

HARRISBURG CITY BUDGET 2006

Section No. 1
Exhibit No. 1

CITY OF HARRISBURG, PENNSYLVANIA

Honorable Stephen R. Reed
Mayor



Linda Lingle
Business Administrator

Passed by City Council

January 24, 2006

Vera J. White, Council President

Susan C. Wilson, Council Vice-President

Patty Kim, Council Member

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Wanda R. Williams, Council Member

2006 BUDGET

CITY OF HARRISBURG, PENNSYLVANIA

Prepared by:

Linda Lingle
Business Administrator

Robert F. Kroboth, CGFM
Deputy Business Administrator

Michael S. Wood
Budget Manager

Yolanda M. Jones
Senior Budget/Management Analyst

Special Acknowledgements:

Thomas A. Asman
Director - Operations and Revenues

Bradley A. Yingst
Director - Building Maintenance

William P. Leinberger, CMA, CFM
Accounting Manager

Mattea D. Fera
Purchasing Manager

Tonia A. Baum
Assistant to the Business Administrator

Charles A. Schulz
Special Events Manager

Kenneth A. Corker
Reproduction Technician

Robin J. Grannison
Central Support Assistant II

2006 BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
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City of Harrisburg

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January 1, 2005

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Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Harrisburg, Pennsylvania, for its annual budget for the fiscal year beginning January 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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**To – The Honorable, Members
Council of The City
of Harrisburg
and
The Citizens of Harrisburg**

I herewith present the Budget of the City of Harrisburg for the calendar fiscal year 2006.

No tax increase of any kind has been enacted.

TAX POLICY

The City of Harrisburg is one of the few municipalities in the state or nation to utilize a two-tiered tax rate system which, in Harrisburg's case, charges a tax rate on buildings that is only one-sixth of the tax rate on land.

This has proven to be a major economic development investment incentive. Our City boundaries are finite and inelastic. Unlike cities in some other states, where incorporation of surrounding areas can be done to create efficiencies and fiscal stability, Pennsylvania cities may not do this.

The two-tiered tax rate policy here therefore serves several key goals. It rewards investment. The greater the investment, the greater the benefit. It also serves to induce the highest and best use of land, while discouraging real estate speculation.

During the past twenty-five years, the City has lowered taxes on buildings twice. It has increased taxes on buildings three times and on land once.

In contrast, during the same time period, the County has raised county property taxes eight times and the School District has raised school district property taxes fourteen times, although not once in the past five years.

What a property owner actually pays in real estate taxes is a function of two elements: the tax rate and the assessed value of the real estate. The tax rate is multiplied by the assessment amount and that produces the specific dollar amount to be paid.

This office has long argued that the Pennsylvania tax system, which places undue reliance upon property taxes to support municipalities, counties, and school districts, is outdated and regressive. The need for statewide tax reform has existed for decades.

City property taxes fund only 10.2% of the entire city budget. In fact, property taxes do not even fund half the cost of the Police and Fire Bureaus.

It has been said by some that taxes on property in Harrisburg are the highest in the region. This is not accurate. The average residential property assessment in Harrisburg is \$54,274, as of this past January. We know that a significant

number of homes are selling for much more than this but taxes are based on the assessment set by the County and not ever-changing market prices.

The tax rates in Harrisburg may be higher but when multiplied by the lower assessments, it results in lower property taxes than what is paid on average in many surrounding municipalities, where there are lower tax rates but higher assessments.

Further, many surrounding communities utilize a separate tax that Harrisburg does not. Known as the Occupational Assessment Tax, each employed person in a household is assessed an added tax, based on their occupational classification, which can range from a few hundred dollars per person to higher. This never gets counted when comparing taxes of one community with another because it varies from household to household and changes as individual employment changes.

Some other communities also charge such things as a hydrant tax, which we do not, and that is usually not counted when doing a comparison of what property owners pay in each municipality.

This information is mentioned because, when considering budgets and tax policy, context and trends need to be known. They separate fact from myth.

This office has made the creation of alternative revenue sources a priority since our work began. The primary goal has been to reduce reliance on property and other taxes to fund the operation of government and to bring tax stability.

The result of these years of effort can be seen in the fact that for the 2006 Budget, only 18.5% comes from local taxes --- and that is all local taxes combined --- real estate, business and mercantile, realty transfer, wage and emergency municipal service taxes. There are a few cities in America and none that we know of in Pennsylvania that have produced this reversion in the tax to total budget ratio.

Further on the subject of local taxes, two events are worth noting. The Harrisburg School District has opted into the Act 72 Program. This means that, under the state formula for distribution and use of revenues from the new gaming legislation, 50% of the average cost of real estate taxes will be cut for Harrisburg homeowners. The state formula has different levels of tax reduction. Harrisburg is eligible for the highest level which equates to around \$560 for homeowners here. For homeowners with less than the average assessment on their property, they may see a circumstance of paying no school property taxes.

Further, the Pennsylvania Legislature is now in the throes of discussing broader property tax relief. Various proposals are now before them, generally related to either increasing or broadening the state sales tax or increasing the state income tax or increasing the state realty transfer tax --- or a combination of any of these --- to reduce local property taxes with new revenues.

If any of the pending scenarios are adopted, there is the prospect of very significant property tax elimination in Harrisburg.

Finally, on the subject of taxes, we must again remind of the considerable constraint placed upon us by Pennsylvania's liberal tax exemption laws, which were furthered broadened six years ago to include more classes of property owners. Presently 48% of all real estate in this city is exempt from any form of taxation as a result.

This would be an enormous constraint on an affluent suburban community, let alone what it does in an urban city where not everyone can take on the added burden this represents. In our case, many of these tax-exempt properties generate the greatest demand for municipal services for which they do not pay. This circumstance creates a higher tax rate on those who do pay property taxes and is an inequity that remains unaddressed in our state.

As an added point, Harrisburg has the special position of being the Capital City of the Nation's sixth largest state. It comes with a cost. The Capital City is called upon for municipal response and resources in a wide variety of ways to accommodate state government's presence. That presence is a positive factor in the local economy, to be sure, but the tax revenues from such do not equal the city government's added costs.

BUDGET DETAIL

In preparing the 2006 Budget, significant constraints were prevalent. The demands on city government continue to rise. The resources to meet them do not.

The matter is compounded by the array of externally-determined costs over which a local government has little or no control. It is further exacerbated by unfunded federal and state mandates that divert local resources to meeting the requirements imposed by others. The current estimate is that 42% of the Budget involves the expense of unfunded mandates.

For 2006, we are faced with a 55% increase in the costs of fuels and lubricants for the vehicle fleet --- a fleet that has been reduced in size. There is a 13% increase in the costs of electricity, a 17% increase in the costs of heating, and a 21% average increase in the costs of health care benefits. Plus, U.S. Postal rates increased on January 8th. These are operating expenses that had to be included before even considering expenditures over which we have discretion.

Council and this City are members of the Pennsylvania and the National Leagues of Cities. The information they report is alarming. Three out of every five cities report being in recession, with cuts in services and personnel. In Pennsylvania, deficits --- some of them massive --- face Allentown, Lebanon, Erie, Pittsburgh and Easton, to name a few.

Harrisburg is not facing a deficit but we have had to take difficult steps. Since the Year 2000, 209 positions have been eliminated, bringing us to the lowest levels of staffing in at least a half century. Even for the 2006 Budget preparation, 25 existing positions were eliminated and 18 newly-requested positions were not included.

This is a trend that, if continued, will devolve into a condition in which the City will be unable to meet even basic service needs. In some agencies, we are nearly at this point now.

The City has aggressively pursued many a step to reduce operating costs without sacrificing performance. The number of vehicles, telephones and pagers were reduced. A sponsorship with Nextel allows us free use of 50 cell phones in the field, as a further cost saving.

Hard negotiation on casualty, property and other insurance renewals resulted in a premium decrease of \$139,445 --- in contrast to the generally higher insurance costs being experienced in the markets. In the constant review of Workers' Compensation billings, repricing of incorrectly listed services saved \$152,016 that otherwise would have been paid.

Further, for all of this year, management employees received no raises. Neither did any of the City employees in the AFSCME bargaining unit, which is the largest of the City employee unions. Many have made personal sacrifices to be in service to this city.

Even so-called "little" things have been done. In renewing the internet access lines for a new three-year contract, \$300 a month in savings were gained. Fifty-two outdoor lights at City Government Center have been deactivated, to save several hundred dollars in energy costs.

These are but two of hundreds of small individual cost-cutting actions taken throughout the year that, together, add up to real savings.

The City shall continue to look for ways, large and small, to do more of the same but the number of opportunities to do so is becoming a short list. The City has cut back to the point where major savings in the future would have to come from the wholesale closure of facilities, programs and agencies.

In this fiscal environment, the opportunity for new or expanded initiatives is quite limited. For example, the plans for a Neighborhood Special Operations Task Force remain unfunded. This would have been a team with no other duties but to give maximum focus on blighted and nuisance structures and lots, as well as clean-up work, and elimination of all manner of nuisance neighborhood-by-neighborhood. It would have included police, codes and public works personnel, with a half-time Assistant City Solicitor to do follow-up prosecutions in court. Personnel in currently under-staffed City agencies barely keep up with other demands, so additional personnel would have been needed. The funding is not there.

There are dozens of examples like this --- of ways this City can rapidly move forward to resolve chronic issues that challenge us and to seize on opportunities to bolster economic progress.

It can and should be said that government, like anyone else, should live within its means. We agree with that. A private business, for example, can add or delete costs as a business decision in order to achieve profitability. They can add or delete products and services based on their economic viability.

Local government is in a very different circumstance. The law mandates that we provide a range of services --- sufficient to meet demand --- such as police, fire and public works. The law further imposes an array of requirements on the administration of these services, including personnel, safety and other rules. With rare exception, we are prohibited from charging a fee for service, as a private business would do. These named services must be paid from tax revenues.

Particularly with regard to public safety services, local government has little control over the level of demand. Citizens and the general community can and do demand whatever they wish and the law generally requires that we meet that demand. Our revenues must therefore, at a minimum, keep up with demand.

Free societies and progressive communities need institutions that are sound and solid and have the full capacity to be proactive and responsive. It is not enough to merely do the minimum. It will take additional resources to be at this level for Harrisburg City government.

The irony of this circumstance is that the City is enjoying its best economic development momentum in at least 55 years. Sustaining this course requires the ability of local government to attend to the daily growing needs of a City that has risen to a new level of vitality and promise. A failure to do so is a prescription for the dissatisfaction that deters future gains.

It is clearly expected that the City must provide basic services continuously and well. This means if someone calls the police in an emergency, they get a timely response. It means that the personnel who work in the field must have vehicles and equipment that work. It means that to perform street sweeping on the scheduled basis, there have to be enough personnel and functioning apparatus to make it happen. The same is true for maintaining our parks and doing the host of other things we are required to conduct.

The reduction in staffing and operational expenses, imposed in recent time, make these basic tasks a daily challenge. No further can there be additional reductions without compromising the integrity of the City's capacity to meet its statutory and moral obligations. Presently, work backlogs are commonplace. Demand exceeds capacity.

The first action to address this matter is the hiring of an additional ten police officers in 2006. If present trend continues, this year will be the first year in several years that the crime rate will have actually increased. Our gains in public safety in this era have been real, with a 57.7% reduction in Part I crimes and a 76% reduction in the fire rate. We should not allow the undoing of this progress.

A further step is a needed increase in the trash collection rate. The sharp increases in gasoline and health care benefits have eroded its budget. The increase of \$1.25 per month for each residential and business account is needed. That comes to 4 ¢ a day. The alternative would be to subsidize trash collection with City tax dollars, which means diverting already depleted funds from the police, fire and other General Fund agencies.

There will be later action steps proposed to address other staffing and capacity shortfalls.

Other highlights of the Budget include that the General Fund will be \$1,107,892 less in next year than this year. The General Fund is what pays for police, fire, parks and recreation, administration and much of public works.

The Department of Incineration and Steam Generation will be back in full operation in 2006. The extensive retrofit, upgrade and expansion of the facility is now nearly complete. Facility staff are already undergoing training on the state-of-the-art equipment and technology that have been installed.

The City created HarrisCom, with the approval of the Pennsylvania Public Utility Commission. It is a wholesale buyer of telephone service, which has saved the City at least 31% on its communication costs. We are offering the same benefit to other entities and the City receives a portion of their savings as a fee. We have done the same regarding the bulk purchase of natural gas supply and have allowed others to join us, from which administrative fees are also derived.

These are two of the many examples of alternative revenue projects Harrisburg has undertaken.

The Budget includes a 3% increase in the subsidy provided to Capitol Area Transit, the regional bus service provider. It additionally includes funds for the further advancement of the regional rail transit project, for which the City is the main hub. The funding comes from the special parking tax adopted two years ago that is dedicated to mass transit use.

While it does not cost the City any local tax dollars, Harrisburg remains the statewide administrator of two major emergency response entities. The primary is Pennsylvania Task Force One, one of 28 federally-certified search and rescue teams. The other is Pennsylvania Tax Force Two, which is an in-state team, comprised of nine regional task forces, for handling a major disaster event within the state.

Pennsylvania Task Force One was dispatched twice, to Mississippi and then New Orleans, in the wake of Hurricane Katrina, the worst natural disaster in our nation's history. There they performed critical duties, including finding live victims in the devastation of collapsed structures.

The City was additionally called upon to send a law enforcement task force to Mississippi to assist ravaged communities along the Gulf Coast.

Federal funds cover the costs of deployment, including the costs of utilizing overtime for remaining staff to fill-in for those who were serving in the South.

HARRISBURG'S PROGRESS

Note should be made of our further economic development progress. To date, over \$100 million in new investment has occurred in this year. This brings the total of economic development in the current era to over \$3.9 billion. The number of businesses on the tax rolls, which was 1,908 when we first began, is now over 8,800.

The pace of housing renewal and construction of new homes has increased. More market rate homes are being sold or rented. The City has been involved in the rehabilitation or construction of over 5,000 residential units since 1982. Presently, with projects either already underway, or about to start or in the final planning stages, another 1,400 residential units will be achieved. The City is likely the largest residential developer in Central Pennsylvania because of our housing work.

The City's in-house demolition program continues, with 44 properties razed thus far this year. We found it far cheaper for the City to perform this work than hiring private contractors and the result has been lower cost with far greater numbers of non-restorable, blighted structures being removed.

Tourism, once dismissed as having any prospects in Harrisburg, is today a significant part of our city economy. Over 4 million have visited Harrisburg in the past year. The City's special events and parks system have registered a further increase in attendance, to over 2 million persons. The citywide recreation program had 472,100 in attendance this past summer while the winter program series had 83,500.

The new Harrisburg University of Science and Technology opened on August 29th. Long-term, this may well be the most strategic of economic development initiatives. The University is a non-traditional institution focused on workforce development. It places priority emphasis on math, science and technology. It is also the first comprehensive university chartered in Pennsylvania in over 100 years.

The next University structure is slated for North 4th and Market Streets, with the main campus to be on the site of the former Main Post Office in the 800 block of Market Street.

Further, Harrisburg Area Community College will be expanding its Midtown campus. The City is directly assisting with this project, too. Student housing to be privately-developed will measurably add to the growing number of residents that create an expanded market for further Third Street Corridor development.

Messiah College has expanded its Harrisburg Program, through which students live in this City and conduct their studies and work projects here.

The Harrisburg Urban Studio Project is now well underway. It involves architectural and planning students from four universities who are performing work projects in Harrisburg, including design of site improvements that students will eventually seek to implement through student efforts.

All this has infused higher education into the present and future economic, cultural and social life of this city, bringing us to a new level of economic opportunity and making Harrisburg a new center for education.

This progress is in combination with continued arduous effort to reform and improve urban public education here, a task for which this office has been assigned oversight under state law. While far more needs to be accomplished, the last four years in the Harrisburg School District have brought about a 71% increase in the high school graduation rate; a 301% increase in the number of graduates going on to higher education; a 58% reduction in the dropout rate; a 34% increase in student enrollment and the initiation of such major programs as the Alternative Education Academy, the Math and Science Academy, the Early Childhood Program, the After-School Program, expanded Summer School, upgraded curriculum, district wide emphasis on literacy and creation of the Science and Technology High School in conjunction with the new University.

In Harrisburg, Pennsylvania, we are literally creating a comprehensive education system from age three, at the Early Childhood Program level, to adult age post-graduate university level. No city in America is doing the same. The fact that such an extent of education reform and development is taking place here is not unrelated to the considerably expanded level of economic development activity now occurring, particularly with regard to neighborhood renewal. All of this creates significant new opportunity for city residents, especially inner-city youth. We have long said that improving the schools and creating expanded college-level educational opportunities would be the best residential development programs to occur, as it increases the level of homeownership, stimulates additional private residential investment, increases property values and reduces the rate of transience that existed in many previous years when families with children moved out of the City.

Harrisburg's progress can be measured in other ways, too.

The Harrisburg Police Bureau this year received the latest reaccreditation from the Commission on Accreditation for Law Enforcement Agencies, the highest recognition of a police agency in the nation. Of 21,000 police agencies in the United States, only 588 have attained, let alone retained, accredited status. Further, the City was named one of only 8 Flagship Police Agencies in the country.

For the 18th consecutive year, the City received the Certificate of Achievement for Excellence in Financial Reporting. For the 15th year, we separately received the Distinguished Budget Presentation Award. These are the top two financial awards in the nation. Of 2,566 municipalities in Pennsylvania, only three others have achieved the same status.

Still further, for the 18th consecutive year, Harrisburg was named Tree City USA, the highest community conservation award.

Other awards have been received for endeavors ranging from special events to innovative program excellence. We have come a long, long way from when Harrisburg was a national embarrassment and listed as the second most distressed city in the country and on the verge of bankruptcy. Momentum has been created by the progress of this era and today it is as strong as any time in half a century. The capacity to continue this pace is at the heart of the Budget's content.

Harrisburg's progress has taken the City to many new levels. We remain unconditionally committed to the furtherance of our city's success, to reach new heights in a future that is without limits. It is a future we approach with vision, confidence and daring.

The highest ideals of public service are our calling. We seek a Harrisburg inclusive of all its members --- a city of greatness in purpose, goal, and achievement.

The 2006 Budget is submitted in that spirit.



Mayor Stephen R. Reed

2006 POLICY AND PROGRAM INITIATIVES

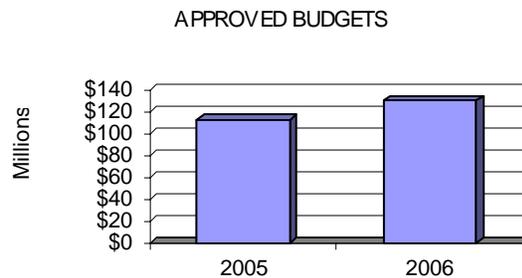
Mayoral and Councilmanic goals and objectives dictate budgetary decisions and resource allocation. Every year, through the budget process, Mayoral and Councilmanic goals and objectives are evaluated to determine appropriateness in light of limited resources. The culmination of the budget review process redefines the policies and program initiatives by which the City's goals and objectives will be accomplished in the upcoming budget year. While Harrisburg has emerged as a front-runner in municipal government, as demonstrated by the numerous awards received in all facets of municipal government, it must continue to examine its goals and objectives, as well as the methods to accomplish such, to determine the best course for this City to ensure a vibrant future.

The 2006 Budget focuses its attention on maintaining the current level of services that the City provides to its residents, business owners and the region. The 2006 Budget contains no tax increase. There has been only one real estate tax increase in the past eighteen years. Business and mercantile tax rates have not increased in the last twenty-two years. The 2006 Budget contains a 15% water rate increase and a \$1.25 per unit, per month sanitation rate increase.

CITYWIDE:

The total number of budgeted positions is 682.50 for 2006 compared to 645.00 for 2005, a net increase of 37.50 positions. 48.00 employees are added in 2006 due to the Incinerator Facility becoming fully operational. A net of four employees have also been added to the Department of Public Safety. The elimination of vacant positions has reduced overall compliment in the Departments of Administration, Building and Housing Development, and Parks and Recreation, as well as General Government. Every year, operations are evaluated, which results in the elimination of certain vacant positions and the creation of others in an effort to maximize efficiencies. Since 1995, the number of permanent full and part-time budgeted positions has been reduced from 811.68 to 682.50, a reduction of 129.18 positions. Work performance and productivity have increased while services have not been eliminated or reduced.

The 2006 Approved Budget allocation for all funds is \$130,412,889 compared to \$112,725,002 for 2005. This is an increase of \$17,687,887 or 15.7%. The re-opening of the retrofitted Incinerator Facility in 2006 accounts for \$19,263,216 of the increase in the allocation from 2005 levels. Despite contractual salary increases, higher health benefit costs, and ballooning energy-related costs, overall spending in other funds contracts by \$1,575,329 in 2006.



General Fund:

In 2005, the General Fund received \$1,312,767 from previously unappropriated and undesignated Sanitation Utility Fund monies. This level of transfer has been decreased in 2006; a similar transfer of previously unappropriated and undesignated Sanitation Utility Fund monies of \$1,249,124 will occur. The City expects real estate tax revenue to decline slightly in 2006, as the Dauphin County Board of Assessment Appeals continues its downward reassessment of properties. Intergovernmental revenue is also projected to decrease due primarily to an expected reduction in receipts from the Harrisburg Parking Authority pursuant to the Coordinated Parking Agreement as well as Capital Fire Protection. No Fund Balance has been appropriated.

Administration:

The Department of Administration will continue to provide administrative support to all areas of government. The Bureau of Operations and Revenue will continue with its successful monthly billing program. In 2004, the

Bureau of Financial Management implemented Government Accounting Standards Board Statement No. 34 (GASB 34). This new reporting-model enhanced the clarity and usefulness of governmental financial statements to the citizenry, investors, and creditors. In 2006, the Bureau of Financial Management will continue to evaluate a pilot program for Performance-Based Budgeting. The Bureau will be analyzing performance measures, benchmarks, and activity-base costing.

Building and Housing Development:

In 2006, the Department of Building and Housing Development will continue its successful Citywide Rental Inspection Program, which began in 1996. This program is aimed at curtailing the negligence of irresponsible landlords. Additionally, the City anticipates a further expansion of the Citizen Inspection Program, begun in 1997, which involves trained citizens who voluntarily work in their respective neighborhoods to deal with exterior nuisance problems such as high grass and trash accumulation. The Citizen Inspection Program empowers residents to take a direct role in improving and preserving the quality of their neighborhoods. Finally, a new comprehensive plan establishing a vision for future growth and development in the City is to be finalized in 2006.

Public Safety:

In 1998, community policing became fully operational in the Bureau of Police. 2006 will mark the eighth full year of community policing. The concept of community policing is not new to the City; however, for many years the City could only provide limited services. Until 1998, calls for service were on a citywide basis. Citywide policing minimized the degree to which an officer could become extremely familiar with individual neighborhoods and the people who live there. This new focus on community policing greatly expands police presence and interaction at the neighborhood level through deployment of the majority of uniformed officers by foot, bicycle, and horse patrol to permanently assigned neighborhood or zones. For the period January 1 - October 31, 1998, the Part I crime rate was the lowest for any year in City history, thanks in part to community policing. The Bureau of Police retained its National Police Accreditation recognition again in 2002; recognition first attained in 1989 and retained in 1994, 1999, 2002, and 2005. In 2003, the Bureau of Police achieved state accreditation, only one of three in the Commonwealth to hold dual-accredited status.

Similarly, the City will continue the multi-year process of achieving National Fire Service Accreditation in 2006, for the same reason it has already attained National Police Accreditation-the commitment to independently verifiable standards of excellence for the public services it renders. If successful, the City will be the second Fire Department in the State to receive Accreditation.

Public Works:

A new program that was implemented in November 2000 is the demolition of blighted properties by the City's Department of Public Works. This is the first time that the City of Harrisburg has ever directly performed this work. Under the direction of the Department of Public Works, City facilities will continue an electrical power cleaning and conditioning project which is designed to reduce and possibly eliminate energy demand spikes. The reduction and elimination of spikes in energy demand will significantly reduce electricity expenses for the City since a portion of the energy charge is based on peak demand for power. This project began in 1999 and saw significant savings in electrical costs in the first year. This department was responsible for a lighting replacement and improvement project in 1996, which resulted in a 70% reduction in lighting costs.

Parks and Recreation:

The Department of Parks and Recreation has evolved out of this Administration's policy views: that recreation and sports are an integral part of creating and maintaining a good quality of life, and that Harrisburg's future is inseparably intertwined with being the regional hub for commerce, entertainment, recreation, sports and the arts. Harrisburg has the largest parks and playground system of any municipality in the region. Funding is included in 2006 to maintain the midstate's most extensive year-round recreational programming. The City's special events attract over 2.1 million participants and spectators each year who also contribute to the economy of the City and the region.

Water Utility Fund:

On March 1, 1990, The Harrisburg Authority (THA) purchased the Harrisburg Water System, previously owned and operated by the City. Through a formal Management Agreement between the City and THA, the City retained responsibility for operating the system. The accord was arranged to provide for long-term capital improvements and represents the largest water improvement and expansion program ever undertaken in the City's water system. The single largest project in the Water System Improvement Program was the construction of the new water filtration and treatment plant, which became operational in late 1994. The construction of this plant was mandated under Federal law. Additionally, the construction of an intake system to draw river water as a backup water supply was included, along with a new pumping station, which sends water to the new filtration plant. Phase III of a four-phase project provided for repairs and improvements to the DeHart Dam Spillway and Intake Tower and was completed in 2003. Phase IV will commence in 2005 - 2006, which will provide repairs to Carlsonville Weir and roadway improvement at the DeHart Dam Facility. Additionally, the Water Bureau personnel will continue to perform in-house cleaning and restoration of water mains in the uptown area to improve water quality and fire flows.

Sanitation Utility Fund:

Since 1993, the Sanitation Utility Fund has reduced the number of budgeted positions from 46 to 27.50 by effectively replacing three-person crews with two-person crews in specific areas of the City. These efficiencies have produced significant cost savings in the Sanitation Utility Fund.

