necessary. During the quarter a number of additional meetings were held with various parties in the pursuit of a resolution of these claims.

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. As noted much of the Coordinator's Team's focus during the second quarter was on the further refinement of the Strong Plan modifications. Concurrently, the Team continued to work with Mayor Papenfuse and his Administration to assist with numerous issues in helping the administration move forward with Strong Plan initiatives and other operating matters. Regular interaction with the City administration occurred 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. Meetings 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.

While 2015 saw a decrease in several revenue streams, the City did a good job of managing expenses and it entered 2016 with a positive cash balance even though the Commonwealth's budget situation resulted in the \$5 million appropriation for public safety not being received until the first quarter of 2016.

Through mid-year 2016, the City's financial position is stable. With the receipt of the the bulk of real estate taxes and significant EIT and parking revenues, the City's cash flow is strong. It ends June with a General Fund cash balance of \$11.2 million compared with a balance of \$8.47 million at mid-year 2015 and \$7.9 million and at mid-year 2014. This represents a very positive trend for the City's fiscal stability. Close monitoring of both EIT and parking revenues will continue to be important as the year progresses to ensure they stay on track with the budget. The imposition of the higher LST will also need to be monitored closely to ensure proper withholding occurs. Positive results continue to be realized with personnel cost containment given the collective bargaining contracts that are now in place. There remain challenges though with the implementation of recommendations from the sanitation system review and the newly established Neighborhood Services Fund that will require ongoing attention.

The City has taken a number of steps to restore its fiscal credibility in the financial marketplace including bring their audits up-to-date, securing a TRAN for the third consecutive year, compliance with disclosure requirements, making timely debt service payments, bringing all payables into a current status and undertaking its first capital borrowing since entering Act 47.

With resolution of the Verizon Tower bonds and full occupancy of the Tower by approximately 800 DHS employees, the City will see a number of positive economic benefits including increased LST and parking revenues. The City has resolved what would have otherwise been a \$41 million liability with a debt service schedule that has been restructured to fit within its budget and to provide opportunities for future borrowing. Further this project can serve as a stimulus for additional economic activity in the downtown, some of which is already occurring.

Moving into the third quarter of 2016 our focus is on the 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. 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. We will work with City officials to see that the modifications are enacted and advanced to your Court for review and action in a timely manner. We will further work with City officials to effectively manage the 2016 budget, increase the City's management capacity, enact sound financial management policies, initiate 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 see that it can begin to approve infrastructure and economic development projects with the \$12.3 million that was set aside as part of the parking monetization 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