Landfill/Incinerator Utility Fund:

The City has managed and operated the Harrisburg Resource Recovery Facility (HRRF) for THA since it was sold to THA on December 23, 1993. In 2003, the City ceased operation of the existing incinerators. On November 5, 2003, Harrisburg City Council approved financing for the retrofit and modernization of the incinerators. On December 30, 2003, THA closed on such financing. Modernization construction commenced in June of 2004, with startup scheduled to begin the latter part of 2005 and commercial operation slated to commence in March 2006. The combustion units at the modernized HRRF are designed to process an aggregate of 800 tons of municipal solid waste per day, while meeting all existing standards for emissions. In addition to the disposal of trash, the facility will generate steam and over 24 megawatts of electricity, which dovetails with the City's goal to foster alternate energy sources.

Sewerage Utility Fund:

Sewer improvements began in 1998 through the Commonwealth of Pennsylvania's PENNVEST program. The PENNVEST program provides matching funds and low-interest loans for approved sewer repairs and improvements. The Harrisburg Advanced Wastewater Treatment Facility (AWTF) has been recognized nationally as the recipient of the United States Environmental Protection Agency's National Pretreatment Program Excellence Award in 1991. The Award was given in four categories based on the actual daily flow of the publicly owned treatment works. Harrisburg's AWTF won first place in the nation in the "over 20 million gallons per day" category. This is the top award in the nation and recognizes Harrisburg as implementing effective and innovative environmental protection and pollution control programs and acknowledges the municipality's commitment to the protection and improvement of the nation's waters through the operation of exemplary pretreatment programs. The AWTF also won first place in the 1992, 1993, 1995, 1996, 1997, 1998, 1999, 2000, and 2001 Pennsylvania Operations Challenge and continued to the national competition where they improved their 16th place finish in 1992 to place 10th in 1993, 13th in 1995, 4th in 1996, 8th in 1997, 6th in 1998, 7th in 1999, 8th in 2000, and 12th in 2001. These awards illustrate Harrisburg's AWTF as one of the nation's top sewerage facilities in overall operation and compliance. In addition, the superintendent of the City's AWTF was named the state's Operator of the Year for 1993.

HOW TO USE THE BUDGET DOCUMENT

This page provides an explanation of the format and content of the Fiscal Year (FY) 2006 Budget document. To find the exact location of this information, please refer to the **Table of Contents**. The major portions of the document are described as follows:

Mayor's Budget Message

The Mayor's Budget Message highlights the major changes in City services, policies, and requirements contained in the 2006 Budget.

Policy and Program Initiatives

This section illustrates Mayoral and Councilmanic goals and objectives which provide direction and budgetary decisions and allocations. Also, new and redirected policies and programs are presented.

Additional Introductory Information

This introductory information consists of a pictorial presentation of the City's **Elected Officials** and **Organizational Chart**, and a narrative describing the City's **Organizational Structure**.

Budget Overview

Contained within the Budget Overview is the **Budget and Finance** section. This section describes the financial and operating policies and procedures that guide the development of the City's budget. Additionally, the **Budget Summary** section provides the reader a series of financial summaries with information on revenues, expenditures, and staffing levels for FY 2006 and prior years.

Budget Detail

These sections contain information on FY 2006, as well as historical revenue and expenditure information for the **General Fund, Special Revenue Funds, Debt Service Fund, and Utility Funds** operating budgets. Within each is an organizational chart, a brief description of the services provided, and relevant performance objectives and indicators. This detail of fund and corresponding department budgets is represented according to:

- Description of individual programs - a listing of the department, bureaus, offices/divisions, and corresponding functions.
- Performance measures and accomplishments - listing actual performance of the department by program for FY 2002 - 2004 actuals and projected performance for FY 2005 and 2006.
- Summary of resources (projected revenue) and appropriations (proposed expenditures) - total fund budget.
- Detailed information on the staffing compliment of all budgeted positions.
- Line-item detail - provides detail of revenues and expenditures for FY 2002 - 2004 actuals, FY 2005 approved budget, FY 2005 projections, and FY 2006 approved budget. Revenue line-items identify specific funding sources. Expenditure line-items are categorized as personnel, operating, capital, debt service, grants, miscellaneous, and transfers.

Capital Improvement Plan

This section contains a multi-year plan to provide for equipment acquisition, improvement to public facilities and infrastructure and new construction.

Appendices

Provides supplemental information on a variety of topics which are included in the **Community Profile, Statistical Section, Glossary of Terms, Glossary of Abbreviated Terms**, and the City's **Budget-Related Ordinances**.

Harrisburg's Elected Officials



Mayor
Stephen R. Reed



Council President
Vera J. White



Council Vice-President
Susan C. Wilson



Council Member
Patty Kim



Council Member
Daniel C. Miller



Council Member
Gloria E. Martin Roberts



Council Member
Linda D. Thompson



Council Member
Wanda R. Williams

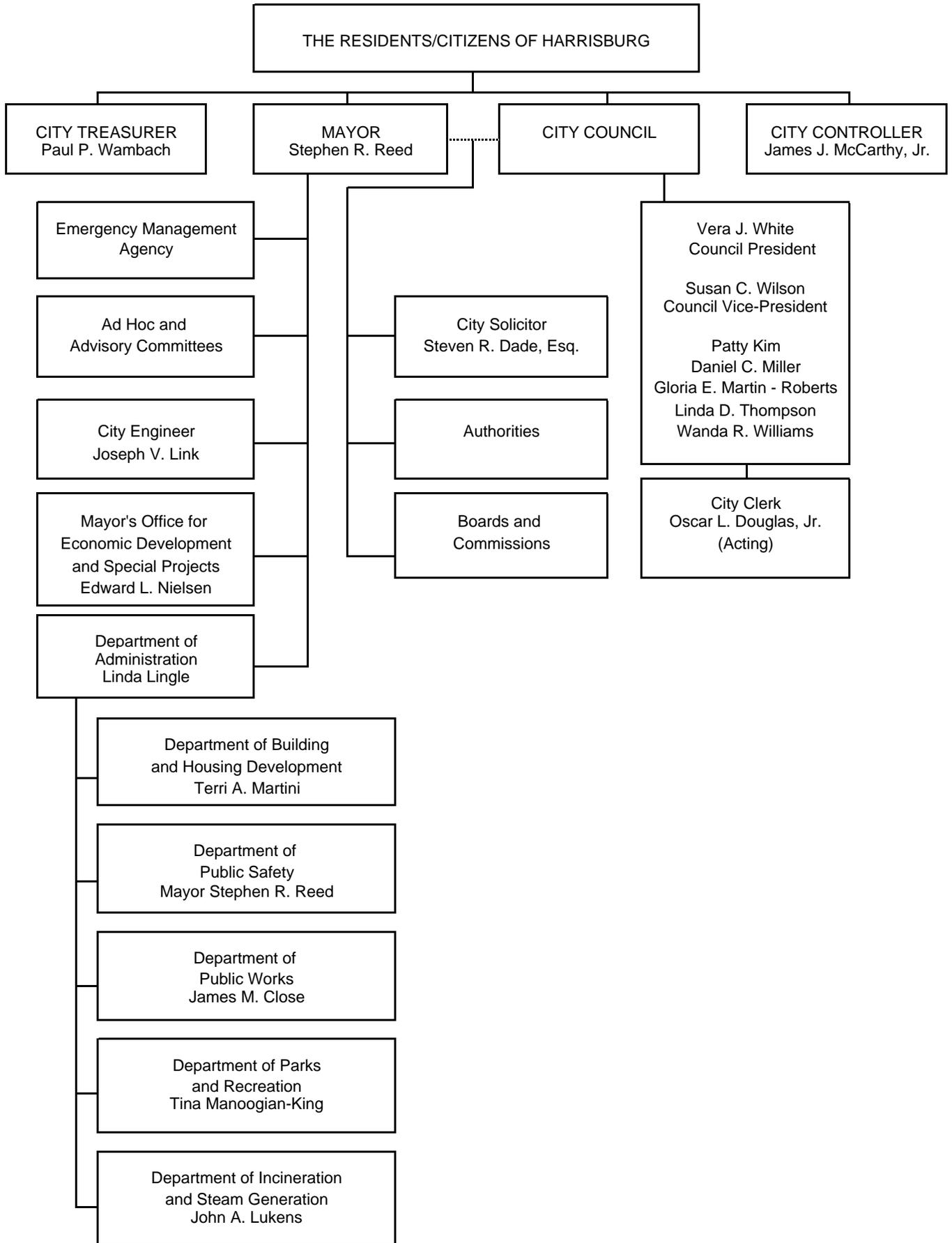


City Controller
James J. McCarthy, Jr.



City Treasurer
Paul P. Wambach

**CITY OF HARRISBURG
ORGANIZATIONAL CHART**



Note: Additional organizational charts are included in the budget document for each department to further illustrate the delineation of authority.

CITY OF HARRISBURG ORGANIZATIONAL STRUCTURE

The City of Harrisburg has a "Strong Mayor/Council" form of government. The Mayor is the full-time Chief Executive Officer, and City Council Members are the separate, part-time Legislative Body. The Mayor possesses the power to veto legislation. The veto would require a two-thirds vote of City Council to override. As the Chief Executive Officer, the Mayor prepares and submits his budget to City Council for review and approval. Organizationally, this provides the Mayor an institutional focus for planning, programming, and developing policy. In fact, the Mayor clearly and directly has the authority and responsibility to determine public policy relating to financial and administrative matters with appropriate oversight by City Council.

On, or about, March 19 (the anniversary of the City's Incorporation as a City in 1860), the Mayor provides the "State of the City" address at a public event. This address presents the general state of the City's finances and overall economy and describes the policies established in the fiscal year budget approved by the Mayor and City Council. The Administration is charged with the responsibility of carrying out the Mayor's policies as set forth by the Budget and in Executive Orders issued throughout the year. He provides specific direction through monthly cabinet meetings held on the second Monday of every month, as well as through Executive Orders. The cabinet meetings are as much a means for cross-communication among members as they are a forum for delegation by the Mayor. There are 20 members of the cabinet consisting of all department and office directors, certain deputy department directors, and select staff members.

The Mayor, as chief executive, has the sole authority to select, direct, and oversee his Administration. As head of the Executive/Administrative Branch of government, the Mayor appoints the Business Administrator. The Business Administrator is the Chief Administrative Officer of the City and is responsible for conveying mayoral instruction to directors and deputy directors. With a top-down form of management, department directors and deputy directors are fully accountable for departmental operations. This includes overseeing supervisory line management to assure that the City's goals and priorities are met.

The formal organizational structure of the City comprises General Government operations and five departments: Administration, Building and Housing Development, Public Safety, Public Works, and Parks and Recreation. The City's administrative focus is the department. The largest organizational component within a department is the bureau. The structural design of the bureau is closely tied to service output or function. Bureaus provide separation of duties within each department. With responsibilities delegated at such a definitive level, many bureaus can be interpreted as local government programs. A further delineation by division/unit emphasizes the distribution of workloads to achieve a specific output. To evaluate this output, the Budget staff has incorporated policy objectives and performance measurements into the budget document to analyze the effectiveness and efficiency of service delivery. Meeting organizational goals and objectives is the ultimate outcome each department is attempting to achieve.

To account for departmental and office fiscal transactions, the City utilizes the fund basis of accounting whereby all governmental activities are accounted for through a series of distinct funds which include reporting entities to control resources and demonstrate compliance with various legal and budget constraints affecting government. The General Fund accounts for all resources not otherwise devoted to specific activities and finances many of the basic municipal functions. Other governmental funds include Special Revenue Funds, Capital Projects Fund, and Debt Service Fund. The City also has an expendable Trust Fund and four Utility Funds. The budget is organized by fund and is further identified by revenue and expenditure detail.

Some departments combine the operations of more than one fund. The Department of Building and Housing Development combines General Fund operations with Community Development Block Grant (CDBG) Fund operations. Additionally, the Department of Public Works combines General Fund and State Liquid Fuels Tax Fund operations with three Proprietary/Utility Fund operations. This is significant because the systems of three Proprietary/Utility Funds, the Water Utility (water distribution system), the Sewerage Utility (sewerage collection, conveyance and treatment system), and the Incineration and Steam Generation facility (resource recovery facility) are owned by The Harrisburg Authority (THA) but, through management agreements, are operated by the City. Under the agreements, THA provides for capital improvements and finances operations

through the establishment of customer/user fees. The Sanitation Utility Fund also comes under the Department of Public Works but is owned and operated solely by the City.

The Offices of General Government, departments, and bureaus listed below are part of the General Fund with the exception of CDBG operations; Bureaus of Water, Neighborhood Services - Sanitation, and Sewer; State Liquid Fuels Tax Fund; and the Department of Incineration and Steam Generation. Further discussion regarding the departments will involve a summary of the roles of management and supervisory personnel.

General Government encompasses eight offices, which include separate offices for elected officials. The Office of City Council is made up of seven at-large elected members headed by the Council President. The City Clerk provides technical and administrative support to City Council. The Legislative Liaison assists the City Clerk with all related responsibilities.

The Office of the Mayor is the administrative office for all mayoral activities. The Mayor, who is elected, is the highest ranking official. Mayor's Office personnel include a Senior Assistant, an Advisor to the Mayor/Director of Communications, one additional assistant, and other support staff who conduct the day-to-day business of this office.

The City Controller and the City Treasurer are part-time elected officials. Each has an office to provide required public service. Both have full-time deputies who are delegated to carry out daily operations.

The Office of the City Solicitor, also referred to as the Law Bureau, is headed by the City's Chief Counsel, the City Solicitor, who is appointed by the Mayor and confirmed by City Council. This Office ensures that the policies adopted and actions taken by the Mayor and City Council fall within the limitations and authorities prescribed by federal, state, and local statutes and ordinances. Assisting the City Solicitor is the Deputy Solicitor, staff attorneys, and support staff.

The Harrisburg Human Relations Commission consists of nine unpaid persons appointed by the Mayor and confirmed by City Council. An Executive Director, responsible to the Commission, operates an office for promoting fair housing and investigating any reports of discriminatory practices.

The Office of the City Engineer, headed by the City Engineer, provides professional engineering services for the maintenance of City streets and utility systems. The Office also ensures the construction of City streets and utility systems are in accordance with City ordinance, state laws, and sound engineering practices. This office also maintains the official real estate registration for the City.

The Mayor's Office for Economic Development and Special Projects, headed by a Director, implements the economic development plan of the Administration. This plan emphasizes Minority and Women Business Enterprise and Business/Industrial Development. A Deputy Director acts as the Contract Compliance Officer, and carries out other specific functions of the plan. The Director also oversees any special projects that will provide leadership for diverse long-term projects undertaken by the City.

The Department of Administration works with the Mayor to uphold policy by overseeing the administrative management and supervision of all City departments. The Business Administrator works with department directors, deputy directors, and bureau directors to assure the proper administration of their operations and is responsible for the negotiation of all three collective bargaining contracts. This department has one Deputy Business Administrator. The Deputy serves as Director of Financial Management, directing the Accounting, Budget, Insurance and Risk Management, and Purchasing Offices with the assistance of three office managers and is responsible for administering Debt Service, General Expenses, and Transfers to Other Funds as well as the City's insurance, workers' compensation, and loss control programs. The Bureau of Information Technology is headed by an Acting Director and oversees all of the City's information and communication systems. The Bureau of Human Resources, headed by a Director, manages the City's human resource operation which includes payroll processing, maintenance of personnel records, recruitment for vacant positions, and administering the City's benefits programs. The Bureau also participates in the negotiation of collective bargaining contracts. The Mayor's Office for Labor Relations, headed by a Director, is responsible for conducting labor management meetings for three union groups, and assisting management staff in presenting

their cases at grievance and arbitration hearings. This office also participates in the negotiation of collective bargaining contracts. The Bureau of Operations and Revenue, headed by a Director, is responsible for the billing and processing of property and mercantile taxes and utility revenue, and collection activities on delinquent accounts. In order to carry out these functions, the Director is assisted by a Tax and Enforcement Administrator and an Operations Manager.

The Department of Building and Housing Development is supervised by a Director, who is accountable for all CDBG Programs. The department has two Deputy Directors. The first deputy serves as the Deputy Director of the Bureau of Planning and is primarily responsible for promoting orderly development throughout the City. Additional management staff include a Senior Comprehensive Planner, a Current Planner, and an Urban Planner. The second deputy administers the day-to-day activities of the Bureau of Inspections and Codes Enforcement. This bureau initiates all zoning and building inspection efforts of the City. Additional management staff include an Assistant Codes Administrator and a Health Officer.

The Department of Public Safety consists of the Bureaus of Police and Fire. The Mayor is the Director of this department. Although the Police Chief and Fire Chief attend the Mayor's cabinet meetings, they also meet separately with the Mayor and the Business Administrator weekly to discuss relevant public safety issues.

The Bureau of Police is headed by the Police Chief and three captains. These positions are all classified as management. Uniformed officers under the rank of captain are not classified as management personnel. Lieutenants, sergeants, and corporals fulfill supervisory roles. The three captains head the Uniformed Patrol, Criminal Investigation, and Technical Services divisions. Within these divisions, additional organizational components exist. Many of these sections or units carry out specified police activities. The variety of police operations and the number of approved personnel make it the largest and most complex bureau in the City's organization. The Police Accreditation Program accounts for some of the structural delineations in this bureau because many stipulations for accreditation require appropriate separation of duties.

The Bureau of Fire, headed by a Fire Chief and two Deputy Fire Chiefs, maintains four firehouses and a large complement of fire fighting apparatus with full-time personnel to support these facilities. One fire engine mechanic also performs supervisory roles. Other personnel are uniformed firefighters, some of whom are assigned to specific details such as fire safety and fire inspection.

The Department of Public Works consist of four General Fund bureaus, three Utility Funds, and a Special Revenue Fund: Office of the Director, Neighborhood Services - City Services, Vehicle Management, Building Maintenance, Water, Sanitation, Sewerage, and the State Liquid Fuels Tax Fund. Many of the services provided by the Department of Public Works require a twenty-four hour, seven-day-per-week schedule. The crucial utility infrastructure services that are maintained around the clock include water and sewerage facilities, traffic signal engineering, and general management of City streets in the event of an emergency. The Office of the Director oversees the entire operation of Public Works and serves as an advisor to the Mayor regarding any serious conditions, thus promoting a concerted effort within the Administration to cope with unforeseen problems.

The Department Director is assisted by two Deputy Directors. The first deputy serves as the Deputy Director for Public Works Operations and is primarily responsible for the operation of the Sewerage Utility, although special assignments are completed as requested by the Director. The Deputy Director for Public Works Operations also coordinates efforts between THA and the City on all issues related to water, resource recovery, and sewerage system operations. The second deputy oversees the Bureau of Neighborhood Services, which is comprised of City Services, Sanitation, and the State Liquid Fuels Tax Fund. The Bureau of City Services manages the City's street and sewer line maintenance and repairs and, in addition, performs leaf collection, debris removal, demolition, and related duties, maintains 91 signalized intersections, streetlight repair, and the installation of all traffic control signs within the City. In order to carry out these functions, the Deputy Director is assisted by a Deputy Director of Neighborhood Services, who supervises the twenty-two member work crew and an Assistant Director, who supervises a twenty-five member sanitation crew that is funded from the Sanitation Utility Fund. The Bureau of Vehicle Management, managed by a Director, services all City vehicles and vehicular equipment. The Director of the Bureau of Building Maintenance supervises the staff charged with the upkeep of the City Government Center Complex as well as the Duplication Center.

As mentioned earlier, three utility funds are also part of the Department of Public Works. The Water Utility Fund (Bureau of Water) consists of three divisions: Administration, Distribution, and Operations/Maintenance. The Bureau Director oversees the entire water system operation. Two superintendents manage the infrastructure details and an Administrator of Water Quality operates the laboratory. The Sanitation Utility Fund (Bureau of Neighborhood Services - Sanitation) has a twenty-five member crew, and as noted earlier, is managed by a Deputy Director and assisted by an Assistant Director. The Sewerage Utility Fund (Bureau of Sewerage) consists of four divisions: Administration, Operations, Maintenance, and Field Maintenance. As noted earlier, the departmental Deputy Director for Operations oversees this bureau with the assistance of three supervisors.

The Director of the Department of Parks and Recreation oversees all parks and recreation operations, including coordination and marketing of special events, park planning and development, park security, and the publication of a periodic recreational guide. The Director of the Bureau of Recreation manages all recreational activities for the City. The Director of the Bureau of Parks Maintenance directs the maintenance of parks and other public open spaces throughout the City.

The Department of Incineration and Steam Generation is headed by a Director, who is supported by an Administrative Supervisor. Organizationally, this is the only Utility Fund that has departmental status. This is largely due to the complexity of the operation. Ordinarily, the facility serves as the City's municipal solid waste (MSW) disposal site, MSW Incinerator, steam generator, and electrical production facility. The incineration of MSW eliminates the necessity to send this waste to a landfill, saving valuable land space. The steam produced is sold for use in homes and businesses and to produce electricity. This alternative energy generation through the combustion of MSW reduces dependence on foreign fuel sources. However, on June 18, 2003, the existing incinerator units were shut down permanently. The retrofitted Facility will be operational on or before March 1, 2006. The retrofitted Harrisburg Incinerator will utilize state of the art technology to meet all current Pennsylvania Department of Environmental Resources and Environmental Protection Agency criteria required for such a facility.

The City is unique in providing a full array of services including utility operations. Many cities with similar demographics do not have the resources to carry out these complicated operations. Harrisburg has used an entrepreneurial approach to solving problems resulting in substantial new energy and non-tax revenue for the City while meeting public needs. Through improved productivity, the Administration intends to expand services where necessary and minimize costs.

BUDGET AND FINANCE

SCOPE OF THE BUDGET

The budget for the City of Harrisburg is a multifaceted document that expresses spending policy for the fiscal year, illustrates a resource allocation plan for the Administration to implement, describes the services provided, and provides a means of communication between citizens and elected officials.

The budget spells out a management strategy through specific objectives designed to provide the best services at the most efficient cost. With regard to the delivery of services, these objectives must produce measurable results as key indicators of the effectiveness and efficiency of government policies and programs. Programs must be evaluated every year to determine their legitimacy since limited resources must be allocated between existing programs and the need for new ones. Also, the success of programs and the efficiency with which policy goals are met constitute two performance measures by which managers are evaluated for tenure and annual salary increases.

Interplay between elected officials and input from citizens via budgetary hearings and public access to the budget, further enhances the democratic process involved in the public programming and financing. Elected officials, who experience a wide range of pressures and competing interests, must take the initiative to hold the line on budget growth. As the chief executive, the Mayor is at the center of the budgeting process, commanding a comprehensive perspective on disparate interests. It is the Mayor who takes the lead in determining budgetary policies within an environment of competing priorities and limited local government resources. City Council then examines the Mayor's proposed budget and has the opportunity to make amendments before approving it in final form.

In summary, the budget is a policy instrument, a financial plan, an operations guide, and a communicative device. The true art of budgeting reflects a combination of leadership, independent judgment, competent administration, and cooperation between the various branches of City government.

BUDGET PROCESS

The budget for the City is compiled by the Bureau of Financial Management's Office of Budget and Analysis. The fiscal year for the City of Harrisburg is January 1 to December 31. The actual budget preparation process gets underway in late July. One important element of this process is a cooperative effort between the Bureau of Financial Management and Bureau of Information Technology which produces the Position Control Salary Projection reports for all funds. This salary information is vital in preparing personnel projections because it incorporates proposed management increases and bargaining unit contractual increases. Such personnel data greatly assists department directors in determining salary costs for the budget requests.

During the last week of July, the Budget Preparation Manual is distributed to all department heads/bureau chiefs for use in establishing expenditure requests. The City has historically used an incremental budget technique in arriving at the requested figures. Incremental budgeting emphasizes changes in the costs of providing City services based on competing priorities. To evaluate these priorities, department directors/bureau chiefs examine historical trends of line-item costs using a five-year cost analysis to determine the needs of the department or office for the forthcoming year. The department's requests are input onto computerized budgetary spreadsheets that categorically incorporate requests into a singular format, distinguishing expenditures in the following manner: Personnel, Operating, Capital Outlay, Debt Service, Grants, Transfers, and Non-Expenditure Items. Once all the data is prepared, it is submitted electronically to the Office of Budget and Analysis. The Office of Budget and Analysis reviews all requests for accuracy and completeness and submits them to the Business Administrator. Subsequent to the Business Administrator's review, the draft and recommendations are forwarded to the Mayor for his review. In early October, mayoral budget hearings are held with each department as forums where department directors can substantiate their expenditure projections and justify their requests.

Forms are prepared and submitted to all department directors for use in developing projections for anticipated revenues for the ensuing year. This step usually occurs around the beginning of August. The Office of Budget and Analysis prepares the revenue projections for presentation to the Mayor, who will evaluate the budget gap between revenue projections and expenditure requests. The Mayor meets with the budget staff to determine the most viable means to balance the budget. Generally, two or three lengthy sessions are required before the budget is balanced and decisions regarding revenue and expenditure proposals are incorporated into the proposed budget document.

Pursuant to the City's Administrative Code, the Mayor's Proposed Budget is presented to City Council at the last legislative meeting in November, at which time the document becomes available to the public.

During Budget and Finance Committee meetings, set by City Council, all departments present to Council an estimate of the revenues and expenditures required to provide public services during the ensuing fiscal year.

City Council then makes appropriations and adopts the budget by ordinance no later than December 31. During the month of January following a municipal election, however, City Council may amend the budget with proper notice for public inspection of the proposed budget amendment. Any amended budget ordinance must be adopted by City Council before the 16th day of February. Within 15 days after the adoption of the budget ordinance, a copy of the same must be filed with the Commonwealth of Pennsylvania, Department of Community and Economic Development.

BUDGET CALENDAR

July-September	<ul style="list-style-type: none"> • Prepare and distribute expenditure request preparation manuals • Prepare and distribute revenue projection manuals • Update title and divider pages, table of contents, and organization charts • Compile expenditure requests returned from office/department directors
September-October	<ul style="list-style-type: none"> • Update the Budget and Finance section • Design cover for Budget • Prepare photo layouts • Develop revised revenue and expenditure projections based on Mid-Year Fiscal Report projections and actual activity to date • Mayoral budget hearings and review process with department directors • Update and distribute narrative and performance measurement preparation manuals • Update narratives and performance measurements as submitted by office/department directors
October	<ul style="list-style-type: none"> • Prepare a preliminary Summary statement of projected revenues vs. proposed expenditures • 1st and 2nd rounds of budget review with Mayor and Office of Budget and Analysis staff • Update Budget Summary section
November	<ul style="list-style-type: none"> • Final revision and proofreading of Mayor's Proposed Budget • Compiling, printing, and binding of Mayor's Proposed Budget • Mayor's Proposed Budget presented to City Council
December	<ul style="list-style-type: none"> • Councilmanic budget hearings and adoption
January-March	<ul style="list-style-type: none"> • Final revisions, printing, binding, and distribution of the Approved Budget

REVENUE PROJECTIONS

Using actual and projected data, various analyses are performed by the Bureau of Financial Management to project revenues. Revenue estimates are based on four different projection methods which incorporate growth rates over the previous ten years, current year receipts, collection rates where applicable, and important input from department directors and the Bureau of Operations and Revenue. Each projection method is tested against actual prior year revenues to determine validity. This validity test is conducted at the revenue line-item (detail) level, and only the projection methods deemed valid are utilized. In addition, unusual circumstances and one-time revenue sources are given appropriate consideration.

REVENUE PROJECTION METHODS

Method 1:	10-year Average Growth Rate x 2004 Actual Revenues at December 31, 2004
Explanation:	The ten-year average growth rate from 1995-2004 multiplied by the 2004 actual revenues is used as a projection for the 2005 revenues. By utilizing the average growth rate for an additional year, the 2006 revenues are projected.
Method 2:	2005 Actual Revenues at August 31, 2005 ÷ 8 months x 12 months
Explanation:	A monthly average of current year revenues is calculated based on eight months of receipts, which are then annualized to project current year revenues. Based on revenue trends and this method of projection for 2005 revenues, 2006 revenues are projected.
Method 3:	2005 Actual Revenues at August 31, 2005 ÷ (2004 Actual Revenues at August 31, 2004 ÷ 2004 Actual Revenues at December 31, 2004)
Explanation:	A percentage of 2004 revenues is determined from revenue receipts at August 31, 2004. The 2005 actual revenues at August 31, 2005, are divided by the percentage collected at August 31, 2004, to project revenues for 2005. By reviewing revenue trends in conjunction with this method of projection for 2005 revenues, the 2006 revenues are projected.
Method 4:	Percentage of 2004 Revenue Budget Collected at December 31, 2004 x 2005 Budget
Explanation:	2005 revenues can be projected by multiplying the percentage of 2004 Budget which was collected at December 31, 2004, times the 2005 Budget. By reviewing the historical actuals to budget ratios, assumptions can be determined to assist in 2006 revenue projections.

PERFORMANCE MEASUREMENTS

A Performance Program Budget (PPB) system utilizes specific program objectives to produce a desired output. The City currently does not present a formal programmatic budget; however, many aspects of the existing budget emulate the strategy of PPB. A program is a primary function of government which identifies clearly the delivery of a particular service to the taxpayers. The bureaus, divisions, and units actually represent individual City programs. An important exercise in preparing a PPB is determining performance measurements to meet specific program objectives.

The purpose of preparing performance measurements is to quantitatively determine the effectiveness and efficiency of departmental programs. The budget is the resource allocation plan for the City, and it identifies the financial input necessary to meet departmental objectives. Performance measurements, or indicators, measure the level of output against the input of budgeted funds. The end result should be to minimize the resources or dollars utilized to achieve a specified level of output. From a policy standpoint, these measures can provide data to decision-makers to assist them in providing better services to citizens at the least possible cost. They also can provide direction in appropriating available resources, identifying areas of service which may require more resources, and addressing strengths and weaknesses in achieving the objectives of the services being provided.

Performance measurements are based on a management objective established by the department director. These measurements concentrate on the performance of the entire bureau or division, not on an individual's performance. The activities measured are those required to meet the overall objective of the department/bureau. If the measured activity achieves most of its objectives and receives a highly satisfactory rating, then it is considered to be effective.

The 2006 Budget includes data measuring a department's performance. This data provides 2002, 2003, and 2004 actual data, 2005 estimates, and 2006 projections. An overview of the accomplishments for each program has been included for 2004, the most recent year for which actual data was available. Since the 2005 actual measurement data was not complete before the preparation of this document, department directors provided estimates. Using 2002, 2003, and 2004 actual data, and 2005 estimated data, department directors were able to determine 2006 projected measurements. In addition to analyzing historical trends, management evaluates all relevant changes which could affect performance output.

Since the City's management reserves the right to establish goals and objectives to determine the cost of service delivery, quantitative analysis of City services assists management in providing the best possible service at the least possible cost. It is hoped in the future that citizen surveys can become part of performance measurements to determine taxpayer satisfaction. Given the limited resources of time and staffing, such a survey is currently impractical. To some degree, however, the election process itself is an indication of taxpayer satisfaction.

BUDGETARY ACCOUNTING AND CONTROLS

A City Council ordinance establishes the annual budget for the General Fund, Special Revenue Funds, Debt Service Fund, and Proprietary (Utility) Funds. Budgets for all funds are prepared on a cash basis with respect to revenues and on an items vouchered basis with respect to expenditures. Some Special Revenue Funds are exempted from legally adopted budgetary requirements, such as Grant Programs Fund, Capital Projects Fund, and Expendable Trust Funds.

More than 125 different grant programs accounted for in the Grant Programs Fund are administered under project budgets determined by contracts with state and federal grantor agencies. Effective expenditure control is achieved in the Capital Projects Fund through bond indenture provisions. Control over spending in the Expendable Trust Fund is achieved by the use of internal spending limits.

The Business Administrator may authorize budgetary transfers of less than \$20,000 among budget line-items within a department or office. Transfers in excess of \$20,000 require approval of City Council. In the absence of budgeted financing, City Council may approve a supplemental appropriation from undesignated fund balances. Unencumbered appropriations lapse at year end.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget. The appropriations are authorized by ordinance at the fund level with the exception of the General Fund, which is appropriated at the functional office or department level. Within the General Fund, the Department of Administration has separate budgets for administration and general expenditures. These are the legal levels of budgetary control. Administrative control is maintained through more detailed line-item budgets. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental and proprietary fund types. Encumbrances outstanding at year end do not constitute expenditures or liabilities, but are reappropriated in the succeeding year. The City records such encumbrances as reservations of fund balances in governmental funds which have fund balances at year end. Encumbrance accounting is used in proprietary fund types as a tool for budgetary control, but reserves are not reported. The subsequent year's appropriations provide authority to complete the transactions as expenditures.

FINANCIAL INFORMATION

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Independent Audit:

The City's Administrative Code requires an annual independent audit of the books of account, financial records, and transactions of the City by an independent certified public accounting firm. In addition, various bond indentures also require such an audit.

In addition to meeting the requirements set forth above, the audit has also been designed to comply with the Single Audit Act of 1984 and related OMB Circular A-133. The independent auditor's report on the basic financial statements, along with the combining and individual fund statements and schedules, is included in the financial section of the City's Comprehensive Annual Financial Report. The independent auditor's reports related specifically to the single audit are included in a separately issued single audit document.

Single Audit:

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and internal audit staff of the City.

As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs and the City's compliance with applicable laws and regulations.

Cash Management:

The City's current investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. All cash which is temporarily idle is invested in interest bearing demand deposits, repurchase agreements, or statewide money market funds, thereby increasing the average yield on idle funds. A significant portion of the City's cash and investments is maintained in bank trust accounts under the management of trustees.

An ordinance of City Council requires that all deposits be held in insured, federally regulated banks or financial institutions and that all amounts in excess of federal insurance be fully collateralized in accordance with a state statute which requires banks to pledge a pool of eligible assets against the total of its public funds on deposit.

Basis of Accounting:

Although the annual budget is prepared on a cash basis with respect to revenues received and on an items vouchered (invoiced) basis with respect to expenditures incurred for all funds, the Governmental Funds and Expendable Trust and Agency Funds are reported on the modified accrual basis of accounting for financial statement purposes. Revenues of these funds are recognized in the year in which they become both measurable and available within 60 days after year end to pay current year liabilities. The major revenue sources accrued by the City include real estate taxes, intergovernmental revenue, departmental earnings, and investment income. Revenues from other sources are recognized when received. Expenditures are generally recognized in the year the related fund liability is incurred. Principal and interest on general long-term obligations are recognized when due. Prepaid items and inventory purchases are reported as expenditures in the year the items are used. Expenditures for claims, judgments, compensated absences, and employer pension contributions are reported as the amount accrued during the year that normally would be liquidated with expendable available financial resources.

The accrual basis of accounting is utilized by proprietary fund types for financial statement reporting purposes. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

BUDGET SUMMARY

RESOURCE ALLOCATION

The following Resource Allocation chart lists resources and appropriations for each fund and provides a grand total for all City resources. The accounts of the City are organized on the basis of fund(s), each of which is considered to be a separate accounting entity. These funds are the General Fund, Special Revenue Funds (State Liquid Fuels Tax Fund and the Community Development Block Grant Fund - Entitlement Year XXXI), Debt Service Fund, and four utility funds. The City of Harrisburg has established the following utility funds: the Water Utility Fund, the Sanitation Utility Fund, the Landfill/Incinerator Utility Fund, and the Sewerage Utility Fund. Although each fund is accounted for independently, the proper cooperation and interaction among all funds contribute to the overall effective and efficient management of City government.

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are defined as those funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

State Liquid Fuels Tax Fund:

The State Liquid Fuels Tax Fund is used to account for State aid revenue for maintaining, building, and improving City roads and bridges in accordance with policies and procedures of the County Liquid Fuels Tax Act of 1931 and the Liquid Fuels Tax Act 655 of 1956 of the Commonwealth of Pennsylvania.

Community Development Block Grant Fund:

The Community Development Block Grant Fund is used to account for the revenues and expenditures of the Federal Community Development Block Grant Entitlement Program.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources, principally transfers from the General, Capital Projects, and State Liquid Fuels Tax Funds, for the payment of general long-term debt principal, interest, and related costs.

UTILITY FUNDS

Utility funds (also termed enterprise or proprietary funds) are used by a governmental entity to account for services provided to the general public on a user charge basis.

Water Utility Fund:

The Water Utility Fund is used to account for the revenues and expenses associated with the provision of water service to residential, commercial, and industrial establishments of the City as well as several municipalities surrounding the City.

Sanitation Utility Fund:

The Sanitation Utility Fund is used to account for the revenues and expenses associated with the provision of refuse collection and disposal services to residential, commercial, and industrial establishments of the City.

Landfill/Incinerator Utility Fund:

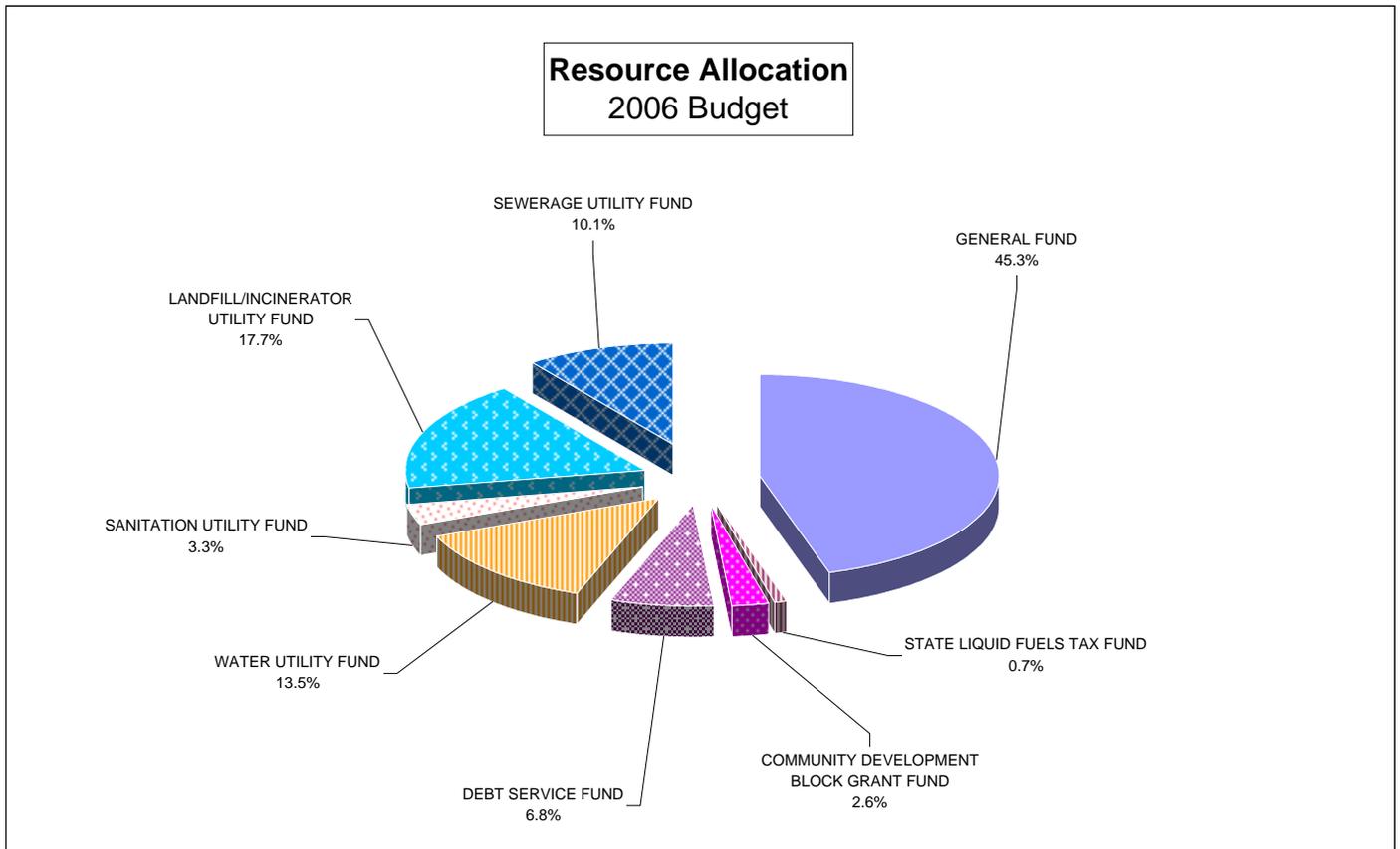
The Landfill/Incinerator Utility Fund is used to account for the revenues and expenses associated with providing solid waste disposal.

Sewerage Utility Fund:

The Sewerage Utility fund is used to account for the revenues and expenses associated with the provision of sewerage service to residential, commercial, and industrial establishments of the City, as well as six municipalities surrounding the City.

RESOURCE ALLOCATION
2006 BUDGET

RESOURCES		APPROPRIATIONS	
GENERAL FUND	\$59,120,877	GENERAL FUND	\$59,120,877
STATE LIQUID FUELS TAX FUND	856,557	STATE LIQUID FUELS TAX FUND	856,557
COMMUNITY DEVELOPMENT BLOCK GRANT FUND	3,427,546	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	3,427,546
DEBT SERVICE FUND	8,916,996	DEBT SERVICE FUND	8,916,996
WATER UTILITY FUND	17,637,083	WATER UTILITY FUND	17,637,083
SANITATION UTILITY FUND	4,238,790	SANITATION UTILITY FUND	4,238,790
LANDFILL/INCINERATOR UTILITY FUND	23,064,840	LANDFILL/INCINERATOR UTILITY FUND	23,064,840
SEWERAGE UTILITY FUND	13,150,200	SEWERAGE UTILITY FUND	13,150,200
TOTAL RESOURCES	<u>\$130,412,889</u>	TOTAL APPROPRIATIONS	<u>\$130,412,889</u>



SUMMARY OF REVENUES

GENERAL FUND

General Fund revenue is expected to decrease \$1,107,892, or -1.8%, from the 2005 Budget. Real Estate Tax revenues, totaling \$13,306,000, are anticipated to decrease \$552,000, or -4.0%, in 2006. This decrease is primarily the result of lower prior year collections due to the sale of the tax liens to the Harrisburg Redevelopment Authority in 2005. Transfer Taxes are projected to increase \$156,000, or 26.0%, over 2005 Budget levels as the market continues to be attractive for the buying and selling of real property in the City. Emergency and Municipal Services (EMS) Taxes, a new tax enacted effective January 1, 2005, replacing Occupational Privilege Taxes, are anticipated to generate \$3,191,100, which is an increase of \$245,025, or 8.3% from 2005. This increase is due to the initial collection of prior year EMS taxes. Earned Income Taxes are expected to increase \$89,400, or 2.9%, from 2005. Mercantile/Business Privilege Taxes are anticipated to decrease \$105,262, or -2.8%, from 2005 Budget levels as 2005 collection levels were lower than anticipated. Departmental Revenues are anticipated to increase \$2,170,876, or 10.8%, primarily due to higher administrative service charge receipts from the Incinerator Utility Fund as well as reimbursement from the Commonwealth for emergency telecommunication services. Fines and Forfeits are expected to slightly increase by \$5,460 over the 2005 Budget. Business Licenses and Permits will increase \$19,000, or 4.1%, in 2006. Interest Income is expected to be \$73,550 higher in 2006, primarily due to projected increases in interest rates. Property Income is anticipated to be \$5,000 lower in 2006. Miscellaneous Revenue is expected to be \$1,524,450, or -56.4%, lower in 2006 due to fewer non-recurring revenue sources. Intergovernmental Revenue is expected to decrease \$1,616,848, or -17.8%, primarily due to lower projected receipts from the Harrisburg Parking Authority (HPA). Interfund Transfers are budgeted to be \$63,643, or -4.9%, lower in 2006 because of a decreased transfer from the Sanitation Utility Fund. There is no Fund Balance appropriation proposed for 2006.

SPECIAL REVENUE FUNDS

State Liquid Fuels Tax Fund revenues will decrease by \$19,003, or -2.2%, in 2006. This is the result of a decrease in the appropriation of Undesignated Fund Balance. This decrease will be partially offset by an increase in Liquid Fuels Tax Receipts from the Commonwealth. The Community Development Block Grant will decrease \$209,890, or -5.8%, due to a decrease in federal funding.

DEBT SERVICE FUND

The Debt Service Fund, which primarily receives transfers from the General, Capital Projects, and State Liquid Fuels Tax Funds for payment on outstanding debt, will increase revenues by \$49,484, or 0.6%, over the 2005 Budget. This is a result of an increase in transfers from the General Fund.

WATER UTILITY FUND

Water Utility Fund revenues are anticipated to be \$2,600, or 0.01%, higher than the 2005 Budget. The 2006 Budget increase is primarily the result of a 15% consumption rate increase anticipated from The Harrisburg Authority (THA). This increase is offset by a decrease in the rate stabilization subsidy from THA.

SANITATION UTILITY FUND

Revenues for the Sanitation Utility Fund are expected to be \$57,965, or 1.4%, higher in 2006. This is primarily the result of increases in Garbage/Refuse Collections and Gains on the Sale of Fixed Assets.

LANDFILL/INCINERATOR UTILITY FUND

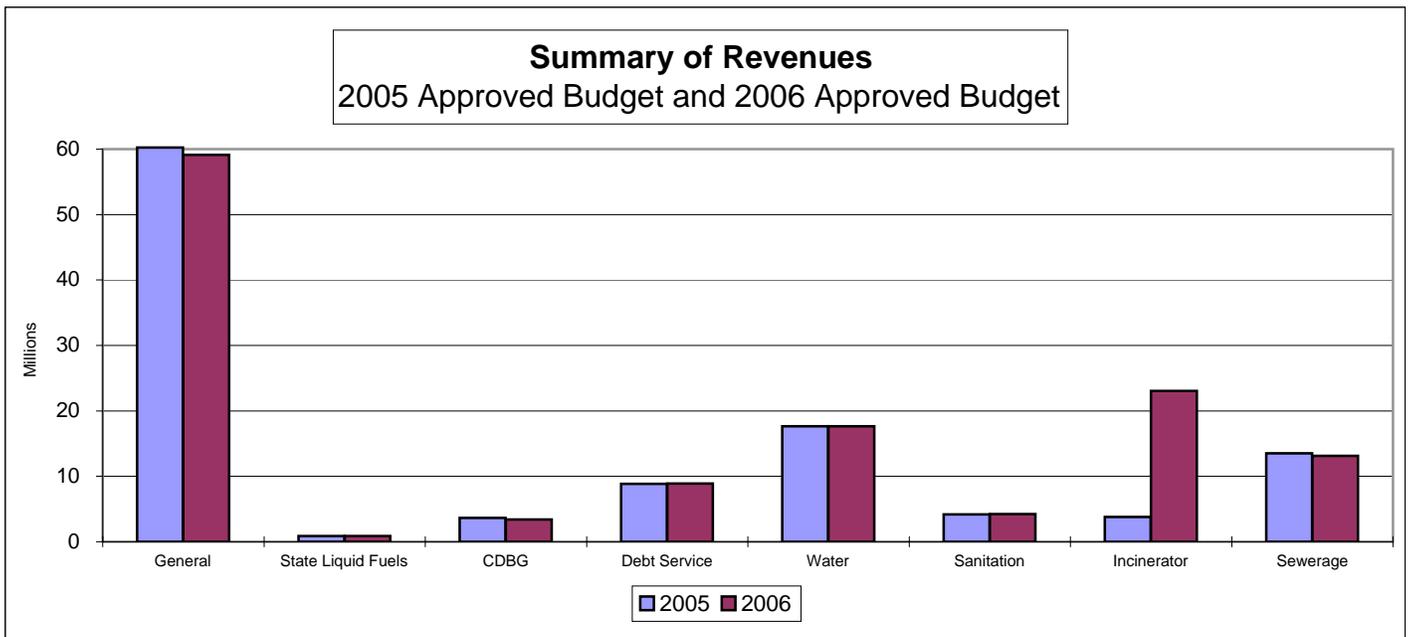
The Landfill/Incinerator Utility Fund revenues are anticipated to be \$19,263,216 higher in 2006. This is attributed to the Incinerator Facility anticipated to become commercially operational by March 1, 2006. Revenues are projected to significantly increase in Steam Sales, Sale of Electricity, and Incinerator Sale/Tipping Fees.

SEWERAGE UTILITY FUND

The Sewerage Utility Fund revenues are expected to be \$348,593, or -2.6%, lower in 2006. This is primarily due to a decrease in Conveyance/Treatment and Sewerage Liens revenues caused by lower water consumption and the 2005 sale of utility liens, respectively.

SUMMARY OF REVENUES
2006 BUDGET

FUND	2005 APPROVED BUDGET	2006 APPROVED BUDGET	INCREASE/ (DECREASE)	CHANGE
GENERAL FUND				
Real Estate Taxes	13,858,000	13,306,000	(552,000)	-3.98%
Transfer Taxes	600,000	756,000	156,000	26.00%
Occupational Privilege Taxes	0	0	0	N/A
Emergency and Municipal Services Taxes	2,946,075	3,191,100	245,025	8.32%
Earned Income Taxes	3,125,000	3,214,400	89,400	2.86%
Mercantile/Business Privilege Taxes	3,753,427	3,648,165	(105,262)	-2.80%
Departmental Revenues	20,028,782	22,199,658	2,170,876	10.84%
Fines and Forfeits	2,258,700	2,264,160	5,460	0.24%
Business Licenses and Permits	460,000	479,000	19,000	4.13%
Interest Income	62,460	136,010	73,550	117.76%
Property Income	52,000	47,000	(5,000)	-9.62%
Miscellaneous	2,704,710	1,180,260	(1,524,450)	-56.36%
Other Financing Sources	0	0	0	N/A
Intergovernmental	9,066,848	7,450,000	(1,616,848)	-17.83%
Interfund Transfers	1,312,767	1,249,124	(63,643)	-4.85%
Fund Balance	0	0	0	N/A
TOTAL GENERAL FUND	<u>60,228,769</u>	<u>59,120,877</u>	<u>(1,107,892)</u>	<u>-1.84%</u>
STATE LIQUID FUELS TAX FUND	875,560	856,557	(19,003)	-2.17%
COMM. DEV. BLOCK GRANT FUND	3,637,436	3,427,546	(209,890)	-5.77%
DEBT SERVICE FUND	8,867,512	8,916,996	49,484	0.56%
WATER UTILITY FUND	17,634,483	17,637,083	2,600	0.01%
SANITATION UTILITY FUND	4,180,825	4,238,790	57,965	1.39%
LANDFILL/INCINERATOR UTILITY FUND	3,801,624	23,064,840	19,263,216	506.71%
SEWERAGE UTILITY FUND	13,498,793	13,150,200	(348,593)	-2.58%
TOTAL REVENUE	<u>112,725,002</u>	<u>130,412,889</u>	<u>17,687,887</u>	<u>15.69%</u>



SUMMARY OF EXPENDITURES

Citywide, personnel expenditures for wages will increase 8.8% compared to 0.2% decrease in 2005, due to the reinclusion of Incinerator Facility personnel costs as the Facility is projected to become commercially operational March 1, 2006. The cost of healthcare benefits are projected to increase 18% from the 2005 Budget as medical, prescription drug, and stop loss insurance costs continue to soar. Personnel increases are offset by a reduction of 25 positions totaling \$1,268,937, or 3.7% of the workforce, bringing the total number of positions abolished since 2000 to 209, which equates to 30.6% of the current workforce. For 2006, the City also anticipates a 50% increase in energy related costs such as Motor Fuels and Lubricants, Heating, and Electricity due to the skyrocketing costs of crude oil and anticipated increased cost of natural gas compared to 2005 budgeted levels.