6/29/2016

3:03 PM

	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Estimated June	Estimated Jul	Estimated Aug	Estimated Sep	Estimated Oct	Estimated 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	10,248,333	8,472,995	8,454,338	5,336,400	9,807,116	8,502,818	
Surplus/(Deficit)	-805,251	6,994,149	5,192,817	-1,100,706	2,191,653	-2,555,224	-1,875,338	-118,657	-3,217,938	4,470,716	-1,304,298	-3,811,342	
Change in Accounts Payable	62,818	736,289	-833,993	827,189	33,071	0	100,000	100,000	100,000	0	0	-892,945	
Other items affecting Cash	-22,047	1,066,353	-584,910	-958,650	-1,219,077	0	0	0	0	0	0	0	
Unrestricted Cash Balance End of Month	459,372	9,256,163	13,030,078	11,797,910	12,803,557	10,248,333	8,472,995	8,454,338	5,336,400	9,807,116	8,502,818	3,798,532	
Revenues, Expenditures, Surplus/(Deficit)													
Revenues without Transfers	1,629,387	5,118,222	13,437,163	3,886,562	5,422,601	2,595,337	2,134,373	3,596,338	3,057,666	5,469,226	2,811,578	2,785,783	51,944,237
Sanitation Utility Fund	0	0	0	0	0	0	0	271,434	514,909	0	190,216	934,504	1,911,063
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	0	0	4,504,000	0	0	9,008,000
Total Revenues	1,629,387	9,622,222	13,437,163	3,886,562	5,422,601	2,595,337	2,134,373	3,867,772	3,572,575	9,973,226	3,001,795	3,720,287	62,863,301
Expenditures													
Personnel	2,009,378	2,224,093	2,647,640	2,374,689	2,616,965	3,821,758	3,271,093	3,153,843	3,076,291	4,560,963	2,953,305	5,724,764	38,434,782
Services	362,570	259,957	302,181	411,527	279,470	400,976	412,511	544,394	318,817	526,046	660,726	939,190	5,418,365
Supplies	61,606	118,156	159,773	330,386	77,548	174,721	234,504	178,051	128,824	154,224	248,104	408,980	2,274,876
Other	1,085	25,867	59,406	1,765,580	15,604	156,571	91,604	110,141	158,977	261,277	276,213	362,160	3,284,485
Debt Service	0	0	5,075,346	105,086	241,362	596,535	0	0	3,107,604	0	167,744	96,535	9,390,212
Total Expenditures	2,434,638	2,628,074	8,244,346	4,987,268	3,230,948	5,150,561	4,009,711	3,986,429	6,790,513	5,502,510	4,306,092	7,531,629	58,802,720
Operating Surplus/(Deficit)	-805,251	6,994,149	5,192,817	-1,100,706	2,191,653	-2,555,224	-1,875,338	-118,657	-3,217,938	4,470,716	-1,304,298	-3,811,342	4,060,581
Accounts Payable													
Accounts Payable Beginning of Month	-967,572	-1,030,390	-1,766,678	-932,685	-1,759,874	-1,792,945	-1,792,945	-1,892,945	-1,992,945	-2,092,945	-2,092,945	-2,092,945	
Accounts Payable End of Month	-1,030,390	-1,766,678	-932,685	-1,759,874	-1,792,945	-1,792,945	-1,892,945	-1,992,945	-2,092,945	-2,092,945	-2,092,945	-1,200,000	
Change in Accounts Payable	62,818	736,289	-833,993	827,189	33,071	0	100,000	100,000	100,000	0	0	-892,945	