GENERAL FUND

General Fund expenditures will decrease \$1,107,892, or -1.8%, from the 2005 Budget. General Government will decrease \$285,709, or -5.8%. This is primarily due to the transfer of streetlighting costs from the Office of the City Engineer to the State Liquid Fuels Tax Fund. The Department of Administration will decrease \$481,055, or -10.9%, in 2006 primarily attributed to the elimination or transfer of eight positions. The Department of Building and Housing Development will decrease \$2,249, or -0.2%, in 2006. The Department of Public Safety will increase \$127,490, or 0.5%, in 2006. While the Department proposes to hire ten police officers, this cost is being offset by a decrease in the City's required contribution to the Police Pension Fund. The Department of Public Works will increase \$2,457,598, or 63.2%, in 2006. This increase is primarily attributed to the transfer of the Duplication Center from the Department of Administration to the Bureau of Building Maintenance, the transfer of all personnel related cost into the Bureau of Neighborhood Services - City Service from the State Liquid Fuels Tax Fund and significant cost increases in Motor Fuels and Lubricants. The Department of Parks and Recreation will decrease \$12,802, or -0.4%, in 2006. General Expenses will decrease \$2,959,248, or -48.1%, from the 2005 Budget. This is primarily attributed to the elimination of the Emergency and Municipal Services Tax Eligible Expenses allocation which was reflected in General Expenses in 2005. Transfers to Other Funds will increase \$48,082, or 0.6%, in 2006, primarily for increased debt service obligations.

SPECIAL REVENUE FUNDS

The State Liquid Fuels Tax Fund will decrease by \$19,003, or -2.2%, from the 2005 Budget. This decrease is primarily due to a decrease in Operating Expenses for maintenance and repairs. This decrease will be partially offset by an increase in Transfers to the Debt Service Fund to cover debt service payments. Community Development Block Grant expenditures will decrease \$209,890, or -5.8%, due to a decrease in federal funding.

DEBT SERVICE FUND

The Debt Service Fund, which primarily receives transfers from the General, Capital Projects, and State Liquid Fuels Tax Funds for payment on outstanding debt, will increase \$49,484, or 0.6%, from the 2005 Budget due to increased General Fund and State Liquid Fuels Tax Fund debt service obligations for 2006.

WATER UTILITY FUND

The Water Utility Fund will increase \$2,600, or 0.01%, in 2006.

SANITATION UTILITY FUND

The Sanitation Utility Fund will increase \$57,965, or 1.4%, in 2006. This is primarily due to an increase in Capital Outlay for lease/purchase payments on two sanitation packers and a clam truck that were purchased in 2005. This increase will be partially offset by a slight decrease in the Interfund Transfers to the General Fund.

LANDFILL/INCINERATOR UTILITY FUND

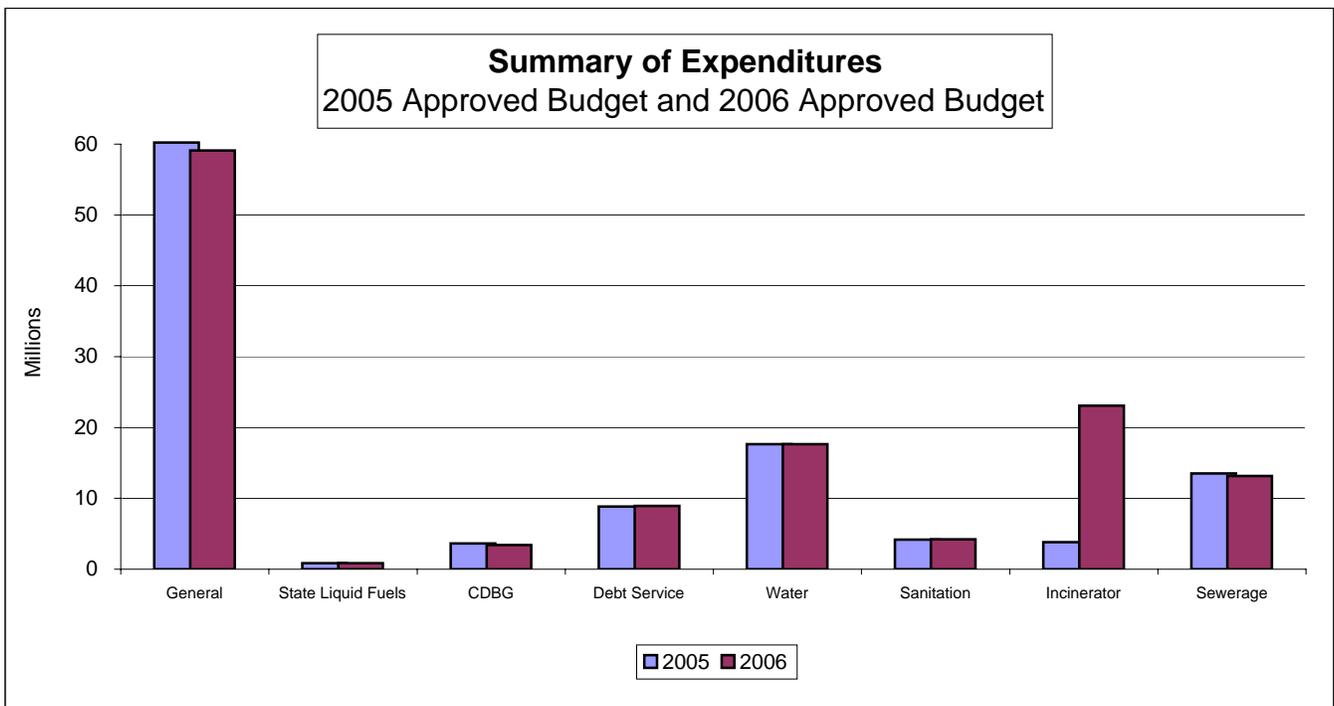
The Landfill/Incinerator Utility Fund will increase \$19,263,216, in 2006. This is attributed to the Incinerator Facility which is projected to become commercially operational on or about March 1, 2006. With the opening of the Facility in early 2006, Operating Expenses, Capital Outlay, and Debt Service will be significantly higher than during the retrofit of the Facility in 2003, 2004, and 2005.

SEWERAGE UTILITY FUND

The Sewerage Utility Fund will decrease \$348,593, or -2.6%, in 2006. This is primarily the result of decreases in Operating Expenses and Debt Service obligations, as well as the elimination of vacant positions.

SUMMARY OF EXPENDITURES
2006 BUDGET

FUND	2005 APPROVED BUDGET	2006 APPROVED BUDGET	INCREASE/ (DECREASE)	CHANGE
GENERAL FUND				
General Government	4,932,665	4,646,956	(285,709)	-5.79%
Administration	4,420,647	3,939,592	(481,055)	-10.88%
Building & Housing Development	1,231,361	1,229,112	(2,249)	-0.18%
Public Safety	27,658,394	27,785,884	127,490	0.46%
Public Works	3,887,957	6,345,555	2,457,598	63.21%
Parks and Recreation	3,143,264	3,130,463	(12,802)	-0.41%
General Expenses	6,150,630	3,191,382	(2,959,248)	-48.11%
Transfers to Other Funds	8,803,851	8,851,933	48,082	0.55%
TOTAL GENERAL FUND	60,228,769	59,120,877	(1,107,893)	-1.84%
STATE LIQUID FUELS TAX FUND	875,560	856,557	(19,003)	-2.17%
COMM. DEV. BLOCK GRANT FUND	3,637,436	3,427,546	(209,890)	-5.77%
DEBT SERVICE FUND	8,867,512	8,916,996	49,484	0.56%
WATER UTILITY FUND	17,634,483	17,637,083	2,600	0.01%
SANITATION UTILITY FUND	4,180,825	4,238,790	57,965	1.39%
LANDFILL/INCINERATOR UTILITY FUND	3,801,624	23,064,840	19,263,216	506.71%
SEWERAGE UTILITY FUND	13,498,793	13,150,200	(348,593)	-2.58%
TOTAL EXPENDITURES	112,725,002	130,412,890	17,687,887	15.69%



EXPENDITURE CATEGORY ANALYSIS

The Expenditure Category Analysis chart on the following page compares the 2005 Approved Budget to the 2006 Approved Budget by expenditure category for all fund types (excluding the Debt Service Fund). The Debt Service Fund has been eliminated from this analysis to avoid duplication of debt service expenditures already included in the General Fund, Special Revenue Fund, and Utility Funds. The sole purpose of the Debt Service Fund is to account for the accumulation of resources transferred from other funds for the payment of general long-term debt and related expenditures.

Personnel Services is the largest expenditure type, representing 41.0% of the total budget for all funds for 2006. Personnel Services will increase \$4,694,834, or 10.4%, from the 2005 Personnel Services budget. This increase is primarily the result of the Incinerator Facility projected to become fully operational on or about March 1, 2006. These personnel costs were previously funded from the proceeds of the retrofit bonds issued by The Harrisburg Authority in 2003. The Landfill/Incinerator Utility Fund's 2006 projected personnel services costs are \$3,795,205. Overall, the cost of healthcare benefits are projected to increase \$1,385,113, or 18.1%, from the 2005 Budget as medical, prescription drug, and stop loss insurance costs continue to soar. These personnel cost increases are offset by a reduction of 25 positions totaling \$1,268,937, or 3.7% of the workforce, bringing the total number of positions abolished since 2000 to 209, or 30.6% of the current workforce.

Operating Expenses, the second largest expenditure category, is 30.7% of the total budgeted funds in 2006. The 2006 Approved Budget reflects a \$5,818,494, or 18.5%, increase in Operating Expenses over 2005 budgeted levels. With the Incinerator Facility becoming operational in 2006, the Landfill/Incinerator Utility fund is projected to have increased operational expenses of \$5,335,305 from 2005 budgeted levels. The General Fund is expected to have a \$553,678, or 6.7%, increase from 2005 due to increased costs for Motor Fuels and Lubricants, and other energy related costs. The State Liquid Fuels Tax Fund is expected to have a \$477,217 increase from 2005 due to the transfer of utility costs from the General Fund into this fund for auditing purposes. The Sanitation Utility Fund is projected to have a modest increase in Operating Expenses over 2005 of \$15,492, or 1.1%. The Water and Sewerage Utility Funds and are all projected to have operating expenses at levels slightly lower than were budgeted for in 2005.

Capital Outlay, which accounts for 1.5% of the total budget for all funds, is approved at a level that is \$166,776, or -8.5%, less than what was budgeted in 2005. Capital Outlay in the Sanitation Utility Fund will increase due to funding for the lease/purchase of two sanitation packers and a clam truck acquired in 2005. The State Liquid Fuels Tax Fund and the Sewer Utility Fund have no appropriated funds for Capital Outlay.

Debt Service is the third largest expenditure category in the 2006 Approved Budget, accounting for \$29,149,823, or 24.0%, of the total budget for all funds. Overall, Debt Service will increase \$9,544,873, or 48.7%, in 2006. Of this increase, \$9,478,173 is attributable to the Landfill/Incinerator Utility Fund as it begins to pay debt service on the 2003 Resource Recovery Revenue Bonds issued by The Harrisburg Authority to retrofit the Incinerator Facility.

Grants will decrease \$203,979, or -12.2%, in 2006. This decrease is primarily the result of the expending of Councilmanic Special Projects which were funded in 2004 and 2005 in the General Fund, and a decrease in the appropriation for grants in the Community Development Block Grant Fund due to lower federal funding.

Miscellaneous Expenses will decrease \$1,985,400, in 2006. This is primarily attributed to the manner in which \$2,612,400 of Emergency and Municipal Services Tax eligible expenses were appropriated to Miscellaneous Expenses when the 2005 Budget was adopted. This amount was later reallocated. Emergency and Municipal Services Tax eligible expenses are reflected in Public Safety personnel costs for 2006.

Transfers will decrease \$63,643, or -4.9%, in 2006. This is solely attributed to a decrease in the Interfund Transfer from the Sanitation Utility Fund to the General Fund.

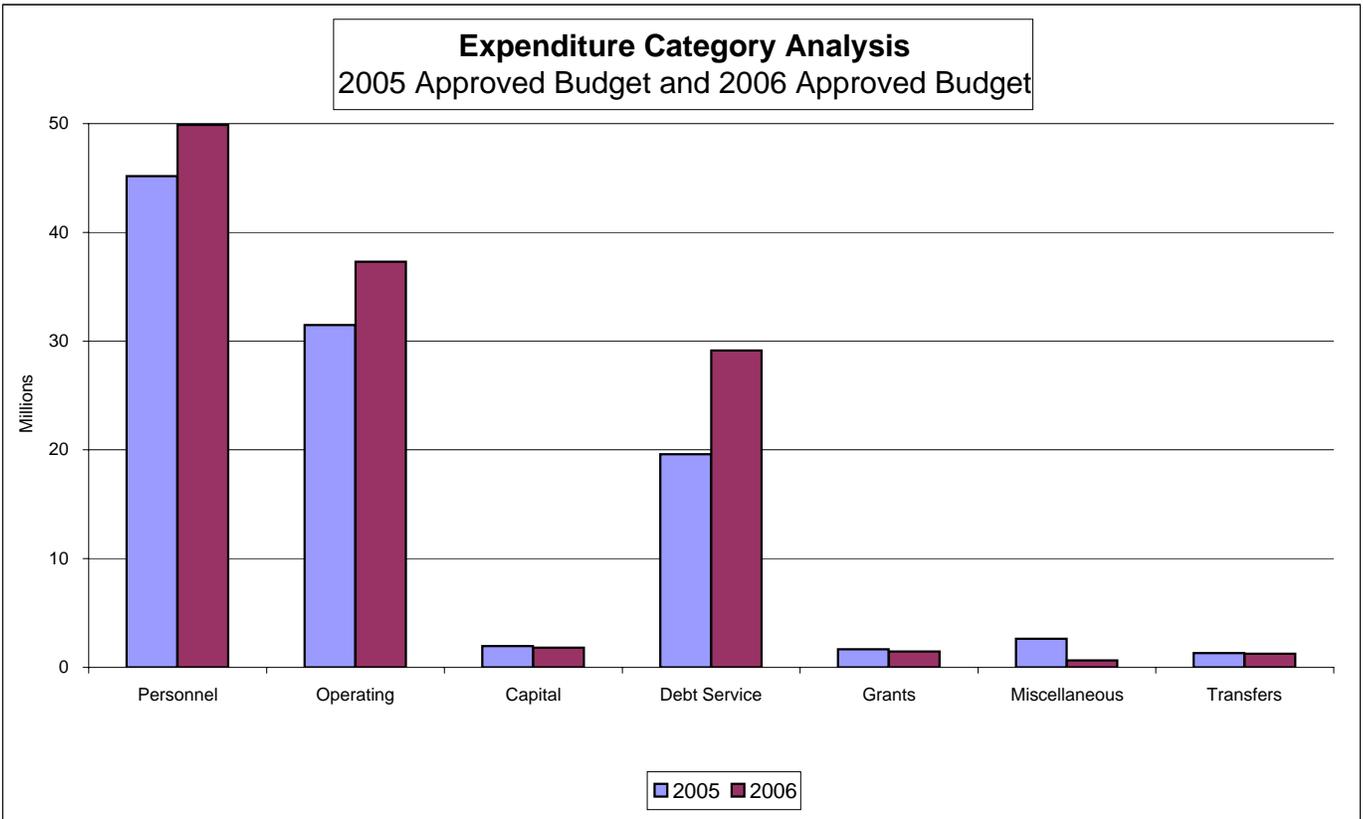
EXPENDITURE CATEGORY ANALYSIS
2006 BUDGET

EXPENDITURE CATEGORY	2005 APPROVED BUDGET		2006 APPROVED BUDGET		CHANGE		
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	AMOUNT	%*	%**
Personnel Services	45,183,893	43.51%	49,878,727	41.05%	4,694,834	4.52%	10.39%
Operating Expenses	31,469,946	30.30%	37,288,440	30.69%	5,818,494	5.60%	18.49%
Capital Outlay	1,971,648	1.90%	1,804,872	1.49%	(166,776)	-0.16%	-8.46%
Debt Service	19,604,950	18.88%	29,149,823	23.99%	9,544,873	9.19%	48.69%
Grants	1,675,886	1.61%	1,471,907	1.21%	(203,979)	-0.20%	-12.17%
Miscellaneous	2,638,400	2.54%	653,000	0.54%	(1,985,400)	-1.91%	0.00%
Transfers***	1,312,767	1.26%	1,249,124	1.03%	(63,643)	-0.06%	-4.85%
TOTAL FUNDS	103,857,490	100.00%	121,495,893	100.00%	17,638,403	16.98%	N/A

* Change in each expenditure category as a percentage of the total 2005 Approved Budget.

** Change in each expenditure category as a percentage of the respective 2005 expenditure category.

*** Transfers represent transfers from the Sanitation Utility Fund to the General Fund. The Debt Service Fund is not represented in this analysis. The interfund transfers for debt payment from the General Fund and State Liquid Fuels Tax Fund to the Debt Service Fund are reflected in the Debt Service category.



EXPENDITURE DETAIL BY FUND

The analysis of "Expenditure Detail by Fund" compares 2006 Approved Budget appropriations to 2005 Approved Budget appropriations by expenditure category for all funds. The expenditure categories include Personnel Services, Operating Expenses, Capital Outlay, Debt Service, Grants, Miscellaneous and Transfers.

Citywide, personnel services are expected to increase \$4,694,834, or 10.4%, in 2006. This increase is primarily the result of the Incinerator Facility projected to become fully operational on or about March 1, 2006. These personnel costs were previously funded from the proceeds of the retrofit bonds issued by The Harrisburg Authority in 2003. The Landfill/Incinerator Utility Fund's 2006 projected personnel services costs are \$3,795,205. The General Fund will increase \$1,322,452, or 3.5%, primarily due to the transfer of nine positions from the State Liquid Fuels Tax Fund into the General Fund. These transfers were performed to ease compliance and reporting of State Liquid Fuels Tax monies. The Sanitation Utility Fund will increase \$82,413, or 6.3%, due to the addition of a Laborer position and normal increases in salaries/wages and healthcare benefit costs. The Sewerage Utility Fund will increase \$81,430, or 3.3%, due to normal increases in salaries/wages and healthcare benefit costs. The State Liquid Fuels Tax Fund will decrease \$497,621, or -100%, due to the elimination of all personnel related costs. The Water Utility Fund will decrease \$45,840, or -2.1% due to the elimination of a vacant Administrative Assistant position. The Community Development Block Grant (CDBG) Fund-Year XXXI will decrease \$43,205, or -5.8%. This is primarily attributed to a decrease in federal funding. The changes listed above take into account the elimination of twenty-five vacant positions in 2006.

Operating expenses are expected to increase \$5,818,494, or 18.5%, citywide in 2006. With the Incinerator Facility becoming operational in 2006, the Landfill/Incinerator Utility fund is projected to have increased operational expenses of \$5,335,305 from 2005 budgeted levels. The General Fund will increase \$553,678, or 6.7%, primarily attributed to increased costs for Motor Fuels and Lubricants in the Bureau of Vehicle Management, and other energy related costs. The State Liquid Fuels Tax Fund is expected to have a \$477,217, increase from 2005 due to the transfer of utility costs from the General Fund into this fund for auditing purposes. The Sanitation Utility Fund will increase \$15,492, or 1.2%, primarily due to increased costs of utility expenses and Motor Fuels and Lubricants. The Sewerage Utility Fund will decrease \$416,877, or -4.7%, in 2006 due to a lower appropriation of administrative service charges. The CDBG Fund will decrease \$102,923, or -5.8%, due to a decrease in federal funding. The Water Utility Fund is projected to have operating expenses at levels slightly lower than was budgeted for in 2005.

Citywide, capital outlay will decrease \$166,776, or -8.5% in 2006. The Water Utility Fund will increase \$64,682, or 40.6%, due to the higher lease/purchase payments for the refinancing of the energy conservation equipment that occurred in 2004. The Sanitation Fund will increase \$23,703, or 11.7%, primarily due to funding for the lease/purchase of two new sanitation packers. The General Fund will decrease \$256,694, or -16.0%, from the 2005 budgeted levels. This is primarily due to the elimination of funding for the lease/purchase of new equipment and vehicles in 2006. The State Liquid Fuels Tax Fund, CDBG Fund, and the Sewerage Utility Fund have no appropriated funds for Capital Outlay.

Debt Service will increase \$9,544,873, or 48.7%, citywide in 2006. This increase is primarily the result of higher debt service funding requirements in the Incinerator and Water Funds. The debt service appropriation in the Incinerator Utility Fund will increase \$9,478,173 as repayment begins on the 2003 Resource Recovery Bonds issued by The Harrisburg Authority to retrofit the Incinerator Facility. The debt service appropriation in the Water Utility Fund will increase \$53,156, or 0.7%, primarily due to an increase in the debt service funding requirement for the 2004 Water Revenue Bond. The debt service appropriation in the Sewerage Utility Fund will decrease \$13,146, or -0.6%, due to a decrease in payments for the PENNVEST project. The CDBG Fund will decrease \$22,793, or -5.8%, primarily due to the reduction in program income contribution toward the debt service repayment of Section 108 loans.

Citywide, the net decrease in grants for 2006 will be \$203,979, or -12.2%. In the General Fund, grants will decrease \$163,010, or -16.9%, due to a decrease in the matching funds to be paid for grants received in the Bureau of Police, and the elimination of funding for Councilmanic Special Projects in General Expenses. In the CDBG Fund, grants will decrease by \$40,969, or -5.8% due to a lower appropriation of federal funds.

Miscellaneous Expenses will decrease \$1,985,400, or -75.3%, in 2006. This is attributed to the manner in which \$2,612,400 of Emergency and Municipal Services Tax Eligible Expenses were appropriated to Miscellaneous Expenses when the 2005 Budget was adopted. This amount was later reallocated. In 2006, these expenses are reflected in the Public Safety personnel costs. The Incinerator Utility Fund has \$653,000 appropriated for the payment of prior year expenses.

Transfers will decrease \$63,643, or -4.9%, in 2006. This is due to a decrease in the interfund transfer from the Sanitation Utility Fund to the General Fund.

EXPENDITURE DETAIL BY FUND
2006 BUDGET

	PERSONNEL SERVICES				OPERATING EXPENSES			
	2005 Approved Budget	2006 Approved Budget	+/-	%	2005 Approved Budget	2006 Approved Budget	+/-	%
GENERAL FUND								
General Gov't.	2,801,156	2,932,961	131,805	4.7%	1,456,449	881,043	(575,406)	-39.51%
Administration	3,358,042	3,083,386	(274,656)	-8.2%	989,575	653,072	(336,503)	-34.00%
Bldg. & Housing	1,165,516	1,134,639	(30,877)	-2.6%	65,845	94,473	28,628	43.48%
Public Safety	25,772,697	25,949,107	176,410	0.7%	1,295,024	1,401,209	106,185	8.20%
Public Works	1,827,989	2,611,028	783,039	42.8%	2,013,961	3,526,102	1,512,141	75.08%
Parks & Rec.	2,194,829	2,223,068	28,239	1.3%	928,085	892,045	(36,040)	-3.88%
General Exp.	875,202	1,383,694	508,492	58.1%	1,493,052	1,347,725	(145,327)	-9.73%
Transfers	0	0	0	N/A	0	0	0	N/A
GENERAL FUND	37,995,431	39,317,883	1,322,452	3.5%	8,241,991	8,795,669	553,678	6.72%
LIQUID FUELS	497,621	0	(497,621)	-100.0%	315,277	792,494	477,217	151.36%
C.D.B.G.	748,757	705,552	(43,205)	-5.8%	1,783,679	1,680,756	(102,923)	-5.77%
WATER	2,185,078	2,139,238	(45,840)	-2.1%	7,165,956	7,122,558	(43,398)	-0.61%
SANITATION	1,313,164	1,395,577	82,413	6.3%	1,351,894	1,367,386	15,492	1.15%
INCINERATOR	0	3,795,205	3,795,205	N/A	3,801,624	9,136,929	5,335,305	140.34%
SEWERAGE	2,443,842	2,525,272	81,430	3.3%	8,809,525	8,392,648	(416,877)	-4.73%
TOTAL	45,183,893	49,878,727	4,694,834	10.4%	31,469,946	37,288,440	5,818,494	18.49%

Note: The Debt Service fund is not represented in this analysis. The interfund transfers for debt payment from the General Fund and State Liquid Fuels Tax Fund to the Debt Service Fund are reflected in the Debt Service expenditure category.

EXPENDITURE DETAIL BY FUND
2006 BUDGET

	CAPITAL OUTLAY				DEBT SERVICE			
	2005 Approved Budget	2006 Approved Budget	+/-	%	2005 Approved Budget	2006 Approved Budget	+/-	%
GENERAL FUND								
General Gov't	675,060	832,952	157,892	23.39%	0	0	0	N/A
Administration	73,030	203,134	130,104	178.15%	0	0	0	N/A
Bldg. & Housing	0	0	0	N/A	0	0	0	N/A
Public Safety	114,775	108,005	(6,770)	-5.90%	0	0	0	N/A
Public Works	46,007	208,425	162,418	353.03%	0	0	0	N/A
Parks & Rec.	5,000	0	(5,000)	-100.00%	0	0	0	N/A
General Exp.	695,338	0	(695,338)	-100.00%	0	0	0	N/A
Transfers	0	0	0	N/A	8,803,851	8,851,933	48,082	0.55%
GENERAL FUND	1,609,210	1,352,516	(256,694)	-15.95%	8,803,851	8,851,933	48,082	0.55%
LIQUID FUELS	0	0	0	N/A	62,662	64,063	1,401	2.24%
C.D.B.G.	0	0	0	N/A	395,000	372,207	(22,793)	-5.77%
WATER	159,438	224,120	64,682	40.57%	8,098,011	8,151,167	53,156	0.66%
SANITATION	203,000	226,703	23,703	11.68%	0	0	0	N/A
INCINERATOR	0	1,533	1,533	N/A	0	9,478,173	9,478,173	N/A
SEWERAGE	0	0	0	N/A	2,245,426	2,232,280	(13,146)	-0.59%
TOTAL	1,971,648	1,804,872	(166,776)	-8.46%	19,604,950	29,149,823	9,544,873	48.69%

Note: The Debt Service fund is not represented in this analysis. The interfund transfers for debt payment from the General Fund and State Liquid Fuels Tax Fund to the Debt Service Fund are reflected in the Debt Service expenditure category.

EXPENDITURE DETAIL BY FUND
2006 BUDGET

	GRANTS				MISCELLANEOUS			
	2005 Approved Budget	2006 Approved Budget	+/-	%	2005 Approved Budget	2006 Approved Budget	+/-	%
GENERAL FUND								
General Gov't	0	0	0	N/A	0	0	0	N/A
Administration	0	0	0	N/A	0	0	0	N/A
Bldg. & Housing	0	0	0	N/A	0	0	0	N/A
Public Safety	475,898	327,563	(148,335)	-31.17%	0	0	0	N/A
Public Works	0	0	0	N/A	0	0	0	N/A
Parks & Rec.	15,350	15,350	0	0.00%	0	0	0	N/A
General Exp.	474,638	459,963	(14,675)	-3.09%	2,612,400	0	(2,612,400)	-100.00%
Transfers	0	0	0	N/A	0	0	0	N/A
GENERAL FUND	965,886	802,876	(163,010)	-16.88%	2,612,400	0	(2,612,400)	-100.00%
LIQUID FUELS	0	0	0	N/A	0	0	0	N/A
C.D.B.G.	710,000	669,031	(40,969)	-5.77%	0	0	0	N/A
WATER	0	0	0	N/A	26,000	0	(26,000)	-100.00%
SANITATION	0	0	0	N/A	0	0	0	N/A
INCINERATOR	0	0	0	N/A	0	653,000	653,000	N/A
SEWERAGE	0	0	0	N/A	0	0	0	N/A
TOTAL	1,675,886	1,471,907	(203,979)	-12.17%	2,638,400	653,000	(1,985,400)	-75.25%

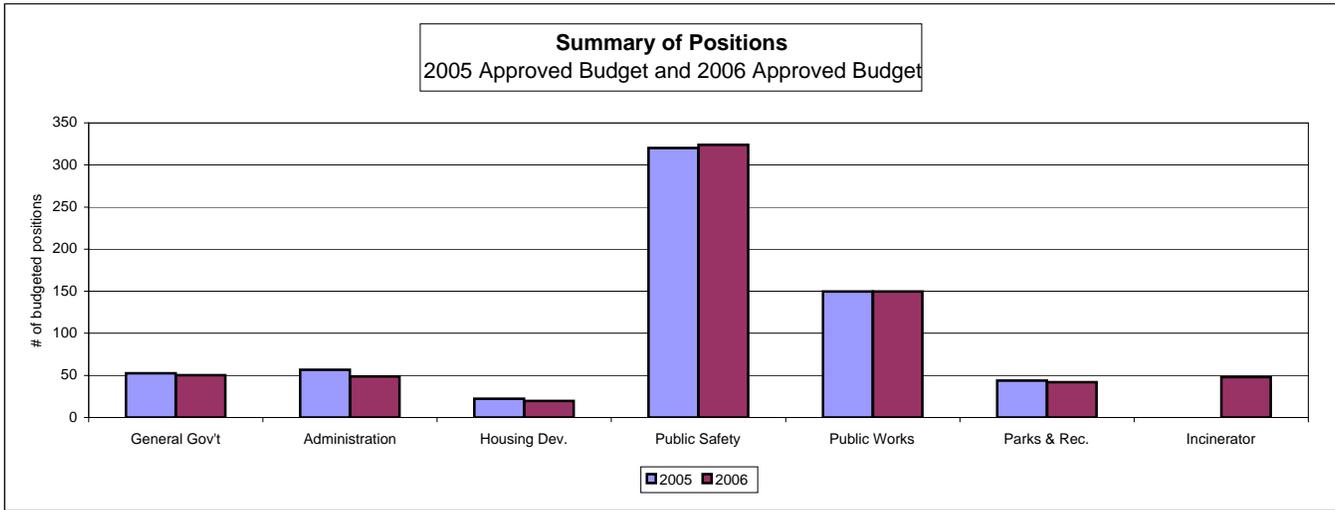
Note: The Debt Service fund is not represented in this analysis. The interfund transfers for debt payment from the General Fund and State Liquid Fuels Tax Fund to the Debt Service Fund are reflected in the Debt Service expenditure category.

EXPENDITURE DETAIL BY FUND
2006 BUDGET

	TRANSFERS				TOTAL			
	2005 Approved Budget	2006 Approved Budget	+/-	%	2005 Approved Budget	2006 Approved Budget	+/-	%
GENERAL FUND								
General Gov't	0	0	0	N/A	4,932,665	4,646,956	(285,709)	-5.79%
Administration	0	0	0	N/A	4,420,647	3,939,592	(481,055)	-10.88%
Bldg. & Housing	0	0	0	N/A	1,231,361	1,229,112	(2,249)	-0.18%
Public Safety	0	0	0	N/A	27,658,394	27,785,884	127,490	0.46%
Public Works	0	0	0	N/A	3,887,957	6,345,555	2,457,598	63.21%
Parks & Rec.	0	0	0	N/A	3,143,264	3,130,463	(12,802)	-0.41%
General Exp.	0	0	0	N/A	6,150,630	3,191,382	(2,959,248)	-48.11%
Transfers	0	0	0	N/A	8,803,851	8,851,933	48,082	0.55%
GENERAL FUND	0	0	0	N/A	60,228,769	59,120,877	(1,107,893)	-1.84%
LIQUID FUELS	0	0	0	N/A	875,560	856,557	(19,003)	-2.17%
C.D.B.G.	0	0	0	N/A	3,637,436	3,427,546	(209,890)	-5.77%
WATER	0	0	0	N/A	17,634,483	17,637,083	2,600	0.01%
SANITATION	1,312,767	1,249,124	(63,643)	-4.85%	4,180,825	4,238,790	57,965	1.39%
INCINERATOR	0	0	0	N/A	3,801,624	23,064,840	19,263,216	506.71%
SEWERAGE	0	0	0	N/A	13,498,793	13,150,200	(348,593)	-2.58%
TOTAL	1,312,767	1,249,124	(63,643)	-4.85%	103,857,490	121,495,893	17,638,403	16.98%

Note: The Debt Service Fund is not represented in this analysis. The interfund transfers for debt payment from the General Fund and State Liquid Fuels Tax Fund to the Debt Service Fund are reflected in the Debt Service expenditure category.

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CHANGES IN BUDGETED POSITIONS FROM 2005 TO 2006

The above summary compares positions in 2005 Approved Budget with those in the 2006 Approved Budget by office and department. The total budgeted positions in 2005 was 645.00 compared to 682.50 in the 2006 Approved Budget, a net increase of 37.50 positions. 48.00 positions were added in 2006 due to the Incinerator Facility becoming commercially operational. These positions were funded through the project's working capital account of The Harrisburg Authority during 2004 and 2005. The next largest departmental increase was in the Department of Public Safety, which added four positions, net, in 2006. Ten Police Officers are proposed for hire in 2006. Two vacant Telecommunicators, one vacant Communications Supervisor, one vacant Secretary, and one vacant part-time Hostler were eliminated from the 2006 Approved Budget. One additional Firefighter is also budgeted in 2006.

In the Offices of General Government, three positions were eliminated from the 2006 Approved Budget. In the Office of the City Solicitor, a vacant Legal Assistant was eliminated. The Mayor's Office for Economic Development and Special Projects eliminated the vacant Director of Economic Development and a vacant Production Technician/Videographer while adding the Director of Special Projects. In the Human Relations Commission, the vacant Administrative Assistant is reclassified to a Secretary I position.

The Department of Administration is budgeted to have five vacant positions eliminated and three transferred to other departments in 2006. In the Office of the Business Administrator, a vacant Confidential Secretary has been eliminated. In the Bureau of Financial Management, the vacant Risk Manager and Secretary I positions were eliminated. In the Bureau of Information Technology, a Clerk II position was transferred to the Department of Public Works. A vacant Administrative Assistant position was eliminated from the Mayor's Office for Labor Relations. A Central Support Technician II and a Reproduction Technician I were transferred from the Bureau of Operations and Revenue to the Bureau of Building Maintenance as part of transferring Duplication Center operational responsibilities. A vacant Paralegal position was eliminated from the Bureau of Operations and Revenue.

The Department of Building and Housing Development is budgeted to have 2.5 fewer positions in 2006. Vacant Communications Officer and GIS Manager positions have been eliminated from the Bureau of Planning. The Bureau of Inspections and Codes Enforcement has had a vacant Codes Enforcement Officer and a vacant Graduate Intern eliminated in the 2006 Approved Budget as well.

The Department of Public Works added three positions to its approved budget for 2006 due to the transfer of the Duplication Center to the Bureau of Building Maintenance. In addition, nine employees were transferred to the Bureau of Neighborhood Services - City Services from the State Liquid Fuels Tax Fund. These additional employees were offset by the elimination of a vacant Automotive Mechanic in the Bureau of Vehicle Management, a vacant Administrative Assistant in the Bureau of Water, and a vacant Shift Supervisor in the Bureau of Sewerage.

The Department of Parks and Recreation has a net loss of two positions in the 2006 Approved Budget. In the Office of the Director, two vacant Park Rangers were eliminated, while one Secretary was transferred from the Bureau of Recreation. In the Bureau of Recreation, three part-time positions were added: Dance Instructor, Fitness Instructor, and Music Instructor. In the Bureau of Parks Maintenance, a vacant Landscape Specialist, a vacant Landscape Technician, and a vacant Laborer III were eliminated.

Note: The City does not utilize Full-Time Equivalents (FTE's) in accounting for positions. Rather, it accounts for positions by the percentage of the employee's salary charged to a particular office or bureau. Permanent part-time positions are counted as whole positions. Temporary part-time employees are not included in the positions calculations.

SUMMARY OF POSITIONS
2006 BUDGET

OFFICE/BUREAU/DIVISION	2002	2003	2004	2005	2005	2006
	Actual	Actual	Actual	Approved Budget	Projected	Approved Budget
Office of City Council	10.00	10.00	10.00	10.00	10.00	10.00
Office of the Mayor	6.00	6.00	5.00	5.00	5.00	5.00
Office of City Controller	4.00	4.00	4.00	4.00	4.00	4.00
Office of City Treasurer	11.40	11.40	11.40	11.40	11.40	11.40
Office of City Solicitor	6.00	6.00	6.00	6.00	4.00	5.00
Human Relations Commission	3.00	3.00	3.00	3.00	2.00	3.00
Office of City Engineer	6.00	7.00	4.00	4.00	4.00	4.00
Mayor's Office for Special Projects	0.00	7.00	3.00	0.00	0.00	0.00
Mayor's Office for Econ. Dev.	4.50	5.00	5.00	9.00	8.00	8.00
TOTAL GENERAL GOVERNMENT:	50.90	59.40	51.40	52.40	48.40	50.40
Office of the Director	3.00	4.00	4.00	4.00	3.00	3.00
Insurance & Risk Management	3.00	3.00	2.00	0.00	0.00	0.00
Financial Management	12.00	11.00	8.00	12.00	10.00	10.00
Information Technology	21.60	20.60	12.60	12.60	11.60	11.60
Human Resources	6.00	7.00	6.00	7.00	7.00	7.00
Mayor's Office for Labor Relations	0.00	3.00	3.00	3.00	2.00	2.00
Operations & Revenue	34.00	28.00	16.00	18.00	15.00	15.00
TOTAL ADMINISTRATION	79.60	76.60	51.60	56.60	48.60	48.60
Office of the Director	1.75	1.00	1.00	1.00	1.00	1.00
Planning	3.10	6.00	3.34	3.34	2.84	2.84
Inspections & Codes Enforcement	17.00	17.00	16.00	18.00	16.00	16.00
Health	0.00	2.00	0.00	0.00	0.00	0.00
TOTAL BLDG. & HOUSING DEV.	21.85	26.00	20.34	22.34	19.84	19.84
Parking Enforcement	12.00	12.00	11.00	11.00	10.00	11.00
Office of the Police Chief	16.50	13.50	9.00	11.00	11.00	11.00
Uniformed Patrol	130.00	121.00	124.00	121.00	117.00	117.00
Technical Services	48.00	47.00	36.00	48.00	51.00	58.00
Criminal Investigation	33.00	37.00	30.00	32.00	29.00	29.00
Fire	102.00	103.00	100.00	97.00	98.00	98.00
TOTAL PUBLIC SAFETY	341.50	333.50	310.00	320.00	316.00	324.00
Office of the Director	1.00	1.00	1.00	1.00	1.00	1.00
Neighborhood Services - City Services	11.00	10.50	7.50	14.50	14.50	23.50
Traffic Engineering	7.00	7.00	7.00	0.00	0.00	0.00
Vehicle Management	12.00	13.00	11.00	12.00	11.00	11.00
Building Maintenance	7.00	7.00	7.00	8.00	10.00	10.00
State Liquid Fuels	10.00	9.00	8.00	9.00	9.00	0.00
Water	43.33	43.33	37.33	38.33	37.33	37.33
Neighborhood Services - Sanitation	32.00	32.50	27.50	26.50	27.50	27.50
Sewerage	47.33	47.33	38.33	40.33	40.33	39.33
TOTAL PUBLIC WORKS	170.66	170.66	144.66	149.66	150.66	149.66
Office of the Director	19.00	20.00	19.00	19.00	18.00	18.00
Recreation	3.00	8.00	8.00	8.00	10.00	10.00
Parks Maintenance	27.00	27.00	18.00	17.00	11.00	14.00
TOTAL PARKS & RECREATION	49.00	55.00	45.00	44.00	39.00	42.00
Incineration & Steam Generation	61.00	61.00	0.00 *	0.00 *	0.00 *	48.00
TOTAL INCINERATOR & STEAM	61.00	61.00	0.00	0.00	0.00	48.00
TOTAL POSITIONS	774.51	782.16	623.00	645.00	622.50	682.50

* - 45 positions were funded from the working capital proceeds of the 2003 Resource Recovery Revenue Bonds issued by The Harrisburg Authority to retrofit the Incinerator Facility. The Facility will be commercially operational in 2006.

UNDESIGNATED FUND BALANCE ANALYSIS

The City of Harrisburg operates from a balanced budget at the onset of every fiscal year. Undesignated fund balance or prior year budgetary surplus can be appropriated to balance a fund's budget if a sufficient balance/surplus exists and the appropriation is fiscally prudent. In 2006, the State Liquid Fuels Tax Fund has appropriated \$10,583 and the Sanitation Utility Fund has appropriated \$63,151 of its undesignated fund balance.

The Water Utility Fund and Landfill/Incinerator Utility Fund were in unfavorable undesignated fund balance positions at December 31, 2004. Through such measures as user charge increases and prudent internal expenditure controls, such as delayed hiring and capital improvements, the City expects to improve these unfavorable undesignated fund balance positions in the future.

The \$20,983,001 undesignated fund balance deficit at December 31, 2004, in the Water Utility Fund is primarily the result of the transfer of ownership of the water system from the City of Harrisburg to The Harrisburg Authority (THA), which occurred on March 1, 1990. In 1989, the Water Utility Fund had an undesignated fund balance surplus of \$6,482,815. Federal mandates, which caused THA to construct a new water treatment facility, have resulted in significant new debt for this facility. As a result, THA has had to increase user charges in 1992, 1994, 1996, 2003, and now in 2006. The City of Harrisburg, as operator of the water system through a formal Management Agreement with THA, will continue to exercise tight fiscal control to improve the Water Utility Fund's undesignated fund balance position.

In the early 1990, the Landfill/Incinerator Utility Fund had benefited from significant capital improvements to its resource recovery facility undertaken as part of the City's Capital Improvement Plan during 1990-1993. These improvements resulted in greater reliability of machinery and equipment. The improved reliability on the facility had resulted in less "down-time" and more revenue, even though Dauphin and Cumberland Counties, beginning in 1991, had redirected their municipal solid waste from the facility to landfills, thus impacting 1991 and future tipping fee and energy revenues. Although such capital improvements were beneficial to the facility in the early 1990, a major retrofit/upgrade is still needed to keep the plant operational well into the twenty-first century. This was evidenced in the mid-1990 by shortfalls in energy revenues resulting from greater down-time for repairs. In 1993, THA purchased the facility from the City; although, the City continues to operate the facility through a formal Management Agreement with THA. THA and the City have taken steps since 1993 to initiate a total retrofit/upgrade of the facility to meet anticipated regulatory requirements and to replace major components. Emissions from the plant have been considerably reduced since an interim partial retrofit of the facility was completed in October 1997. In December 2000, a derating project was started on the facility to reduce the maximum number of tons to be processed from 720 tons to 500 tons per day. The project was required as a first step to achieving compliance with revised federal air quality regulations, and was completed in January 2001. Still necessary, however, is the planned total retrofit/upgrade of the facility. The plant shut down on June 18, 2003, and with the approval of the plan on November 5, 2003, the retrofit/upgrade project began. The City plans to finance long-term waste contracts as security and the City is still in the process of securing the last needed contracts, which will provide sufficient revenues to cover the debt service and operating costs of the plant after the retrofit. With the Facility becoming commercially operational in 2006, the City will continue to exercise tight fiscal control, seek new waste customers, and make every effort to maximize energy production and revenues to improve the Landfill/Incinerator Utility Fund's undesignated fund balance position.

**UNDESIGNATED FUND BALANCE ANALYSIS
2006 BUDGET**

	GENERAL FUND	STATE LIQUID FUELS TAX FUND	COMM. DEVELOP. BLOCK GRANT FUND	DEBT SERVICE FUND
Undesignated Fund Balance (Deficit) - 12/31/04*	6,852,763	236,478	0	65,469
2005 Projected Revenues	58,975,188	796,791	3,637,436	8,867,512
2005 Projected Expenditures (w/ Encumbrances)	(59,642,854)	(871,262)	(3,637,436)	(8,867,512)
Est. Undesignated Fund Balance (Deficit) - 12/31/05	6,185,097	162,007	0	65,469
2006 Estimated Revenues:				
Real Estate Taxes	13,306,000	0	0	0
Transfer Taxes	756,000	0	0	0
E.I.T. and E.M.S. Taxes	6,405,500	0	0	0
Mercantile/Business Privilege Taxes	3,648,165	0	0	0
Departmental Revenues (charges for services)	22,199,658	0	0	0
Fines and Forfeits	2,264,160	0	0	0
Business Licenses and Permits	479,000	0	0	0
Interest Income	136,010	6,200	0	1,000
Property Income	47,000	0	0	0
Miscellaneous	1,180,260	0	0	0
Other Financing Sources	0	0	0	0
Intergovernmental	7,450,000	839,774	3,427,546	0
Interfund Transfers	1,249,124	0	0	8,915,996
Total 2006 Estimated Revenues	59,120,877	845,974	3,427,546	8,916,996
Total Resources Available for Appropriation	65,305,974	1,007,981	3,427,546	8,982,465
2006 Expenditure Appropriations:				
General Government	(4,646,956)	0	0	0
Administration	(3,939,592)	0	0	0
Building and Housing Development	(1,229,112)	0	(3,427,546)	0
Public Safety	(27,785,884)	0	0	0
Public Works	(6,345,555)	(792,494)	0	0
Parks and Recreation	(3,130,463)	0	0	0
Incineration and Steam Generation	0	0	0	0
General Expenses	(3,191,382)	0	0	0
Debt Service	0	0	0	(8,916,996)
Interfund Transfers	(8,851,933)	(64,063)	0	0
Total 2006 Expenditure Appropriations	(59,120,877)	(856,557)	(3,427,546)	(8,916,996)
Estimated Undesignated Fund Balance - 12/31/06	6,185,097	151,424	0	65,469

* Source: City's audited general purpose financial statements

**UNDESIGNATED FUND BALANCE ANALYSIS
2006 BUDGET**

-continued-

	WATER UTILITY FUND	SANITATION UTILITY FUND	LANDFILL/ INCINERATOR UTILITY FUND	SEWERAGE UTILITY FUND
Undesignated Fund Balance (Deficit) - 12/31/04*	(20,983,001)	399,283	(67,156,312)	3,133,465
2005 Projected Revenues	17,754,732	3,980,925	3,523,204	12,916,625
2005 Projected Expenditures (w/ Encumbrances)	(17,754,732)	(4,155,674)	(3,523,204)	(13,454,001)
Est. Undesignated Fund Balance (Deficit) - 12/31/05	(20,983,001)	224,534	(67,156,312)	2,596,089
2006 Estimated Revenues:				
Real Estate Taxes	0	0	0	0
Transfer Taxes	0	0	0	0
E.I.T. and E.M.S. Taxes	0	0	0	0
Mercantile/Business Privilege Taxes	0	0	0	0
Departmental Revenues (charges for services)	17,630,583	4,057,489	23,056,840	13,127,100
Fines and Forfeits	0	0	0	0
Business Licenses and Permits	0	0	0	0
Interest Income	6,500	23,150	8,000	23,100
Property Income	0	0	0	0
Miscellaneous	0	0	0	0
Other Financing Sources	0	0	0	0
Intergovernmental	0	95,000	0	0
Interfund Transfers	0	0	0	0
Total 2006 Estimated Revenues	17,637,083	4,175,639	23,064,840	13,150,200
Total Resources Available for Appropriation	(3,345,918)	4,400,173	(44,091,472)	15,746,289
2006 Expenditure Appropriations:				
General Government	0	0	0	0
Administration	0	0	0	0
Building and Housing Development	0	0	0	0
Public Safety	0	0	0	0
Public Works	(9,485,916)	(2,989,666)	0	(10,917,920)
Parks and Recreation	0	0	0	0
Incineration and Steam Generation	0	0	(13,586,667)	0
General Expenses	0	0	0	0
Debt Service	(8,151,167)	0	(9,478,173)	(2,232,280)
Interfund Transfers	0	(1,249,124)	0	0
Total 2006 Expenditure Appropriations	(17,637,083)	(4,238,790)	(23,064,840)	(13,150,200)
Estimated Undesignated Fund Balance - 12/31/06	(20,983,001)	161,383	(67,156,312)	2,596,089

* Source: City's audited general purpose financial statements

GENERAL FUND
RESOURCE ALLOCATION SUMMARY
2006 BUDGET

RESOURCES		APPROPRIATIONS	
REAL ESTATE TAXES	13,306,000	GENERAL GOVERNMENT	4,646,956
		ADMINISTRATION	3,939,592
TRANSFER TAXES	756,000	BUILDING AND HOUSING DEV.	1,229,112
		PUBLIC SAFETY	27,785,884
OCCUPATIONAL PRIVILEGE TAXES	0	PUBLIC WORKS	6,345,555
		PARKS AND RECREATION	3,130,463
EMERGENCY AND MUNICIPAL SERVICES	3,191,100		
EARNED INCOME TAXES	3,214,400	TOTAL DEPARTMENTS	<u>47,077,562</u>
MERCANTILE/BUSINESS PRIVILEGE	3,648,165		
DEPARTMENTAL REVENUES	22,199,658	OTHER:	
FINES AND FORFEITS	2,264,160	GENERAL EXPENSES	3,191,382
BUSINESS LICENSES AND PERMITS	479,000	TRANSFERS TO OTHER FUNDS	8,851,933
INTEREST INCOME	136,010	TOTAL OTHER	<u>12,043,315</u>
PROPERTY INCOME	47,000		
MISCELLANEOUS REVENUE	1,180,260		
OTHER FINANCING SOURCES	0		
INTERGOVERNMENTAL REVENUE	7,450,000		
INTERFUND REVENUE	1,249,124		
FUND BALANCE APPROPRIATION	0		
TOTAL RESOURCES	<u><u>59,120,877</u></u>	TOTAL APPROPRIATIONS	<u><u>59,120,877</u></u>

GENERAL FUND REVENUE

Total 2006 General Fund resources are budgeted at \$59,120,877, which represents an increase of \$145,689, or 0.25%, from 2005 projected resources of \$58,975,188.

LAND AND PROPERTY TAXES

Land and property taxes, or real estate taxes, will represent 22.5% of the General Fund revenue base in 2006. The 2006 real estate tax receipts are estimated to be \$13,306,000, a decrease of \$136,346, or -1.0%, from the previous year's projected figure. This decrease is the result of the sale of delinquent real estate tax liens to the Harrisburg Redevelopment Authority in 2005 that resulted in approximately \$1.2 million in revenue but also eliminated prior year tax collections. This is anticipated to occur again in 2006. The decrease also takes into account continued downward reassessment of property values by Dauphin County's Board of Assessment Appeals.

Approximately 18,700 property tax notices are mailed in January of each year. Of the bills mailed in January, 89% are paid within one year and 98% are paid within three years, on average. During 2004, 85% of the adjusted levy on current-year taxes was received, representing an increase in the collection rate of the current-year taxes from 2003 to 2004.

The Dauphin County Board of Assessments performs property tax assessments. The City levies tax on 100% of the value assigned by the County. The tax within the City is levied as two rates (termed "Two-Rate Property Tax"): 24.414 mills on the assessed value of land and 4.069 mills on the assessed value of all buildings and improvements to the land, whether residential, commercial or otherwise. The combined effective millage rate for 2006 is approximately 8.5 mills.

Taxpayers who pay within two months of receipt of their bills receive a 2% discount. The face value of the bill is due between two to four months from the date of the bill. If the bill is not paid after four months, the taxpayer has until December 31 of the billing year to pay the tax due plus a 10% penalty. If still unpaid after December 31 of the billing year, the delinquent accounts are turned over to the Dauphin County Tax Claims Bureau, which imposes additional penalties. If the delinquent accounts are not subsequently sold to a third party, as permitted by the recent amendments to the Pennsylvania Real Estate Tax Sale Law, and if these delinquent taxes remain unpaid by September of the second year following the billing year, the properties are offered for public tax sale. The amount of back taxes and penalties and delinquent utility charges determine the price of each property. About 50 to 60 city properties are sold each year at tax sales. If the properties are not sold at this point, the County Tax Claim Bureau offers the properties for judicial sale starting at \$200 each with all delinquent taxes and penalties and utility charges forgiven. Finally, should the property still be unsold, a repository sale is held whereby the properties are offered for sale to the first bidder for \$200 with no delinquent taxes and penalties or utility charges being assessed.

In an effort to lessen the tax burden on property owners of the City caused by the lump-sum collection of taxes, City Council ordained in December 1988 that, effective January 1, 1989, "Current city taxes may hereinafter be paid in not more than four (4) installments...due on or before January 31...March 31...May 31...and July 31; of the tax year, respectively. No discount period is allowed, and for any installment which is delinquent, a 10% penalty is added".