City of Harrisburg
2016 Projected General Fund Revenues

Revenue Group	Actual Jan	Actual Feb	Actual March	Actual April	Actual May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Estimated Total 2016	Budget 2016	Variance
Real Estate Taxes Current	274,767	1,968,130	9,936,517	702,950	992,027	323,299	168,620	125,904	71,749	81,698	104,079	371,443	15,121,183	14,777,056	344,127
Real Estate Taxes Delinquent	0	83,314	71,080	172,478	378,554	99,084	352,001	86,192	122,363	607,166	118,005	59,114	2,149,351	1,937,945	211,406
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	321,682	123,413	388,023	358,749	206,578	444,812	151,924	3,561,049	3,572,143	-11,094
Act 47 EIT	263,685	857,908	766,186	242,011	1,001,948	643,363	246,826	776,045	717,497	413,156	889,625	303,848	7,122,099	7,144,287	-22,188
EMS/LST	94,380	229,073	147,720	70,866	544,874	83,794	84,620	60,422	303,514	192,004	269,714	328,295	2,409,277	4,989,344	-2,580,067
Mercantile Business Privilege	165,962	286,686	446,232	1,233,312	292,590	168,840	75,275	146,099	67,899	188,108	102,245	54,908	3,228,157	3,265,457	-37,300
Other Act 511 Taxes	36,530	119,839	39,991	33,795	76,076	30,268	93,107	494,840	49,308	90,201	89,840	162,994	1,316,790	1,779,838	-463,048
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	29,187	4,727	0	13,903	35,413	0	25,978	109,208	115,000	-5,792
District Justice Fees	29,393	25,991	23,677	47,262	50,226	10,648	22,515	6,963	65,481	71,404	20,821	18,294	392,676	394,009	-1,333
Fed/State(Fed)Pass Thr Gr	3,750	0	7,500	3,750	3,750	4,583	4,583	4,583	4,583	4,583	4,583	4,583	50,831	45,000	5,831
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	48,629	121,798	111,974	70,788	118,226	83,955	182,380	1,420,616	1,245,721	174,895
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	2,788	2,065	1,879	2,451	1,720	2,012	2,594	36,445	26,525	9,920
License	0	132,628	15,600	0	148,212	0	0	143,048	8,666	0	131,978	832	580,964	581,744	-781
Miscellaneous	42,382	97,420	194,415	92,672	57,202	224,062	115,259	229,887	238,914	225,850	96,053	166,404	1,780,521	1,994,836	-214,315
Pension System State Aid	0	0	0	0	0	0	0	0	0	2,200,000	0	0	2,200,000	2,200,000	0
Public Safety Fees/Permits	13,877	20,293	20,463	29,792	10,867	9,219	10,424	8,682	14,289	12,865	9,004	9,499	169,273	156,530	12,743
Public Safety Grants	25,306	23,227	42,541	49,641	15,826	37,525	8,537	3,410	17,945	3,313	11,673	7,945	246,891	273,106	-26,215
Public Safety Reimbursements	32,008	48,850	29,841	307,113	64,239	103,403	104,354	114,846	46,250	106,726	71,549	52,564	1,081,743	1,000,459	81,284
Public Works Fees/Permits	0	0	0	0	0	0	0	0	0	0	0	0	0	125,000	-125,000
Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	163	163	163	163	163	185	185	160	160	214	130	166	2,013	2,113	-100
Recreation Fees	0	0	5	138	566	2,484	8,073	3,665	169	11	0	37	15,147	14,677	470
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	14,138	44,528	39,489	46,161	44,355	18,130	22,830	463,624	430,080	33,544
PILOTS	0	698	0	107,444	121,667	31,441	64,609	7,359	13,343	188,956	7,139	0	542,655	500,000	42,655
Pub Utility Realty Tax	0	0	0	0	0	0	0	0	0	45,000	0	0	45,000	45,000	0
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	0	0	0	0	0	8	0	8
Sewer Maint Liens-Princip	18	0	0	14	0	0	0	0	0	0	0	0	32	0	32
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	271,434	514,909	0	190,216	934,504	1,911,063	1,911,063	0
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	0	0	4,504,000	0	0	9,008,000	4,504,000	4,504,000
Parking Taxes	266,332	324,426	274,153	118,971	602,711	182,925	260,551	602,050	105,142	411,934	128,282	634,423	3,911,899	3,812,500	99,399
Parking Fees	21,620	6,378	3,188	4,729	5,008	16,023	12,034	10,617	7,143	8,361	6,708	14,463	116,273	113,436	2,837
Parking Tickets	25,277	30,595	20,636	27,750	48,730	30,950	29,451	53,383	38,381	34,568	24,425	33,448	397,595	350,000	47,595
Ground Lease Payments	0	59,462	149,519	140,280	134,334	97,249	97,249	97,249	97,249	97,249	97,249	97,249	1,164,339	1,166,990	-2,651
Priority Parking Distribution	28,379	93,398	180,371	220,340	237,120	79,568	79,568	79,568	79,568	79,568	79,568	79,568	1,316,580	954,810	361,770
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	2,595,337	2,134,373	3,867,772	3,572,575	9,973,226	3,001,795	3,720,287	62,863,301	60,324,669	2,538,632

City of Harrisburg 2016 Estimated Expenditures by Month		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated 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	31,419	22,067	21,748	21,518	21,518	21,498	32,062	279,118	279,352	-233
Office of City Council Services	Services	1,024	21,829	154	720	2,703	3,434	10,400	698	10,095	32,238	12,161	11,276	106,730	105,593	1,137
Office of City Council Supplies	Supplies	331	1,247	248	0	0	891	2,494	763	98	0	47	4,989	11,107	29,450	-18,343
Office of City Council Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office of City Council		22,815	44,533	21,859	22,177	24,160	35,744	34,960	23,208	31,711	53,756	33,705	48,327	396,956	414,395	-17,439
Office of Mayor Personnel	Personnel	17,888	16,724	16,724	16,724	16,724	16,536	22,682	18,657	16,536	16,536	16,413	22,723	214,864	217,991	-3,127
Office of Mayor Services	Services	165	1,668	204	164	166	415	251	251	236	233	2,883	3,911	10,547	15,514	-4,967
Office of Mayor Supplies	Supplies	0	0	0	915	0	0	0	302	0	0	126	2,097	3,440	4,300	-860
Office of Mayor Other	Other	100	100	100	100	100	766	700	15	15	15	296	59	2,364	2,000	364
Office of Mayor		18,152	18,492	17,028	17,903	16,990	17,716	23,633	19,225	16,786	16,784	19,717	28,790	231,216	239,805	-8,590
Office of City Controller Personnel	Personnel	10,836	10,873	10,948	10,904	10,897	10,709	14,080	12,965	10,876	10,939	10,860	14,601	139,488	142,251	-2,763
Office of City Controller Services	Services	40	0	0	0	3,479	2	2	2	2	134	5,002	5,266	13,930	12,025	1,905
Office of City Controller Supplies	Supplies	46	5,108	65	207	0	1,683	5,560	135	0	231	172	172	13,380	7,975	5,405
Office of City Controller Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office of City Controller		10,922	15,980	11,013	11,111	14,376	12,395	19,642	13,102	10,878	11,305	16,034	20,040	166,798	162,251	4,547
Office of City Treasurer Personnel	Personnel	17,567	22,021	22,006	21,889	21,931	26,120	33,036	31,354	24,299	23,007	20,868	28,943	293,041	327,618	-34,577
Office of City Treasurer Services	Services	12,391	48	1,683	25,632	282	1,055	3,222	1,052	554	2,051	11,166	14,376	73,511	80,615	-7,104
Office of City Treasurer Supplies	Supplies	0	0	0	319	0	172	409	291	68	2,295	1,194	2,667	7,413	9,000	-1,587
Office of City Treasurer Other	Other	0	0	0	0	0	0	0	0	0	4,000	4,000	4,000	8,000	8,000	0
Office of City Treasurer		29,958	22,070	23,689	47,839	22,212	27,347	36,666	32,698	24,922	27,352	37,227	49,986	381,965	425,233	-43,267
Office of City Solicitor Personnel	Personnel	23,413	24,708	25,403	24,955	24,955	26,892	36,597	36,890	32,551	31,612	30,921	43,856	362,752	396,303	-33,550
Office of City Solicitor Services	Services	2,739	50,169	4,291	1,939	14,727	25,754	31,825	25,099	27,845	16,527	38,230	57,901	297,046	319,992	-22,946
Office of City Solicitor Supplies	Supplies	1,716	1,876	1,853	1,505	269	2,604	3,125	3,278	2,819	606	5,706	8,553	33,910	36,068	-2,158
Office of City Solicitor Other	Other	100	100	100	100	100	0	380	190	190	190	0	0	1,448	1,900	-452
Office of City Solicitor		27,968	76,853	31,646	28,499	40,051	55,250	71,928	65,456	63,404	48,935	74,857	110,310	695,156	754,263	-59,107
Office of Business Administrator Personnel	Personnel	4,953	4,951	4,951	4,951	4,951	2,429	6,052	7,261	5,642	5,642	5,660	6,881	64,323	64,590	-267
Office of Business Administrator Services	Services	0	0	0	2	4	784	18	423	253	1,922	3,967	3,392	10,764	11,810	-1,046
Office of Business Administrator Supplies	Supplies	27	0	37	21	32	1,266	75	20	30	0	459	716	2,683	2,700	-17
Office of Business Administrator Other	Other	199	0	0	0	0	0	0	0	0	0	0	0	200	0	200
Office of Business Administrator		5,179	4,951	4,988	4,974	4,986	4,479	6,145	7,704	5,925	7,564	10,086	10,989	77,970	79,100	-1,130