All land and property taxes are billed and collected by the City Treasurer's Office. The total 2006 Approved Budget for the City Treasurer's Office is \$719,305. Eleven people staff the office. One-third of the office's expenses are reimbursed by the Harrisburg School District because this office bills and collects school property taxes as well.

REAL ESTATE TRANSFER TAXES

The Real Estate Transfer Tax, also referred to as a deed transfer tax, is levied at the maximum rate of 1% on the transfer price of real property within the City. If both the municipality and the school district levy the tax, they must share the 1% maximum equally. Such is the case in Harrisburg. The 2006 real estate transfer taxes are estimated to be \$756,000, a \$31,000, or -4.0%, decrease from the 2005 projected amount as property sales are expected to moderately decline in 2006.

OCCUPATIONAL PRIVILEGE TAXES

The Occupational Privilege Tax (OPT) was imposed for the privilege of engaging in an occupation within a given taxing jurisdiction. The maximum rate charged was \$10.00 per year, which was evenly split between the City and the school district. This tax was imposed until 2004 when the Pennsylvania Legislature created the Emergency and Municipal Services Tax, which was subsequently enacted by the City.

EMERGENCY AND MUNICIPAL SERVICES TAXES

The Emergency and Municipal Services Tax (EMS) was created by the Pennsylvania Legislature in November 2004 and replaced the Occupational Privilege Tax. This tax enables Pennsylvania municipalities to increase their previous levy of the tax from \$10.00 to \$52.00 per year on a similar tax base. The school district continues to receive \$5.00 of the levy. A \$292,600, or 10.1%, increase is expected from this tax in 2006 as compared to 2005 projected revenue primarily due to prior year payments. The tax is generally easy to administer, and it provides for the collection of tax from non-resident users of municipal services.

EARNED INCOME TAXES

The Earned Income Tax (EIT) provides for the imposition of a 1% tax on "earned income". Accordingly, it explicitly excludes from the tax base other forms of income such as interest, dividends, rental income, and capital gains. This tax is administered by the Capital Tax Collection Bureau and is shared equally with the school district. The commission paid for the collection of this tax remains at 2.5% for 2006. Since the tax is withheld by the employer, a relatively high level of compliance can be anticipated. A \$32,800, or 1.0%, increase is expected in 2006 from 2005 projected levels.

BUSINESS PRIVILEGE AND MERCANTILE TAXES, LICENSES, AND FEES

The Business Privilege and Mercantile Tax ordinance provides for the assessment, levy and collection, for general revenue purposes, of an annual business privilege tax and mercantile tax upon the gross receipts of persons, firms, companies, and corporations engaging in business, as described in the ordinance, within the City of Harrisburg. However, there are several large groups exempted from the gross receipts tax - for example, manufacturers, landlords, utilities, and those subject to similar state taxes or state license fees. In 2006, a decrease of \$8,900, or -0.2%, is expected from 2005 projected levels.

Additionally, there are miscellaneous taxes and fees levied on mechanical devices (pinball, billiard tables, video games, etc.), and general license fees are levied on businesses.

The responsibility for administering this ordinance rests with the Tax & Enforcement Administrator in the Department of Administration.

Limits, established by Local Tax Enabling Act 511 - 1965 of the Commonwealth of Pennsylvania, and current tax rates imposed by the City of Harrisburg, are illustrated in the following table.

Taxes and Fees	Current Rates	Statutory Limit
Mercantile Tax - Wholesale	1 mill per \$1,000 gross receipts up to \$5,000,000 1/8 mill per \$1,000 gross receipts in excess of \$5,000,000	1 mill*
Mercantile Tax - Retail	1 1/2 mills per \$1,000 gross receipts up to \$3,300,000 1/8 mill per \$1,000 gross receipts in excess of \$3,300,000	1 1/2 mills *
Business Privilege Tax	2 mills per \$1,000 gross receipts up to \$3,300,000 1/2 mill per \$1,000 gross receipts in excess of \$3,300,000	No Limit
Mechanical Devices	\$50 per machine	No Limit
Amusement Tax	10%	10% *
Parking Tax	15%	15%
Parking License Fee	\$1 per space	
Business Privilege License Fee	\$40 per year	
General License Fees	\$10 - \$200 depending on business	

*Shared equally with the Harrisburg School District.

DEPARTMENT OF ADMINISTRATION

The Department of Administration (DOA) provides administrative and fiscal support services to all departments of City government. These services include insurance and risk management, financial management, human resource management, payroll, information technology, labor relations, and billing and collections for City utilities. It performs services for the Water Utility Fund, Sanitation Utility Fund, Incinerator Utility Fund, Sewerage Utility Fund, State Liquid Fuels Tax Fund, federal grant programs, various public safety department programs (such as the Metro system), and the Harrisburg School District. Services to non-City entities are provided under contract. The department generates substantial revenue for the City's General Fund to the extent it is reimbursed by the above non-General Fund entities for costs incurred on their behalf. For those services that are provided to General Fund departments, internal charges are calculated. However, these charges are not reimbursed. The minimum amount of reimbursement is determined annually through an indirect cost analysis performed by outside cost accounting specialists. This indirect cost analysis becomes the basis for an administrative service charge to be imposed on a particular fund or entity. An increase of \$148,568, or 1.1%, is expected in DOA revenue for 2006 as compared to 2005 projected receipts. The increase is primarily the result of higher receipts of administrative service charges from the Incinerator Utility Fund.

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT

The Department of Building and Housing Development (DBHD) administers and enforces the building code in the City in addition to administering the Community Development Block Grant and other federal programs. DBHD 2006 revenues are expected to decrease \$80,390, or -7.2%, from 2005 projected levels. This is primarily the result of lower building permit and buyer notification fees anticipated to be received in 2006.

The obvious purpose of the building code is to protect the health and welfare of the citizens of Harrisburg. It is through the enforcement of this code that the department generates revenue for the City.

Prior to commencement of commercial or residential construction or renovation projects in the City, the individuals involved must obtain various permits from, and pay a number of fees to, DBHD. The most familiar fees are those for building, electrical, plumbing, and zoning permits and for buyer notifications and rental inspections.

In addition to the fees noted above, the department also administers the licensing program for electricians and plumbers. The initial fee for either plumbers or electricians is \$55.00; renewals are \$40.00, with journeymen and apprentice fees \$40.00 and \$15.00, respectively. Examinations are conducted by the Electrical and Plumbing Boards.

DBHD also administers the Health License Program and charges an annual fee based on the type and/or square footage of the establishment.

The following chart provides a sampling of the various fees charged by DBHD.

Fees	Current Rates
Buyer Notification and Rental Inspection	\$100 for 1-3 dwelling units; \$15 for each additional dwelling unit over 3
Health Inspections	\$25 application fee \$50 for 0-25 seats; \$75 for 26-49 seats; \$100 for 50-74 seats; \$150 for 75+ seats
Building Permits	\$7 for every \$1,000 of work or portion thereof, \$15 minimum permit fee
Demolition Permits	\$30 for first \$1,000; \$20 for each additional \$1,000
Electrical Permits	greater of: 7% of contract price or fair market value (FMV) of job on single family residential units greater of: 8% of contract price or FMV of job on multi/mixed use residential units greater of: 1% of contract price or FMV of job on commercial/industrial/non-residential units
Plumbing Permits	sliding scale per fixture
Zoning Permits	\$3 for first \$1,000 of estimated cost of work; \$1.00 for every \$1,000 thereafter
Fire Code Permits	sliding scale per reason for inspection
Sign Permits	\$9 per \$1,000 of estimated cost
Rooming House Permits	\$75 initial fee; \$15 per bed available for use
Zoning Hearing Board Appeals	\$175 special exception; \$25 each additional special exception request on same app. \$225 variance; \$50 each additional variance request on same application
Zoning Amendments	\$250 plus costs for zoning ordinance amendment \$250 plus costs for zoning map amendment
Subdivision and Land Development	\$150 plus \$20/lot or unit for preliminary or preliminary/final plan \$125 plus \$20/lot or unit for final plan \$125 for revised plan \$125 for lot add-on plan
Boards of Appeals	\$100 building and housing code board of appeals \$100 health code board of appeals
Nuisance Abatement	Violations of city codes such as the refusal to remove weeds, snow, ice, or unsafe buildings may result in fines levied by a district justice in amounts ranging from \$50 to \$1,000.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety consists of the Police and Fire Bureaus. The Police Bureau generates revenue from special police services, meter bag rentals, warrant serviced, federal and state grants, and additional miscellaneous services. An anticipated revenue increase of \$1,881,338, or 60.5%, is expected for 2006 from 2005 projected levels. The increase is largely the result of reimbursement of salaries and benefits of administrative personnel in the Bureau of Police from the Commonwealth for providing emergency telecommunication services.

DEPARTMENT OF PUBLIC WORKS

The Department of Public Works General Fund revenues include street cut permits, sewer tapping permits, traffic engineering charges, vehicle maintenance charges, and sewer maintenance charges. An increase of \$75,380, or 3.7%, is anticipated in 2006 compared to projected 2005 revenue.

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation charges small fees for permitting the planting, trimming, and removal of "City" trees (meaning those trees located between sidewalks and curbs or alley sides). These fees do not cover actual planting, trimming, or removal of trees, but are intended to help prevent the planting of trees in the wrong places (e.g., where they would interfere with existing utility lines or obstruct motorist/pedestrian vision), the inappropriate removal of healthy trees, and to facilitate the maintenance of the department's inventory of "City" trees. In addition to the aforementioned services, this department conducts and/or promotes a number of year-round recreational activities. The costs of many of these programs are largely offset by contributions/sponsorships from the private sector. An increase of \$22,900, or 8.0%, is anticipated in 2006 compared to projected 2005 revenue. This is primarily due to anticipated increases in contributions and donations for the reimbursement of salaries for City employees to staff the Explore program at the Harrisburg School District and anticipated revenue from fees charged for advertising in City publications.

FINES AND FORFEITURES

The revenues in this category include District Justice fees for various minor judicial offenses, e.g., traffic violations and summary criminal offenses. Also included in this category are City parking violations, witness fees, and court costs. This revenue category is anticipated to increase from 2005 projections by \$407,960, or 22.0%, primarily due to an increase in parking and traffic violation revenues.

LICENSES AND PERMITS

This category consists of alcoholic beverage license revenues and a cable television franchise license fee of 5% on all gross receipts from a local cable television company. A decrease of \$6,600, or -1.4%, is expected for 2006 as compared to 2005 projected revenues.

INTEREST INCOME AND PROPERTY INCOME

Interest Income is income on cash investments. Property Income consists of rental income on property and gains on the sale of assets owned by the City. Property Income is expected to decrease \$690,250 from 2005 projections. This is due to the sale of Market Square Plaza in 2005. Interest Income is expected to decrease \$41,220, or -23.3%, from 2005 projections primarily due to less cash on hand to invest.

MISCELLANEOUS

This category includes contributions, miscellaneous receipts, and refunds of expenditures. Miscellaneous revenue is expected to increase \$125,660 from prior-year projected revenue. This is primarily due to receipt of rebates from the City's prescription drug plan and a projected subsidy from the federal government as part of the Medicare Part D program.

OTHER FINANCING SOURCES

The City does not project any "other" financing sources for 2006.

INTERGOVERNMENTAL/INTERFUND

Intergovernmental revenue includes revenue received from other governmental entities. Intergovernmental revenue is expected to decrease \$1,758,868, or -19.1%, from 2005 projected levels. This is the result of an anticipated decrease in funding from the Harrisburg Parking Authority (HPA), as part of the Coordinated Parking Agreement between the City and HPA.

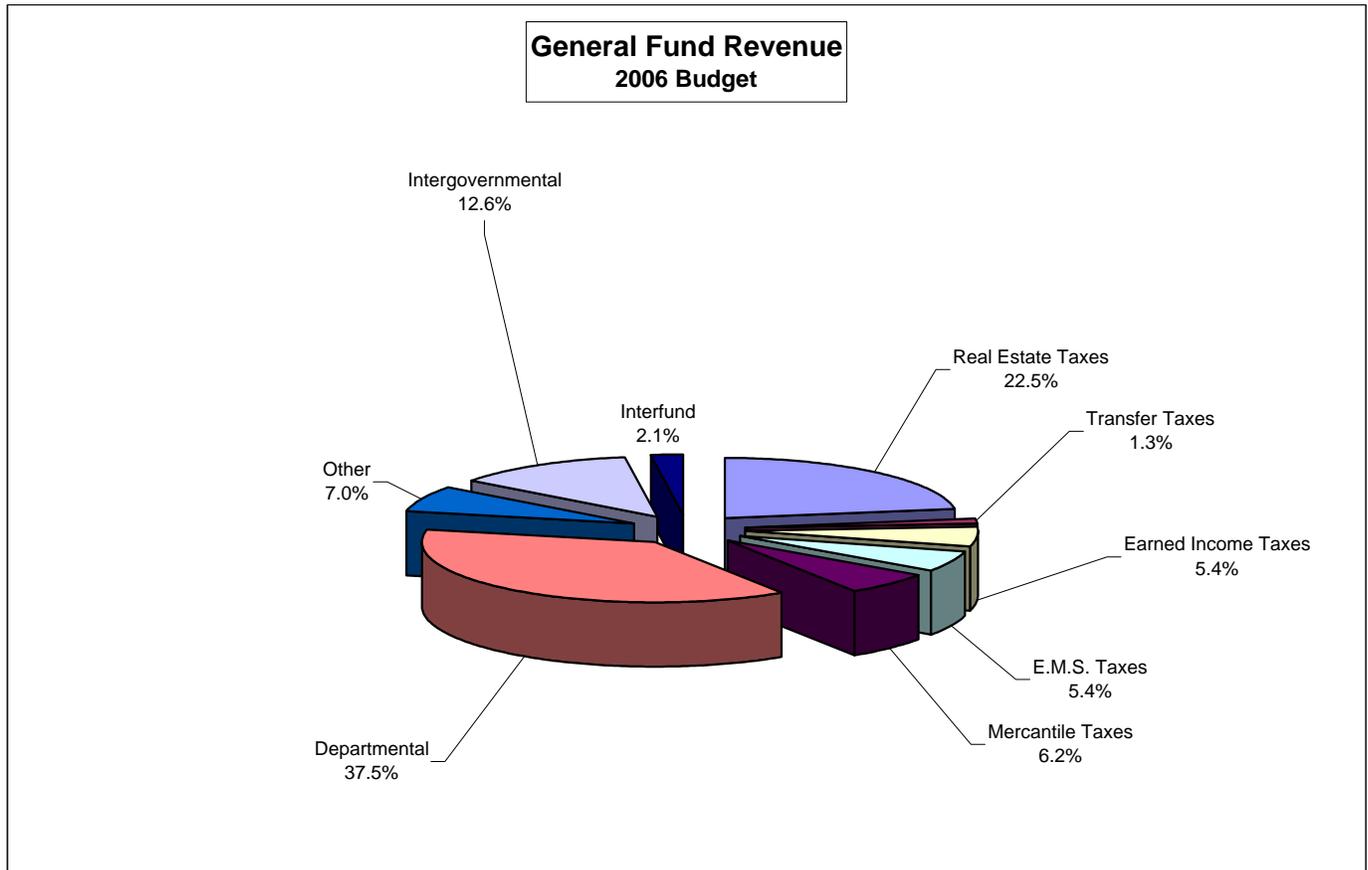
Interfund revenues include transfers from other funds to the General Fund. The 2006 Interfund Transfer from the Sanitation Utility Fund is expected to decrease \$63,643, or -4.8%, from the 2005 projected transfer amount.

GENERAL FUND
REVENUE ANALYSIS SUMMARY
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
TAXES						
REAL ESTATE TAXES						
Real Estate Current	12,099,684	12,061,329	12,019,060	12,153,000	12,147,700	12,106,000
Real Estate Prior	1,440,037	1,422,262	3,206,541	1,705,000	1,294,646	1,200,000
TOTAL REAL ESTATE TAXES	13,539,721	13,483,591	15,225,601	13,858,000	13,442,346	13,306,000
OTHER TAXES						
Transfer Taxes	448,787	1,044,534	827,728	600,000	787,000	756,000
Occupational Privilege	324,743	332,578	336,509	0	24,300	0
Emergency and Municipal Services	0	0	0	2,946,075	2,898,500	3,191,100
Earned Income	3,358,138	3,148,253	3,055,429	3,125,000	3,181,600	3,214,400
Mercantile/Business Privilege	2,840,578	3,438,918	3,862,784	3,753,427	3,657,065	3,648,165
TOTAL OTHER TAXES	6,972,246	7,964,283	8,082,450	10,424,502	10,548,465	10,809,665
TOTAL TAXES	20,511,967	21,447,874	23,308,051	24,282,502	23,990,811	24,115,665
DEPARTMENTAL REVENUES						
Administration	11,439,252	15,581,598	10,534,192	13,659,233	13,595,515	13,744,083
Building and Housing Development	1,259,881	859,941	2,450,854	1,473,750	1,118,490	1,038,100
Public Safety	1,231,078	1,421,577	1,434,780	2,551,459	3,109,037	4,990,375
Public Works	1,637,026	1,732,206	1,711,122	2,029,059	2,044,220	2,119,600
Parks and Recreation	153,543	196,787	82,037	315,281	284,600	307,500
TOTAL DEPT. REVENUES	15,720,780	19,792,109	16,212,985	20,028,782	20,151,862	22,199,658

GENERAL FUND
REVENUE ANALYSIS SUMMARY
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
OTHER REVENUES						
Fines and Forfeits	1,448,632	1,633,743	1,811,458	2,258,700	1,856,200	2,264,160
Licenses and Permits	497,777	467,901	447,271	460,000	485,600	479,000
Interest Income	70,954	75,809	156,192	62,460	177,230	136,010
Property Income	44,595	57,821	782,215	52,000	737,250	47,000
Miscellaneous	3,673,580	421,834	750,525	2,704,710	1,054,600	1,180,260
Other Financing Sources	0	2,834,544	633,000	0	0	0
Intergovernmental	5,684,195	7,199,804	7,942,735	9,066,848	9,208,868	7,450,000
Interfund	926,400	540,468	1,190,946	1,312,766	1,312,767	1,249,124
TOTAL OTHER REVENUES	<u>12,346,133</u>	<u>13,231,924</u>	<u>13,714,342</u>	<u>15,917,484</u>	<u>14,832,515</u>	<u>12,805,554</u>
GENERAL FUND REVENUES	<u>48,578,880</u>	<u>54,471,907</u>	<u>53,235,378</u>	<u>60,228,769</u>	<u>58,975,188</u>	<u>59,120,877</u>
Fund Balance Appropriation	2,448,221	100,000	1,198,970	0	0	0
GENERAL FUND RESOURCES	<u><u>51,027,101</u></u>	<u><u>54,571,907</u></u>	<u><u>54,434,348</u></u>	<u><u>60,228,769</u></u>	<u><u>58,975,188</u></u>	<u><u>59,120,877</u></u>



GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
TAXES						
REAL ESTATE TAXES						
CURRENT YEAR LEVY						
Discount Period	10,102,286	9,519,723	9,685,102	9,527,000	9,389,000	9,356,000
Flat Period	1,128,475	1,549,739	1,272,493	1,565,000	1,605,100	1,599,000
Penalty Period	1,145,771	1,289,221	1,150,032	1,229,000	1,229,000	1,225,000
Refund of Prior Year Taxes	0	(222,534)	(7,428)	(100,000)	(10,000)	(10,000)
TOTAL CURRENT YEAR LEVY	<u>12,376,532</u>	<u>12,136,149</u>	<u>12,100,199</u>	<u>12,221,000</u>	<u>12,213,100</u>	<u>12,170,000</u>
CURRENT YEAR DISCOUNT AND PENALTY						
Discount (2%)	(391,068)	(199,241)	(193,890)	(191,000)	(188,300)	(187,000)
Penalty (10%)	114,220	124,421	112,751	123,000	122,900	123,000
TOTAL DISCOUNT & PENALTY	<u>(276,848)</u>	<u>(74,820)</u>	<u>(81,139)</u>	<u>(68,000)</u>	<u>(65,400)</u>	<u>(64,000)</u>
TOTAL CURRENT YEAR TAXES	<u>12,099,684</u>	<u>12,061,329</u>	<u>12,019,060</u>	<u>12,153,000</u>	<u>12,147,700</u>	<u>12,106,000</u>
PRIOR YEARS' TAXES						
Tax Liens - Principal	0	0	1,357,556	355,000	1,230,146	1,200,000
Tax Amount - 1st Year Prior	473,485	535,977	627,564	500,000	40,200	0
Tax Amount - 2nd Year Prior	599,858	562,624	792,516	550,000	0	0
Tax Amount - 3rd & More Prior Years	97,575	83,400	116,241	80,000	20,000	0
Penalty & Int - 1st Year Prior	66,862	83,905	88,340	65,000	300	0
Penalty & Int - 2nd Year Prior	138,095	130,454	186,601	130,000	0	0
Penalty & Int - 3rd & More Years	40,534	25,902	37,723	25,000	4,000	0
Tax Amount - Tax Sales	23,628	0	0	0	0	0
TOTAL PRIOR YEARS' TAXES	<u>1,440,037</u>	<u>1,422,262</u>	<u>3,206,541</u>	<u>1,705,000</u>	<u>1,294,646</u>	<u>1,200,000</u>
TOTAL REAL ESTATE TAXES	<u>13,539,721</u>	<u>13,483,591</u>	<u>15,225,601</u>	<u>13,858,000</u>	<u>13,442,346</u>	<u>13,306,000</u>
OTHER TAXES						
Transfer Taxes	448,787	1,044,534	827,728	600,000	787,000	756,000
OCCUPATIONAL PRIVILEGE TAXES						
Tax Amount - Current Year	314,761	317,287	326,834	0	2,800	0
Penalty - Current Year	591	543	640	0	0	0
Tax Amount - Prior Years	17,695	24,427	18,141	0	24,000	0
Penalty - Prior Years	378	641	515	0	900	0
O.P.T. Commissions	(8,506)	(10,149)	(9,436)	0	(3,300)	0
O.P.T. Commissions Prior Year	(176)	(171)	(185)	0	(100)	0
TOTAL O.P.T.	<u>324,743</u>	<u>332,578</u>	<u>336,509</u>	<u>0</u>	<u>24,300</u>	<u>0</u>

GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
EMERGENCY AND MUNICIPAL SERVICES TAX						
Tax Amount - Current Year	0	0	0	2,946,075	2,900,000	2,984,500
Penalty - Current Tax	0	0	0	0	2,300	200
Penalty - Prior Year	0	0	0	0	0	0
E.M.S. Tax Rebate	0	0	0	0	0	211,500
E.M.S. Tax Commissions	0	0	0	0	(3,800)	(5,100)
TOTAL E.M.S.	0	0	0	2,946,075	2,898,500	3,191,100
EARNED INCOME TAXES						
Tax Amount - Current Year	3,404,760	0	0	0	0	0
Tax Amount - Prior Year	0	3,231,484	3,137,707	3,200,000	3,263,200	3,280,000
E.I.T. Commissions	(75,896)	0	0	0	0	0
Equity Distribution	29,274	(83,231)	(82,278)	(75,000)	(81,600)	(65,600)
TOTAL E.I.T.	3,358,138	3,148,253	3,055,429	3,125,000	3,181,600	3,214,400
MERCANTILE/BUSINESS PRIVILEGE LICENSES						
Business Privilege - Current Year	152,840	159,120	273,000	148,000	145,000	150,000
Business Privilege - Prior Year	8,800	12,000	11,360	12,000	8,000	8,400
Landlord - Current Year	0	36,440	58,640	52,000	52,000	54,000
Landlord - Prior Year	0	80	2,160	2,000	4,200	2,500
TOTAL BUSINESS LICENSES	161,640	207,640	345,160	214,000	209,200	214,900
MERCANTILE/BUSINESS TAXES						
Current Year Tax	2,244,222	2,351,635	2,422,811	2,500,000	2,400,000	2,500,000
Prior Year Tax	86,395	77,647	126,349	85,000	60,000	65,000
Penalty	33,116	38,318	27,282	21,000	30,000	23,000
Interest	9,366	8,434	6,559	4,000	5,200	4,200
Amusement Tax	250,731	271,052	292,198	307,000	235,000	250,000
Amusement Tax Penalty	3,840	288	1,004	100	700	100
Parking Tax	969	438,632	598,027	580,000	675,000	550,000
Parking License Fee	10,107	11,826	11,527	11,527	10,465	10,465
Parking License Fee - Prior Year	0	0	921	500	0	0
Parking License Fee - Interest	0	656	2,371	300	3,500	2,500
General License Tax	40,192	32,790	28,575	30,000	28,000	28,000
TOTAL BUSINESS TAXES	2,678,938	3,231,278	3,517,624	3,539,427	3,447,865	3,433,265
TOTAL MERC./BUS. PRIV.	2,840,578	3,438,918	3,862,784	3,753,427	3,657,065	3,648,165
TOTAL OTHER TAXES	6,972,246	7,964,283	8,082,450	10,424,502	10,548,465	10,809,665
TOTAL TAXES	20,511,967	21,447,874	23,308,051	24,282,502	23,990,811	24,115,665

GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
DEPARTMENTAL REVENUES						
ADMINISTRATION						
Water Utility Fund	5,463,248	7,923,848	3,479,027	5,493,538	5,493,538	5,448,038
Grants Fund	75,000	71,445	71,445	164,355	164,355	64,355
Sanitation Utility Fund	958,385	958,385	958,385	958,385	958,385	958,385
Landfill/Incinerator Utility Fund	421,925	421,925	934,583	581,783	581,783	1,405,733
Sewerage Utility Fund	4,002,206	5,586,379	4,442,225	5,798,954	5,798,954	5,233,735
Satisfaction Fees	2,270	2,773	3,124	2,300	2,600	2,600
Filing Fee Returns	10,449	4,305	4,516	5,400	4,500	5,400
Return of Advanced Costs	0	8	0	0	0	20
Metro	206,334	215,792	229,043	232,718	198,000	202,375
Liens - Court Costs	21	266	1,185	200	250	200
Collection Revenue (School)	169,794	217,015	197,305	243,000	212,900	241,092
Collection Fees (School Merc.)	70,532	73,579	75,503	72,000	72,400	76,000
Returned Check Fee	8,452	9,548	9,551	8,500	7,700	8,000
Other Administration Revenue	50,586	96,189	128,037	98,000	100,000	98,000
Documents/Publications - Mercantile	50	141	83	100	150	150
I.T. Chargebacks	0	0	180	0	0	0
TOTAL ADMINISTRATION	11,439,252	15,581,598	10,534,192	13,659,233	13,595,515	13,744,083
BUILDING & HOUSING DEVELOPMENT						
Rooming House	2,284	5,065	6,095	5,000	(1,900)	5,000
Appeal Hearing Fees	1,000	500	1,400	800	1,400	1,000
License Examination Fees	5,725	4,495	6,205	5,500	710	0
License Renewal Fees	64,625	54,280	115,450	70,000	50,000	70,000
Permit Fees - Electrical	123,708	79,553	165,035	150,000	150,000	150,000
Permit Fees - Plumbing	31,178	20,374	58,413	50,000	60,000	60,000
Permit Fees - Building	746,819	379,176	1,501,915	775,000	500,000	400,000
Permit Fees - Low Voltage Electric	1,745	10,705	12,608	10,000	10,000	10,000
Permit Fees - Dumpster	105	9,085	4,685	5,500	4,200	3,000
Permit Fees - Demolition	0	490	17,430	17,000	15,000	10,000
Fire Prevention Code	8,085	6,550	28,299	15,000	13,500	15,000
Permit Fees - Special	225	75	25	100	100	100
Fees - Flood Plain Certification	2,708	2,808	4,072	2,500	4,500	4,500
Fees - Buyer Notification	105,960	103,785	123,625	140,000	148,000	140,000
Inspection Services	0	0	6,641	200	200	0
Emergency Order Liens - Principal	6,411	5,510	7,776	5,000	5,000	0
Emergency Order Liens - Interest	176	677	523	150	180	0
Codes Enforcement	0	355	0	0	0	0
Fees - Planning	5,026	6,242	14,508	8,000	13,000	8,000
Fees - City Health Inspection	26,825	68,450	79,000	70,000	45,000	50,000
Health - State Grant	0	0	0	0	0	0
Health - Federal Grant	0	0	0	0	0	0
Other Health	0	0	0	0	0	0
Fees - Zoning Hearing Board	3,175	4,325	6,550	5,000	5,000	5,000
Permit Fees - Zoning	87,504	48,503	210,856	75,000	34,000	50,000
Demolition Liens - Principal	1,369	3,800	5,710	2,500	5,000	0
Demolition Liens - Interest	50	0	50	0	7,000	0
Rental Inspection	32,720	37,005	70,860	60,000	45,000	55,000
Publications and Maps	0	10	1,795	1,000	100	1,000
Other Community Dev. Revenue	2,458	8,123	1,328	500	3,500	500
TOTAL BUILDING & HOUSING DEV.	1,259,881	859,941	2,450,854	1,473,750	1,118,490	1,038,100

GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PUBLIC SAFETY						
Temp "No Parking" Signs	0	0	403,255	0	0	0
Fire and Burglar Alarm	72,128	66,652	49,390	40,000	41,600	40,000
Vehicular Extraction Fees	0	0	0	5,000	0	5,000
Police Investigation Reports	43,706	44,160	44,012	40,000	40,000	40,000
Fire Investigation Reports	700	600	1,570	700	1,200	1,200
Fees - Police Officer Application	0	0	5,495	0	225	0
Fees - Firefighter Application	0	600	6,065	0	0	0
Meter Bag Rental	119,241	111,350	214,150	150,000	190,000	175,000
Domestic Violence Grant	0	0	22,500	0	0	76,265
Auto Theft Grant	0	0	14,624	0	8,900	0
Academy Grant	0	0	7,863	4,180	1,500	1,500
Weed and Seed Grant	0	0	75,368	156,151	156,151	0
Universal Hiring Grant	0	0	0	561,100	160,000	275,000
Probation/Parole Grant	0	0	11,782	46,440	136,900	46,576
Counter-Terrorism Grant	0	0	0	50,000	50,000	30,000
FEMA/USAR Contract	0	212,598	56,107	216,607	785,050	700,000
School Resource Unit Grant	764,298	763,963	336,046	0	0	0
State Police Reimbursement	0	79,153	0	151,418	151,418	201,966
HHA Reimbursement	109,910	16,640	0	25,000	25,000	225,000
Other Public Safety Revenue	29,590	24,064	38,313	25,000	914,209	277,000
Fees - Permit Parking	20,499	19,717	19,518	19,000	27,000	19,000
Fines and Costs	40,274	53,532	49,112	50,000	50,000	50,000
Drug Task Force Reimbursement	12,147	12,237	39,689	40,000	40,000	40,000
Highway Safety Program Reimburse.	0	0	18,702	0	0	0
E911 Surcharge	0	0	0	0	0	2,374,260
HSD Reimbursement	0	0	0	953,363	309,884	397,408
Dog Licenses	9,705	7,526	8,234	7,500	6,000	7,500
Fees - Booting	8,880	8,785	12,985	10,000	14,000	7,700
TOTAL PUBLIC SAFETY	1,231,078	1,421,577	1,434,780	2,551,459	3,109,037	4,990,375
PUBLIC WORKS						
Permit Fees - Sewer Tappage	7,464	5,499	29,974	6,000	17,000	6,000
VMC Charges - NCWM	150	439	409	500	500	0
VMC Charges - Commonwealth of PA	0	0	0	500	0	0
VMC Charges - Water	43,809	73,973	52,102	49,000	56,000	70,750
VMC Charges - Hydroelectric Dam	1,384	29	0	0	0	0
VMC Charges - Steelton Borough	16,061	31,963	33,211	40,000	50,000	45,000
VMC Charges - Sanitation	95,723	162,451	141,586	155,000	185,000	188,000
VMC Charges - Incinerator	33,795	26,276	20,348	25,000	25,000	45,000
VMC Charges - Sewer/A.W.T.F.	32,572	32,554	40,154	38,000	34,000	28,800
VMC Charges - State Liquid Fuels	85,158	103,427	108,472	189,470	189,470	192,000
VMC Charges - Hbg Parking Authority	5,113	6,458	7,732	5,000	15,000	10,000
VMC Charges - Hbg Redev. Authority	612	396	806	500	400	500
VMC Charges - Hbg School District	108,173	133,896	180,409	150,000	300,000	250,000
VMC Charges - Hbg Housing Authority	3,334	1,970	2,766	2,200	2,800	2,500
Sewer Maintenance Charges	809,164	788,853	770,298	1,020,379	850,000	862,500
Sewer Maintenance Liens - Principal	16,396	15,059	17,112	16,000	16,000	16,500
Sewer Maintenance Liens - Interest	1,577	2,258	2,299	1,500	3,000	2,000
Publications and Maps	146	190	97	50	50	50
CDBG Reimbursement - Demolition	339,185	308,567	302,685	300,000	300,000	400,000
State Reimbursement - Snow Removal	35,092	28,960	0	28,960	0	0
Other Public Works Revenue	2,118	8,988	662	1,000	0	0
TOTAL PUBLIC WORKS	1,637,026	1,732,206	1,711,122	2,029,059	2,044,220	2,119,600

GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PARKS AND RECREATION						
Revenue - Pool #1	4,439	6,320	6,930	7,000	16,800	14,500
Revenue - Pool #2	14,139	6,965	9,931	10,000	14,300	12,500
Fees - Shade Trees	1,907	2,566	368	2,500	500	2,000
Fees - Special Parking - City Island	74,000	70,000	22,419	75,000	100,000	80,000
Contribution/Donations	51,551	104,115	38,985	149,681	100,000	115,000
Explore Prog. Reimb. from HSD	0	0	0	28,000	10,000	40,000
Publication Advertising	0	0	0	40,000	40,000	40,000
Recreation Publications	0	0	94	100	0	0
Other Parks and Recreation Rev.	7,507	6,821	3,310	3,000	3,000	3,500
TOTAL PARKS AND RECREATION	153,543	196,787	82,037	315,281	284,600	307,500
TOTAL DEPARTMENT REVENUE	15,720,780	19,792,109	16,212,985	20,028,782	20,151,862	22,199,658
OTHER REVENUES						
FINES AND FORFEITS						
DJ - Traffic Violations	322,217	420,732	470,281	668,700	570,500	580,000
DJ - Summary Criminal Offenses	119,648	138,709	106,021	125,000	116,100	120,000
DJ - Codes Violations	60,745	106,298	94,985	90,000	85,100	90,000
City Parking Violations	885,904	936,083	1,093,090	1,350,000	1,084,500	1,474,160
Other Fines and Forfeits	60,118	31,921	47,081	25,000	0	0
TOTAL FINES AND FORFEITS	1,448,632	1,633,743	1,811,458	2,258,700	1,856,200	2,264,160
LICENSES AND PERMITS						
Alcoholic Beverage Licenses	31,000	30,050	29,900	31,000	31,000	31,000
Cable TV Franchise License	466,777	437,851	417,371	429,000	454,600	448,000
TOTAL LICENSES AND PERMITS	497,777	467,901	447,271	460,000	485,600	479,000
INTEREST INCOME						
Savings	42,104	26,205	38,322	25,000	43,000	30,000
Tax Appeal	299	521	701	250	750	500
Collection System	(13)	8	7	10	10	10
Education	0	0	619	0	670	300
E.M.S. Tax Interest	0	0	0	0	20,000	5,000
MOED Loans	0	28,387	72,502	20,000	65,000	55,000
PNI Loan Interest	0	13,650	31,838	5,000	28,100	29,000
Other Investments	17,937	5,626	6,892	10,000	11,800	11,000
Interest Earnings	1,283	0	22	0	0	0
Insurance Service	7,282	1,114	5,035	2,000	7,500	5,000
Insurance Interest - W.C.	923	0	0	0	0	0
Water System Sale Proceeds	1,139	298	254	200	400	200
TOTAL INTEREST INCOME	70,954	75,809	156,192	62,460	177,230	136,010

GENERAL FUND
REVENUE ANALYSIS DETAIL
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PROPERTY INCOME						
Rental Income	22,533	15,600	22,324	22,000	22,000	22,000
Easement Fees	20,462	35,821	26,891	30,000	25,000	25,000
Gain on Sale of Fixed Assets	1,600	6,400	733,000	0	690,250	0
TOTAL PROPERTY INCOME	44,595	57,821	782,215	52,000	737,250	47,000
MISCELLANEOUS						
Reimbursement for Loss/Damage	0	7,688	0	0	0	0
Contributions and Donations	12,147	8,400	0	0	0	0
Miscellaneous	42,893	3,756	3,785	10,000	10,000	10,000
Payments In Lieu of Taxes (PILOTS)	0	99,442	353,793	414,000	403,600	368,000
Naming Rights	0	0	0	325,000	0	0
Harrisburg Broadcasting Network	0	26,426	81,125	200,000	81,000	80,000
MOSP - Project Development Reimb	0	21,442	700	0	0	0
Refund of Expenditures	3,618,540	243,600	306,332	1,755,710	500,000	614,760
Express Script Rebate	0	0	0	0	40,000	70,000
Medicare Part D Program	0	0	0	0	0	37,500
Miscellaneous Lien - Principal	0	11,080	4,790	0	20,000	0
TOTAL MISCELLANEOUS	3,673,580	421,834	750,525	2,704,710	1,054,600	1,180,260
OTHER FINANCING SOURCES						
S.W.A.P. Revenue	0	0	433,000	0	0	0
City Guarantee Fees	0	2,834,544	200,000	0	0	0
Mortgage Refinancing Proceeds	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	2,834,544	633,000	0	0	0
INTERGOVERNMENTAL						
Pension System State Aid	2,054,945	2,865,461	2,893,887	2,768,000	2,900,000	2,900,000
Public Utility Realty Taxes	32,250	37,343	28,848	28,848	38,868	30,000
Capital Fire Protection	1,020,000	1,020,000	1,020,000	1,270,000	1,270,000	1,020,000
HPA Coordinated Parking Agreement	2,577,000	3,277,000	4,000,000	5,000,000	5,000,000	3,500,000
TOTAL INTERGOVERNMENTAL	5,684,195	7,199,804	7,942,735	9,066,848	9,208,868	7,450,000
INTERFUND TRANSFERS						
Trust and Agency Fund	0	0	23,724	0	0	0
Sanitation Utility Fund	926,400	540,468	1,167,222	1,312,767	1,312,767	1,249,124
TOTAL INTERFUND TRANSFERS	926,400	540,468	1,190,946	1,312,766	1,312,767	1,249,124
TOTAL OTHER REVENUES	12,346,133	13,231,924	13,714,342	15,917,484	14,832,514	12,805,554
GENERAL FUND REVENUE	48,578,880	54,471,907	53,235,378	60,228,769	58,975,188	59,120,877
Fund Balance Appropriation	2,448,221	100,000	1,198,970	0	0	0
GENERAL FUND RESOURCES	51,027,101	54,571,907	54,434,348	60,228,769	58,975,188	59,120,877

GENERAL FUND APPROPRIATIONS

GENERAL GOVERNMENT

DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF BUILDING AND HOUSING
DEVELOPMENT

DEPARTMENT OF PUBLIC SAFETY

DEPARTMENT OF PUBLIC WORKS

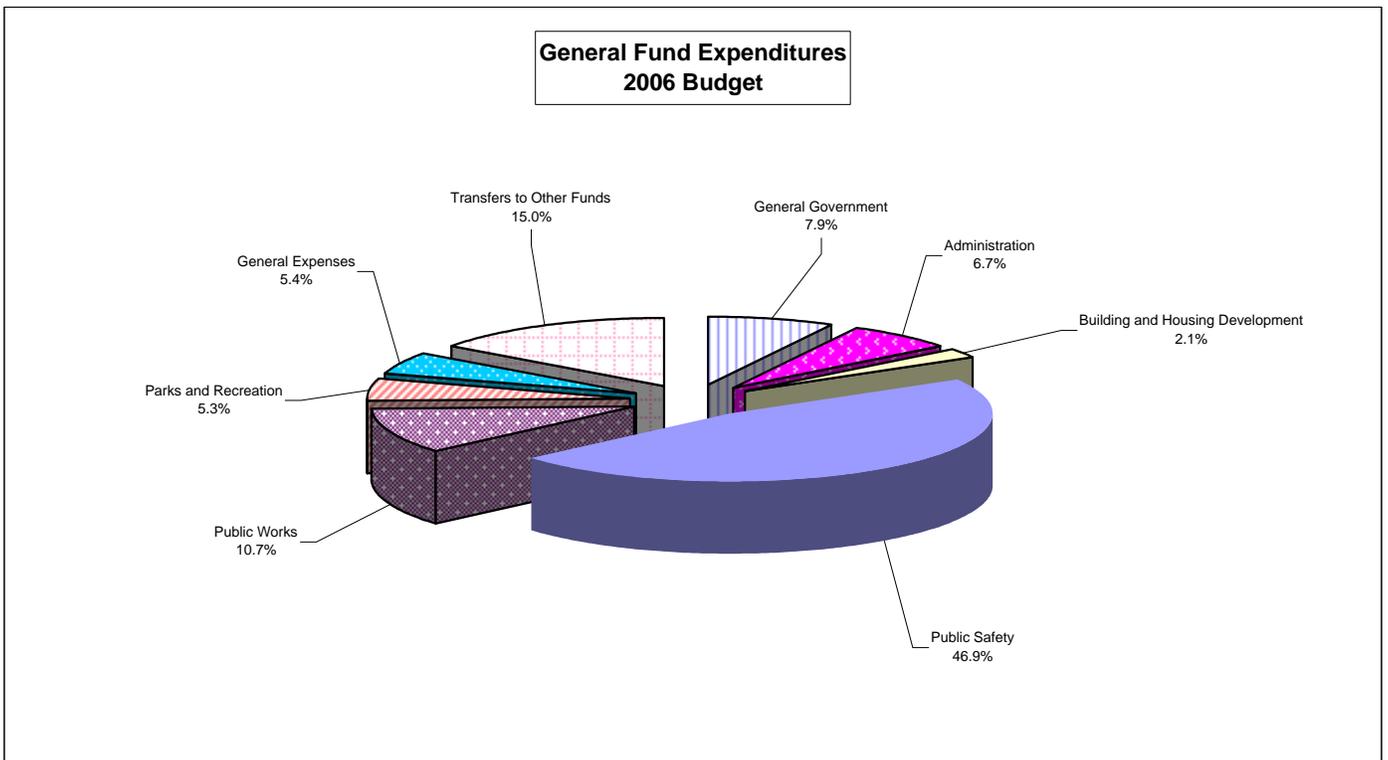
DEPARTMENT OF PARKS AND RECREATION

GENERAL EXPENSES AND
TRANSFERS TO OTHER FUNDS

GENERAL FUND
EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
General Government	4,224,391	4,774,882	4,631,758	4,932,665	5,114,365	4,646,956
Administration	4,925,713	5,161,977	4,594,457	4,420,647	4,382,072	3,939,592
Building and Housing Development	1,021,754	1,158,943	1,190,303	1,231,361	1,158,616	1,229,112
Public Safety	21,595,646	24,369,831	25,403,481	27,658,394	28,245,019	27,785,884
Public Works	3,626,802	4,375,305	4,297,229	3,887,957	4,490,077	6,345,555
Parks and Recreation	3,026,378	3,319,086	2,997,477	3,143,264	3,107,033	3,130,463
General Expenses	2,980,645	3,125,307	2,376,737	6,150,630	4,342,372	3,191,382
Transfers to Other Funds	8,416,164	8,277,764	8,727,045	8,803,851	8,803,300	8,851,933
TOTAL GENERAL FUND	<u>49,817,493</u>	<u>54,563,094</u>	<u>54,218,487</u>	<u>60,228,769</u>	<u>59,642,854</u>	<u>59,120,877</u>

Personnel Services	32,416,962	35,859,166	35,495,926	37,995,431	38,198,034	39,317,883
Operating Expenses	6,092,355	7,451,441	7,860,642	8,241,991	8,906,632	8,795,669
Capital Outlay	1,821,869	1,918,795	1,391,542	1,609,210	1,418,064	1,352,516
Grants	559,627	1,093,144	738,144	965,886	999,386	802,876
Miscellaneous	501,546	(40,174)	381	2,612,400	1,308,000	0
Transfers	8,416,164	8,277,764	8,727,045	8,803,851	8,803,851	8,851,933
Non-Expenditure Items	8,969	2,959	4,808	0	9,438	0
TOTAL GENERAL FUND	<u>49,817,493</u>	<u>54,563,095</u>	<u>54,218,488</u>	<u>60,228,769</u>	<u>59,643,405</u>	<u>59,120,877</u>



General Government

Office of City Council



City Council Members

Office of the Mayor



Rev. Dr. Martin Luther King Jr., City Gov't Center

Office of the City Controller



Approving requisitions for purchases

Office of the City Treasurer



Reviewing City's bank accounts to ensure proper investment

Office of the City Solicitor



Preparing legislation for City Council's review

General Government

Harrisburg Human Relations Commission



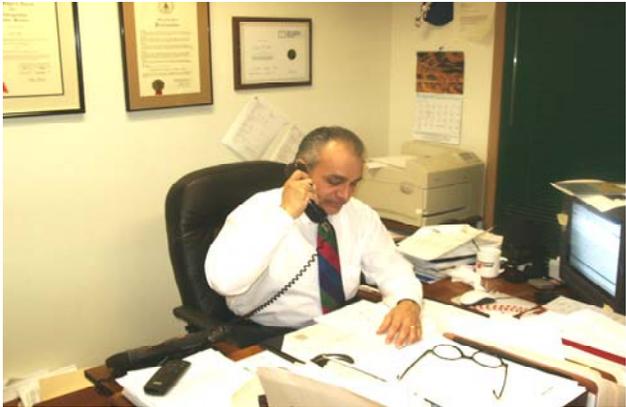
Human Relations Specialist, Executive Director, and Administrative Assistant

Office of City Engineering



City Engineer inspecting State Street intersection project

Mayor's Office for Economic Development



Discussing the NMAAH

Mayor's Office for Economic Development - Harrisburg Broadcast Network



WHBG Studio

Mayor's Office for Economic Development



MBE Development Specialist discussing a new project with Secretary

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
GENERAL GOVERNMENT						
<u>0101 OFFICE OF CITY COUNCIL</u>						
Personnel Services	295,315	291,391	287,065	332,728	327,063	383,836
Operating Expenses	95,523	146,896	85,102	169,014	164,843	92,760
Capital Outlay	1,683	11,583	0	0	0	0
Grants	8,000	27,700	5,200	0	0	0
TOTALS	400,521	477,570	377,367	501,742	491,906	476,596
<u>0102 OFFICE OF THE MAYOR</u>						
Personnel Services	400,764	407,724	393,477	386,172	394,851	409,096
Operating Expenses	36,639	22,451	36,896	38,647	33,381	46,767
Capital Outlay	28,439	(250)	0	0	0	0
TOTALS	465,842	429,925	430,373	424,819	428,232	455,863
<u>0103 OFFICE OF THE CITY CONTROLLER</u>						
Personnel Services	198,440	210,910	212,509	215,564	214,924	231,050
Operating Expenses	6,807	3,626	6,422	9,400	9,570	9,550
Capital Outlay	0	0	0	0	0	0
TOTALS	205,247	214,536	218,931	224,964	224,495	240,600
<u>0104 OFFICE OF THE CITY TREASURER</u>						
Personnel Services	447,878	517,557	534,798	567,278	545,787	598,161
Operating Expenses	83,626	85,636	58,969	103,305	103,943	121,144
Capital Outlay	11,526	47,426	5,739	5,760	0	0
TOTALS	543,030	650,619	599,506	676,343	649,730	719,305
<u>0105 OFFICE OF THE CITY SOLICITOR</u>						
Personnel Services	328,822	350,258	367,985	361,606	335,815	340,471
Operating Expenses	48,491	56,013	262,095	326,825	333,873	84,050
Capital Outlay	0	0	0	0	0	0
TOTALS	377,313	406,271	630,080	688,431	669,688	424,521

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
<u>0106 HARRISBURG HUMAN RELATIONS COMMISSION</u>						
Personnel Services	153,124	162,635	163,812	170,731	165,108	171,373
Operating Expenses	15,218	15,519	13,058	14,050	14,050	20,045
Capital Outlay	0	0	0	0	0	0
TOTALS	168,342	178,154	176,870	184,781	179,158	191,418
<u>0107 OFFICE OF THE CITY ENGINEER</u>						
Personnel Services	234,954	214,009	172,069	252,485	237,174	264,216
Operating Expenses	686,325	849,702	861,549	724,587	784,916	381,781
Capital Outlay	836,002	776,751	617,997	659,300	832,952	832,952
Grants	0	0	0	0	0	0
TOTALS	1,757,281	1,840,461	1,651,615	1,636,372	1,855,042	1,478,949
<u>0108 MAYOR'S OFFICE FOR SPECIAL PROJECTS</u>						
Personnel Services	0	211,489	196,350	0	0	0
Operating Expenses	0	39,837	40,256	0	0	0
Capital Outlay	0	10,943	0	0	0	0
TOTALS	0	262,268	236,606	0	0	0
<u>0109 MAYOR'S OFFICE FOR ECONOMIC DEVELOPMENT AND SPECIAL PROJECTS</u>						
Personnel Services	293,739	310,830	303,396	514,592	515,853	534,758
Operating Expenses	10,051	4,248	7,011	70,621	100,262	124,946
Capital Outlay	3,025	0	0	10,000	0	0
Grants	0	0	0	0	0	0
TOTALS	306,815	315,078	310,407	595,213	616,116	659,704
TOTAL GENERAL GOVERNMENT						
Personnel Services	2,353,036	2,676,803	2,631,463	2,801,156	2,736,575	2,932,961
Operating Expenses	982,680	1,223,927	1,371,359	1,456,449	1,544,838	881,043
Capital Outlay	880,675	846,452	623,736	675,060	832,952	832,952
Grants	8,000	27,700	5,200	0	0	0
TOTAL EXPENDITURES	4,224,391	4,774,882	4,631,758	4,932,665	5,114,365	4,646,956

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
GENERAL GOVERNMENT						
Office of City Council	10.00	10.00	10.00	10.00	10.00	10.00
Office of the Mayor	6.00	6.00	5.00	5.00	5.00	5.00
Office of the City Controller	4.00	4.00	4.00	4.00	4.00	4.00
Office of City Treasurer	11.40	11.40	11.40	11.40	11.40	11.40
Office of City Solicitor	6.00	6.00	6.00	6.00	4.00	5.00
Human Relations Commission	3.00	3.00	3.00	3.00	2.00	3.00
Office of City Engineer	6.00	7.00	4.00	4.00	4.00	4.00
Office for Special Projects	0.00	6.00	3.00	0.00	0.00	0.00
Office for Economic Development	4.50	5.00	5.00	9.00	8.00	8.00
TOTAL POSITIONS	50.90	58.40	51.40	52.40	48.40	50.40

In 2003, a part-time College Intern and 50% of the salary for a Secretary I were added in the Office of City Engineer and the Mayor's Office for Economic Development, respectively. In addition, the Mayor's Office for Special Projects was officially renamed from the Office for the Hydro-Electric Dam Project. This new office had six positions: an Assistant to Mayor for Special Projects; 50% of the salary for a Project Manager; 50% of the salary for a Secretary I (both were previously funded in the Hydroelectric Dam Fund); an Executive Director for the Harrisburg Broadcasting Network (HBN); a Community Relations Director for HBN; a Development Director and a Project Manager, both for the National Museum of African American History (NMAAH). In 2004, three part-time College Intern positions in the Office of the City Engineer, as well as four positions in the Mayor's Office for Special Projects: Executive Director - HBN, Community Relations Director - HBN, Development Director and Project Manager, both for the NMAAH were eliminated. The 2005 Approved Budget added three positions to Mayor's Office for Economic Development: Executive Director - HBN, Community Relations Director - HBN and part-time Production Technician - HBN, while an Executive Secretary/Administrative Assistant and the Assistant to the Mayor for Special Projects were eliminated from the Office of the Mayor and the Mayor's Office for Special Projects, respectively. In addition, the Mayor's Office for Special Projects was merged into the Mayor's Office for Economic Development. The 2006 Approved Budget eliminates a Legal Assistant from the Office of the City Solicitor, the vacant Director of the Mayor's Office for Economic Development, and a vacant Videographer/Production Technician from the Mayor's Office for Economic Development and Special Projects. In the Human Relations Commission, the vacant Administrative Assistant is reclassified to a Secretary I position. The Mayor's Office for Economic Development and Special Projects adds a Director of Special Projects.