Bureau of Financial Management Personnel	Personnel	26,326	27,530	27,874	27,874	27,874	32,028	40,503	37,850	29,709	30,855	29,502	38,645	376,569	419,954	-43,385
Bureau of Financial Management Services	Services	21,169	2,270	2,089	240	1,023	11,181	56,022	59,614	10,340	27,709	29,199	30,737	251,594	288,591	-36,997
Bureau of Financial Management Supplies	Supplies	16	6,148	16	1,289	16	1,982	114	119	119	172	1,409	1,512	12,792	13,532	-740
Bureau of Financial Management Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Financial Management		47,511	35,949	29,978	29,403	28,913	43,209	98,507	97,578	40,168	58,736	60,109	70,894	640,955	722,077	-81,123
Bureau of Communications Personnel	Personnel	12,712	13,868	13,868	13,868	13,868	24,330	34,928	23,703	23,703	1,253	1,253	1,880	179,238	229,295	-50,057
Bureau of Communications Services	Services	1,060	217	180	234	180	706	663	684	678	583	1,014	1,014	7,211	11,849	-4,638
Bureau of Communications Supplies	Supplies	431	0	0	0	0	0	0	0	0	0	2,794	2,794	6,020	7,305	-1,285
Bureau of Communications Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Communications		14,203	14,085	14,048	14,102	14,048	25,036	35,592	24,388	24,381	1,837	5,061	5,688	192,469	248,449	-55,980
Bureau of Risk Management Personnel	Personnel	5,706	5,706	5,706	5,706	5,706	8,276	11,906	8,073	8,073	406	406	609	66,276	74,279	-8,002
Bureau of Risk Management Services	Services	259	0	0	0	0	0	0	0	0	0	97	97	453	720	-267
Bureau of Risk Management Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	750	750	1,500	1,500	0
Bureau of Risk Management Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Risk Management		5,965	5,706	5,706	5,706	5,706	8,276	11,906	8,073	8,073	406	1,253	1,456	68,230	76,499	-8,269
Bureau of Information Technology Personnel	Personnel	28,183	28,389	28,918	28,348	28,348	35,365	45,841	43,380	36,410	37,367	34,879	44,254	419,682	445,856	-26,174
Bureau of Information Technology Services	Services	7,768	9,644	8,163	71,906	32,375	5,190	7,980	12,759	5,792	5,272	34,679	23,823	225,351	238,446	-13,095
Bureau of Information Technology Supplies	Supplies	6,945	5,683	5,524	7,238	8,257	9,002	8,422	9,630	13,788	14,871	11,527	15,507	116,393	128,628	-12,235
Bureau of Information Technology Other	Other	0	24,500	0	0	0	0	0	0	0	0	26,684	99,816	151,000	151,000	0
Bureau of Information Technology		42,896	68,216	42,605	107,492	68,980	49,557	62,243	65,770	55,990	57,510	107,768	183,399	912,426	963,931	-51,504
Bureau of Human Resources Personnel	Personnel	17,710	18,451	18,120	18,120	18,120	18,123	22,423	21,076	17,386	17,630	17,318	22,757	227,234	236,122	-8,887
Bureau of Human Resources Services	Services	1,041	2,640	546	4,923	2,994	2,950	4,414	3,743	3,310	2,898	5,824	10,117	45,400	47,375	-1,975
Bureau of Human Resources Supplies	Supplies	0	0	0	0	0	0	32	61	0	0	906	1,224	2,224	2,300	-76
Bureau of Human Resources Other	Other	100	100	100	100	100	0	239	120	120	120	0	1,096	1,196	1,196	-100
Bureau of Human Resources		18,851	21,191	18,765	23,142	21,213	21,074	27,109	24,999	20,816	20,648	24,049	34,097	275,954	286,993	-11,039
Operations and Revenue (Office of the Director) Personnel	Personnel	14,529	15,228	15,612	15,233	15,233	19,762	23,809	24,725	19,436	19,434	16,359	18,979	218,340	242,838	-24,498
Operations and Revenue (Office of the Director) Services	Services	15,069	6,602	19,138	23,176	9,548	11,391	15,669	12,094	7,694	14,529	13,718	30,030	178,657	176,372	2,285
Operations and Revenue (Office of the Director) Supplies	Supplies	0	1,521	6,017	1,846	129	863	1,843	9,518	676	1,274	2,689	4,985	31,360	28,100	3,260
Operations and Revenue (Office of the Director) Other	Other	0	99	0	0	0	0	0	0	0	0	0	0	99	0	99
Operations and Revenue (Office of the Director)		29,599	23,451	40,766	40,255	24,911	32,017	41,321	46,336	27,806	35,237	32,765	53,993	428,456	447,310	-18,855

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

		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Estimated Total 2016	Budget Total 2016	Variance Act - Bud
																0
General Expenses Personnel	Personnel	211,915	504,877	921,431	754,775	872,558	1,224,062	1,018,876	1,017,643	1,041,677	991,751	1,006,315	1,328,598	10,894,478	11,810,335	-915,857
General Expenses Services	Services	121,576	57,173	111,594	58,809	101,927	99,536	57,947	171,956	55,701	137,891	75,129	107,553	1,156,792	1,099,510	57,283
General Expenses Supplies	Supplies	0	0	0	0	0	0	172	31	0	0	0	103	306	25,306	-25,000
General Expenses Other	Other	128	0	57,429	1,500,379	0	16,256	22,575	41,581	16,714	21	69,994	169,087	1,894,164	2,136,587	-242,423
General Expenses		333,618	562,050	1,090,454	2,313,964	974,485	1,339,853	1,099,570	1,231,212	1,114,092	1,129,663	1,151,438	1,605,341	13,945,741	15,071,738	-1,125,998
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	167,744	96,535	9,390,212	8,759,227	630,985
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	167,744	96,535	9,390,212	8,759,227	630,985
Office of the Director for the DCED Personnel	Personnel	6,046	5,962	5,962	7,942	9,923	13,884	15,603	19,106	13,884	13,884	13,933	15,702	141,830	179,776	-37,946
Office of the Director for the DCED Services	Services	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500	-2,500
Office of the Director for the DCED Supplies	Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000	-2,000
Office of the Director for the DCED Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office of the Director for the DCED		6,046	5,962	5,962	7,942	9,923	13,884	15,603	19,106	13,884	13,884	13,933	15,702	141,830	184,276	-42,446
Bureau of Planning Personnel	Personnel	6,946	6,946	6,946	6,946	6,946	7,421	7,608	7,514	7,559	7,559	7,605	7,906	87,901	90,426	-2,525
Bureau of Planning Services	Services	14,765	764	3,648	5,154	2,697	3,810	7,892	7,767	5,087	6,375	8,823	9,128	75,911	60,600	15,311
Bureau of Planning Supplies	Supplies	0	0	0	0	0	0	0	124	0	953	2,333	1,565	4,974	7,800	-2,826
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	11,231	15,500	15,404	12,646	14,886	18,761	18,599	168,786	158,826	9,960
Bureau of Codes Personnel	Personnel	41,470	42,172	44,966	45,901	48,156	51,958	67,264	55,400	48,013	48,732	49,271	69,821	613,123	669,734	-56,611
Bureau of Codes Services	Services	1,056	1,224	1,861	1,088	1,718	2,035	1,446	3,237	3,389	1,448	3,521	5,014	27,037	26,300	737
Bureau of Codes Supplies	Supplies	0	1,995	3,963	154	998	203	2,757	0	0	0	3,252	3,291	16,611	19,400	-2,789
Bureau of Codes Other	Other	0	100	100	100	100	0	0	0	0	0	0	0	398	0	398
Bureau of Codes		42,527	45,489	50,889	47,243	50,971	54,196	71,466	58,637	51,402	50,180	56,044	78,125	657,170	715,434	-58,264
Economic Development Personnel	Personnel	4,548	4,548	4,548	4,548	4,548	6,832	4,554	4,554	4,554	4,554	4,554	6,832	59,175	59,208	-32
Economic Development Services	Services	0	0	0	0	636	0	0	2,490	510	0	0	0	3,636	3,000	636
Economic Development Supplies	Supplies	0	0	0	0	0	0	0	12	45	74	0	469	600	750	-150
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	6,832	4,554	7,056	5,110	4,628	4,554	7,301	63,411	62,958	453
Office of the Police Chief Personnel	Personnel	939,925	856,374	800,105	821,194	863,902	1,351,917	1,023,515	1,019,841	1,072,198	2,630,305	960,386	2,743,704	15,083,366	15,645,640	-562,274
Office of the Police Chief Services	Services	95,630	37,498	88,470	77,030	7,406	52,407	29,993	51,812	56,878	99,015	65,656	81,549	743,344	868,707	-125,363
Office of the Police Chief Supplies	Supplies	505	3,196	79,611	23,730	392	9,286	34,841	4,609	14,969	3,198	53,530	47,111	274,980	245,696	29,284
Office of the Police Chief Other	Other	0	0	100	100	100	156	0	1,404	44,842	153,160	34,365	-24,366	209,858	243,000	-33,142
Office of the Police Chief		1,036,059	897,068	968,285	922,054	871,800	1,413,767	1,088,349	1,077,666	1,188,887	2,885,678	1,113,937	2,847,997	16,311,548	17,003,043	-691,496
Bureau of Fire Personnel	Personnel	499,576	489,841	561,650	430,448	507,067	745,009	581,084	549,609	510,580	531,723	573,898	1,078,724	7,059,209	7,234,836	-175,628
Bureau of Fire Services	Services	16,972	12,683	15,857	17,940	12,603	9,316	43,027	21,844	9,560	21,638	22,706	78,898	283,046	326,200	-43,154
Bureau of Fire Supplies	Supplies	17,034	29,669	7,995	13,791	13,249	21,399	34,849	14,571	30,255	29,347	26,834	40,233	279,227	286,150	-6,923
Bureau of Fire Other	Other	0	0	0	250,000	1,227	38,942	0	0	0	0	18,029	18,029	326,227	155,000	171,227
Bureau of Fire		533,583	532,193	585,502	712,179	534,147	814,666	658,960	586,025	550,394	582,708	641,468	1,215,884	7,947,709	8,002,186	-54,477

City of Harrisburg
2016 Estimated Expenditures by Month

		Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated 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	78,983	52,656	52,656	52,656	52,656	66,584	102,493	701,266	724,523	-23,257
Office of the Director of Public Works Services	Services	39,664	40,707	23,107	112,353	70,885	110,083	85,262	88,934	77,094	140,093	270,671	406,521	1,465,373	1,474,406	-9,033
Office of the Director of Public Works Supplies	Supplies	86	11,795	3,689	228,699	1,511	26,349	29,852	2,121	2,681	4,169	10,076	15,349	336,377	352,500	-16,123
Office of the Director of Public Works Other	Other	359	770	1,379	14,604	13,779	100,450	67,470	66,711	96,977	107,651	122,845	95,535	688,533	674,808	13,725
Office of the Director of Public Works		87,826	103,488	74,772	404,675	135,211	315,865	235,239	210,422	229,408	304,569	470,176	619,898	3,191,549	3,226,237	-34,688
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	37,069	40,285	30,507	30,499	30,773	45,463	59,972	52,447	46,608	46,916	49,359	74,386	544,285	621,747	-77,462
Bureau of Vehicle Management Services	Services	9,884	11,690	13,864	8,661	12,200	20,325	46,767	29,865	28,856	14,557	35,749	32,520	264,938	292,150	-27,212
Bureau of Vehicle Management Supplies	Supplies	34,122	47,683	48,862	48,271	46,399	74,824	86,911	113,262	46,281	96,336	123,244	253,836	1,020,031	1,088,700	-68,669
Bureau of Vehicle Management Other	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Vehicle Management		81,075	99,659	93,233	87,432	89,372	140,611	193,650	195,574	121,745	157,809	208,352	360,742	1,829,254	2,002,597	-173,342
Office of the Director of Parks, Recreation and Enrichment Personnel	Personnel	12,884	12,965	13,343	13,388	13,993	44,240	126,036	87,392	32,424	16,685	15,463	20,410	409,223	439,255	-30,032
Office of the Director of Parks, Recreation and Enrichment Services	Services	298	3,129	7,334	1,557	1,918	40,603	9,711	50,071	14,942	933	20,532	26,068	177,093	215,400	-38,307
Office of the Director of Parks, Recreation and Enrichment Supplies	Supplies	347	2,235	1,894	2,401	6,296	26,179	21,178	19,209	16,996	699	1,057	1,057	99,548	103,900	-4,352
Office of the Director of Parks, Recreation and Enrichment Other	Other	100	100	100	100	100	0	240	120	120	120	0	0	1,098	1,200	-102
Office of the Director of Parks, Recreation and Enrichment		13,629	18,429	22,670	17,445	22,306	111,022	157,166	156,792	64,482	18,436	37,052	47,535	686,962	759,755	-72,793
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	5,150,561	4,009,711	3,986,429	6,790,513	5,502,510	4,306,092	7,531,629	58,802,720	60,766,580	-1,963,860

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. ALAN WALKER, 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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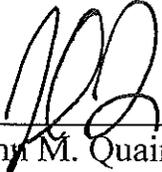
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7/1/16



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