OFFICE OF CITY COUNCIL

Harrisburg's City Council is the Legislative Branch of City government. The City Council consists of seven members who are elected at large. The City Council President is elected by the Council members and presides over the Council meetings. In the event of illness or absence, the Vice-President presides over the meetings. City Council considers and evaluates legislative concerns through a study committee structure consisting of committees on Administration, Budget and Finance, Building and Housing, Community and Economic Development, Children and Youth, Parks and Recreation, Public Safety, and Public Works. City Council also confirms all department directors and certain other Mayoral appointees. Council is also required, by the Third Class Optional City Code of Pennsylvania, to pass an annual budget by December 31 of each fiscal year.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund		0101 City Council		
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	222,127	Council Members	7	126,500
Salaries-BU	32,549	City Clerk	1	55,219
Overtime	1,794	Legislative Liaison	1	40,408
Fringe Benefits	127,366			
		Total Management	<u>9</u>	<u>222,127</u>
TOTAL	<u>383,836</u>			
OPERATING EXPENSES				
		Administrative Assistant I	1	32,549
Communications	16,000	Total Bargaining Unit	<u>1</u>	<u>32,549</u>
Professional Services	20,000			
Utilities	0	Overtime		<u>1,794</u>
Insurance	0			
Rentals	0	FICA		19,621
Maintenance & Repairs	5,500	Healthcare Benefits - Active		105,135
Contracted Services	42,114	Healthcare Benefits - Retirees		2,610
Supplies	9,146			
Minor Capital Equipment	0	Total Fringe Benefits		<u>127,366</u>
TOTAL	<u>92,760</u>			
CAPITAL OUTLAY	0	TOTAL	<u>10</u>	<u>383,836</u>
GRANTS	0			
TOTAL APPROPRIATION	<u><u>476,596</u></u>			

OFFICE OF THE MAYOR

The Mayor is the Chief Executive Officer of Harrisburg's government. The Mayor is an elected official, is full-time, and is the sole appointing authority of all department and office directors and Mayor's Office staff. Department heads must be confirmed by a majority of City Council before appointment is permanent. Senior City government officials, including department and office heads, comprise the Mayor's Cabinet. The Mayor has broad discretionary, executive, and administrative authority under the provisions of the Third Class Optional City Code of Pennsylvania, the City's Charter, and the Codified Ordinances of the City of Harrisburg. The Mayor also heads the Executive/Administrative Branch of City government. The Mayor is automatically a member of several public or quasi-public boards of directors, including the Tri-County Planning Commission, the Harrisburg Area Transportation Study Group (HATS), and the Capital Region Economic Development Corporation (CREDC). The Mayor is usually the sole appointing authority of members of twenty-nine boards, commissions, task forces, and authorities, with City Council confirmation required for some of these appointees.

The Mayor has broad policy-making authority, and by Executive Order or other action, can direct the use of municipal resources, including the setting of priorities for the use of resources. The Office can assume an initiative role in matters, projects, and policies of a Citywide or regional nature. In the event of a civil emergency or natural disaster, the Mayor, under State and City laws, has the sole authority to declare a state of emergency and to direct or redirect governmental and other response to such events. Administratively, the Mayor has contracting authority and no valid or binding contract involving the municipal government exists without the Mayor's and City Controller's signatures.

As a result of legislation adopted by the Pennsylvania General Assembly in late 2000, the Mayor of Harrisburg is the only elected municipal governmental official in the State charged with oversight responsibility of the local public school system, the Harrisburg School District. The Mayor appoints the five member Board of Control, who serve at the Mayor's pleasure. The Mayor has direct decision-making involvement in major policy, personnel, and programmatic matters pertaining to the District in this comprehensive reform and improvement initiative.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund		0102 Mayor's Office		
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	330,574	Mayor	1	80,000
Overtime	0	Senior Assistant to the Mayor	1	80,702
Fringe Benefits	78,522	Senior Advisor to Mayor/ Director of Communications	1	76,017
TOTAL	<u>409,096</u>	Assistant to Mayor	1	52,687
		Special Assistant to Mayor	1	41,168
OPERATING EXPENSES				
		Total Management	<u>5</u>	<u>330,574</u>
Communications	18,500			
Professional Services	200			
Utilities	0	Overtime		<u>0</u>
Insurance	0			
Rentals	200	FICA		25,289
Maintenance & Repairs	10,967	Healthcare Benefits - Active		53,233
Contracted Services	700	Healthcare Benefits - Retirees		0
Supplies	16,200			
Minor Capital Equipment	0	Total Fringe Benefits		<u>78,522</u>
TOTAL	<u>46,767</u>	TOTAL	<u>5</u>	<u>409,096</u>
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u><u>455,863</u></u>			

OFFICE OF THE CITY CONTROLLER

The Office of City Controller is an autonomous office of City government headed by the City Controller, an independently elected official. This office is responsible for the review and approval of all expenditures and obligations of the City. Performing the internal audit function requires that all purchase orders, warrants, contracts, and agreements be reviewed for compliance with the Third Class City Code, other State laws, City of Harrisburg administrative policies, and City ordinances. The signature of the City Controller is a legal requirement on all of the aforementioned documents. This office also issues monthly financial reports to the Mayor and City Council, which analyze revenues and expenditures for all budgeted funds.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund			0103 City Controller's Office	
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	138,565	City Controller	1	20,000
Salaries-BU	37,003	Chief Deputy Controller	1	65,870
Overtime	0	Audit Manager	1	52,695
Fringe Benefits	55,482			
		Total Management	<u>3</u>	<u>138,565</u>
TOTAL	<u>231,050</u>			
OPERATING EXPENSES		Auditor	1	37,003
Communications	450	Total Bargaining Unit	<u>1</u>	<u>37,003</u>
Professional Services	0			
Utilities	0	Overtime		<u>0</u>
Insurance	0	FICA		13,431
Rentals	0	Healthcare Benefits - Active		42,051
Maintenance & Repairs	600	Healthcare Benefits - Retirees		0
Contracted Services	5,650			
Supplies	2,850	Total Fringe Benefits		<u>55,482</u>
Minor Capital Equipment	0			
TOTAL	<u>9,550</u>			
CAPITAL OUTLAY	0	TOTAL	<u><u>4</u></u>	<u><u>231,050</u></u>
TOTAL APPROPRIATION	<u><u>240,600</u></u>			

OFFICE OF THE CITY TREASURER

The Office of City Treasurer is headed by the City Treasurer, an independently elected official. The City Treasurer is responsible for the collection, safekeeping, and investment of City revenues; including all fees, fines, and taxes. The City Treasurer also serves as collector for Harrisburg School District taxes. Computer technology advancements have improved the collection of payments and the reporting of such receipts. Examples include: direct debit; processing scannable parking tickets, tax, and utility bills; various banking software; acceptance of credit and debit cards for all payments; automatic payment plan options; electronic funds transfer acceptance; computerized processing of multiple payments; computerized returned check procedures; and the use of computer generated lists to process payments. Additional improvements still in the testing phase include: internet payments, on-line bill payment, and on-line electronic check acceptance.

All monies collected are invested utilizing several money management techniques to optimize interest earnings while ensuring the safety of funds. Economic trends and monitoring of the financial markets allow for maximized yield investment strategies.

The City Treasurer must sign all checks disbursed for payroll and the receipt of goods or services, in addition to coordinating all electronic fund transfers and receipts. This office is responsible for obtaining all information necessary for issuing Municipal Fire Certificates in accordance with the City and State fire insurance escrow laws. Treasury prepares and distributes to departments monthly reports for City investments, paid invoices, credit card activity, and the cumulative history of insufficient funds checks. On a daily basis, Treasury monitors the City's bank accounts electronically. The Treasurer also executes funding transfers for debt service payments on all outstanding City bond and note issues. This office has the authority to manage all bank accounts of the City, including the transfer of funds between different bank accounts and the reconciliation to the City's general ledger.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0104 City Treasurer's Office

	Allocation Plan	Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	206,573	City Treasurer	1	15,000
Salaries-BU	235,570	Deputy Treasurer	1	54,229
Overtime	2,200	Assistant Deputy Treasurer	1	47,582
Fringe Benefits	153,818	Computer Programmer	1	63,644
		System Programmer Trainee	0.40	26,118
TOTAL	598,161	Total Management	4.40	206,573
OPERATING EXPENSES				
Communications	12,185	Auditor	1	36,953
Professional Services	0	Administrative Assistant I	2	66,139
Utilities	0	Lead Cashier	1	33,690
Insurance	2,000	Cashier II	2	65,248
Rentals	0	Accounting Clerk I	1	33,540
Maintenance & Repairs	45,235	Total Bargaining Unit	7	235,570
Contracted Services	22,260			
Supplies	39,464	Overtime		2,200
Minor Capital Equipment	0			
TOTAL	121,144	FICA		33,994
CAPITAL OUTLAY	0	Healthcare Benefits - Active		119,824
		Healthcare Benefits - Retirees		0
TOTAL APPROPRIATION	719,305	Total Fringe Benefits		153,818
		TOTAL	11.40	598,161

OFFICE OF THE CITY SOLICITOR

The City Solicitor's Office is responsible for handling all legal matters affecting the City. This entails providing legal counsel to the Mayor, the City Controller, the City Treasurer, and City Council. This office manages all legal action taken by the City and defends or supervises the defense of actions filed against the City, including all labor law matters. It reviews and provides administrative legal support for all bond issuances, prepares and files all proofs of claim on behalf of the City in bankruptcy proceedings and represents the City in all such proceedings. It also plays a significant role in major projects undertaken by the City and handles real estate transfers and loan closings for the Departments of Building and Housing Development and the Mayor's Office for Economic Development and Special Projects. Office staff prosecute codes violations, violations of City ordinances, bad check cases, and other criminal offenses in the name of the Commonwealth, and participate in all tax assessment appeals filed by property owners. The Office drafts or reviews, for form and legality, all legislation considered by Council and all City contracts. The City Solicitor provides legal opinions to department directors, bureau chiefs, and their staff to assure legal compliance in matters affecting their departments and assists the Department of Administration's efforts to recover delinquent taxes and utilities. The City Solicitor's opinion on legal matters is final within City government.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund			0105 City Solicitor's Office	
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	266,826	City Solicitor	1	73,483
Overtime	0	Deputy City Solicitor	1	60,813
Fringe Benefits	73,645	Assistant City Solicitor	1	43,376
		Senior Confidential Paralegal	1	47,668
TOTAL	340,471	Confidential Legal Secretary II	1	41,486
OPERATING EXPENSES				
		Total Management	5	266,826
Communications	2,250			
Professional Services	55,800	Overtime		0
Utilities	0			
Insurance	0	FICA		20,412
Rentals	0	Healthcare Benefits - Active		53,233
Maintenance & Repairs	0	Healthcare Benefits - Retirees		0
Contracted Services	5,300			
Supplies	20,700	Total Fringe Benefits		73,645
Minor Capital Equipment	0			
TOTAL	84,050	TOTAL	5	340,471
CAPITAL OUTLAY				
				0
TOTAL APPROPRIATION	424,521			

HARRISBURG HUMAN RELATIONS COMMISSION

This office is the City's full-time official agency designed to administer, implement, and enforce the provisions of the City's Human Relations and Discrimination Code prohibiting discrimination. The Code applies to discriminatory practices; including, but not limited to, discrimination in employment, housing, public accommodations, education, and lending, which occur within the territorial limits of the City of Harrisburg and to employment, contracted for, performed, or to be performed within these limits, or by those contracting with the City. The Commission initiates, receives, investigates, and attempts to satisfactorily resolve complaints alleging violation of the Code. This office also establishes programs to increase communication and eliminate prejudice among various racial, religious, and ethnic groups. The Commission offers an annual "Human Relations Camp" designed to educate metropolitan Harrisburg youth regarding values in cultural diversity. The Commission also serves as a clearinghouse for related information, as well as a referral source for various agencies providing a variety of services to the citizens of the Harrisburg area.

A nine-member Commission is appointed by the Mayor and must be confirmed by City Council. The Commission supervises an Executive Director, who oversees the Commission's other staff and volunteers. The Code requires Commissioners to meet ten times a year and these meetings are open to the public. Services provided by the Commission require no out-of-pocket expenses for those wishing to file a complaint.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund		0106 Human Relations Commission		
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	58,154	Executive Director	1	58,154
Salaries-BU	71,749			
Overtime	0	Total Management	1	58,154
Fringe Benefits	41,470			
TOTAL	171,373	Human Relations Specialist II	1	38,232
		Secretary I	1	33,517
OPERATING EXPENSES				
		Total Bargaining Unit	2	71,749
Communications	1,900			
Professional Services	11,100			
Utilities	0	Overtime		0
Insurance	0			
Rentals	0	FICA		9,938
Maintenance & Repairs	300	Healthcare Benefits - Active		31,532
Contracted Services	4,000	Healthcare Benefits - Retirees		0
Supplies	2,745			
Minor Capital Equipment	0	Total Fringe Benefits		41,470
TOTAL	20,045	TOTAL	3	171,373
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	191,418			

OFFICE OF THE CITY ENGINEER

The Office of City Engineer is a resource that is interdepartmental in scope and function. This office consults with all City agencies involved in infrastructure repairs, replacements, modifications, or additions. The Harrisburg Authority and Harrisburg Parking Authority also coordinate infrastructure improvement projects with this office. The Office is responsible for establishing the scope of work for paving, storm drainage, and utility repair/replacement projects. The City Engineer acts as liaison with the Pennsylvania Department of Transportation (PennDOT) District Engineer to plan, coordinate, and review all highway and traffic control projects on state roads and bridges within City limits and all capital improvement projects that are constructed in partnership with PennDOT on a cost sharing basis.

The Office performs all required traffic studies to justify the establishment of traffic control devices, including, but not limited to, stop signs, traffic signals, pedestrian crossings, one-way and two-way traffic, and restricted or public parking areas. The City Engineer represents the City on the Harrisburg Area Transportation Study (HATS) Technical and Coordinating Committees.

This office issues and controls street cut permits and construction/maintenance bonds in the City. This office inspects/approves the work of contractors working on City streets for paving, pipeline, and parking lot projects. Engineering Representatives are assigned to assure compliance with state and local street cut regulations and to assure proper flow of traffic around work areas. Staff also obtain State Highway Occupancy Permits for all work performed on City-owned utilities located within state highway rights-of-way. The Registrar of Real Estate maintains a current file of real property deeds. This includes preparation and maintenance of City plot plans and accurate record-keeping for every change in property ownership in the City.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0107 City Engineer's Office

	Allocation Plan	Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	118,755	City Engineer	1	83,025
Salaries-BU	77,471	Civil Engineer	1	35,730
Overtime	718			
Fringe Benefits	67,272	Total Management	<u>2</u>	<u>118,755</u>
TOTAL	<u>264,216</u>			
		Engineer's Representative III	1	41,828
OPERATING EXPENSES		Registrar of Real Estate I	1	35,643
Communications	1,450	Total Bargaining Unit	<u>2</u>	<u>77,471</u>
Professional Services	0			
Utilities	0			
Insurance	0	Overtime		<u>718</u>
Rentals	0			
Maintenance & Repairs	375,511	FICA		15,066
Contracted Services	1,005	Healthcare Benefits - Active		42,046
Supplies	3,815	Healthcare Benefits - Retirees		10,160
Minor Capital Equipment	0	Total Fringe Benefits		<u>67,272</u>
TOTAL	<u>381,781</u>			
CAPITAL OUTLAY	<u>832,952</u>	TOTAL	<u><u>4</u></u>	<u><u>264,216</u></u>
GRANTS (MATCHING SHARE)	<u>0</u>			
TOTAL APPROPRIATION	<u><u>1,478,949</u></u>			

MAYOR'S OFFICE FOR ECONOMIC DEVELOPMENT AND SPECIAL PROJECTS

The Mayor's Office for Economic Development and Special Projects (MOED&SP) is a newly integrated Cabinet office in 2005, combining the former Mayor's Office for Economic Development and Mayor's Office for Special Projects, while adding tourism development to its mission. MOED&SP is responsible for the promotion and advancement of commercial and industrial development in the City, coordinating special projects as assigned by the Mayor, and advancing the City of Harrisburg as a tourist destination. MOED&SP also supports WHBG television station, HBN radio, Central Energy Office, and HarrisCom, with plans to aggressively expand the services and revenue generation of all four entities.

Staffed by eight full-time persons and a very small group of consultants, MOED&SP has the responsibility of providing leadership for diverse, high-profile and high-impact economic development, such as HERSHA Corporate headquarter relocation, Advanced Communications; tourism development, such as Hershey-Capital Region Visitors Bureau and Harrisburg Museum Network; and special projects such as National African-American Cultural Center and City wireless projects. In short MOED&SP must constantly balance the short-term needs of the City and clients served with the long-term and strategic needs of the City and future businesses that might locate in or otherwise serve the City of Harrisburg.

MOED&SP also provides a confidential, "one-stop shop" for information about business start-ups, business planning, site selection and development, permits, zoning, taxation and financing programs. Core services delivered include: low-interest loans- the most active revolving loan program is available to all City-based businesses; counseling and additional business development assistance is offered to stimulate a successful business venture; MOED&SP often partners with other financial and service agencies, such as the Commonwealth of Pennsylvania, Community First Fund, or the Capital Region Economic Development Corporation, as well as numerous local lending institutions.

The Mayor's Office for Economic Development and Special Projects' staff utilizes all information available to provide business start-up and growth assistance to local Minority and Women Business Enterprises (MBEs/WBEs). While insuring success and increasing the bottom line is important for the clients, it is also in their best interest to receive basic business training, marketing advice, and general assistance. MOED&SP provides customer-centered and individualized services to all City businesses.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0109 M.O.E.D. & S.P.

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	336,803	Director - (MOSP)	1	90,000
Salaries-BU	80,276	Deputy Director/Contract	1	58,480
Overtime	0	Compliance Officer		
Fringe Benefits	117,679	Executive Director - HBN	1	54,630
		Project Manager (MOSP)	1	54,181
TOTAL	534,758	Community Relations Dir. (HBN)	1	41,170
		Special Assistant to Director	1	38,342
OPERATING EXPENSES				
		Total Management	6	336,803
Communications	31,770			
Professional Services	39,175	MBE/WBE Dev. Specialist II	1	45,689
Utilities	0	Secretary I	1	34,587
Insurance	0			
Rentals	5,001	Total Bargaining Unit	2	80,276
Maintenance & Repairs	0			
Contracted Services	27,150			
Supplies	21,850	Overtime		0
Minor Capital Equipment	0			
TOTAL	124,946	FICA		31,907
		Healthcare Benefits - Active		84,102
		Healthcare Benefits - Retirees		1,670
CAPITAL OUTLAY	0	Total Fringe Benefits		117,679
TOTAL APPROPRIATION	659,704	TOTAL	8	534,758



Department of Administration

Office of the Business Administrator

Office of the Director



Business Administrator

Affirmative Action Office



Affirmative Action Officer discussing a City policy with an employee

Bureau of Financial Management



Budget Manager, Accounting Manager and Purchasing Manager discussing close of year-end

Bureau of Financial Management



Risk Manager evaluating the noise level in the M.L.K. City Government Center

Bureau of Information Technology



Information Technology staff reviewing computer functions

Department of Administration

Bureau of Human Resources



Personnel and Administrative Assistants preparing for job recruitment

The Mayor's Office for Labor Relations



Director discussing labor issues with the Labor and Administrative Assistants

Bureau of Operations and Revenue

Credit Collection Unit



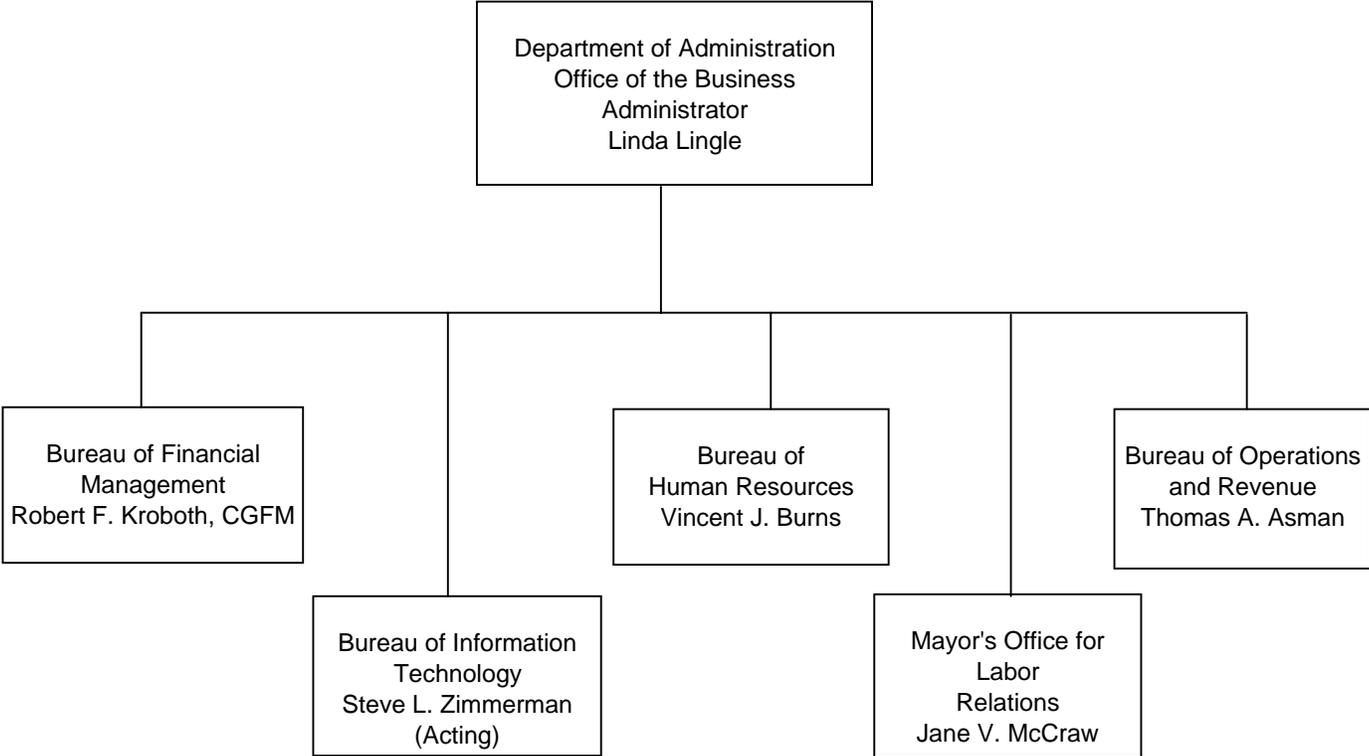
Collection Manager evaluating a utility account

Central Support



Delivering interoffice mail

DEPARTMENT OF ADMINISTRATION



EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
DEPARTMENT OF ADMINISTRATION						
<u>0110 OFFICE OF THE BUSINESS ADMINISTRATOR</u>						
Personnel Services	191,226	245,948	242,615	273,319	244,808	229,039
Operating Expenses	2,857	6,412	11,600	39,125	32,512	33,319
Capital Outlay	0	0	0	0	0	0
TOTALS	194,083	252,360	254,215	312,444	277,320	262,358
<u>0111 OFFICE OF INSURANCE & RISK MANAGEMENT</u>						
Personnel Services	163,331	134,600	158,580	0	0	0
Operating Expenses	25,909	14,473	13,330	0	0	0
Capital Outlay	0	0	0	0	0	0
TOTALS	189,240	149,073	171,910	0	0	0
<u>0112 BUREAU OF FINANCIAL MANAGEMENT</u>						
Personnel Services	511,570	555,183	501,172	703,712	610,943	630,346
Operating Expenses	112,637	163,999	150,076	150,140	177,490	175,495
Capital Outlay	1,505	5,180	0	0	0	0
TOTALS	625,712	724,363	651,249	853,852	788,433	805,841
<u>0116 BUREAU OF INFORMATION TECHNOLOGY</u>						
Personnel Services	1,022,664	1,098,541	962,974	880,514	828,283	849,114
Operating Expenses	192,011	198,464	175,137	325,250	348,250	272,800
Capital Outlay	461,441	426,541	332,434	0	203,134	203,134
Non-Expenditure Items	0	(41)	0	0	0	0
TOTALS	1,676,116	1,723,505	1,470,546	1,205,764	1,379,667	1,325,048
<u>0117 BUREAU OF HUMAN RESOURCES</u>						
Personnel Services	316,734	345,420	397,341	410,511	403,258	428,255
Operating Expenses	55,292	59,945	61,705	72,760	76,466	78,495
Capital Outlay	0	1,000	0	0	0	0
TOTALS	372,026	406,365	459,046	483,271	479,724	506,750

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
<u>0121 MAYOR'S OFFICE FOR LABOR RELATIONS</u>						
Personnel Services	0	256,911	158,939	173,555	149,870	132,182
Operating Expenses	0	112,516	20,373	43,890	45,622	30,040
Capital Outlay	0	0	0	0	0	0
TOTALS	<u>0</u>	<u>369,427</u>	<u>179,312</u>	<u>217,445</u>	<u>195,492</u>	<u>162,222</u>
<u>0124-0128 BUREAU OF OPERATIONS AND REVENUE</u>						
Personnel Services	1,400,542	1,178,244	1,031,252	916,431	791,244	814,450
Operating Expenses	370,414	232,148	309,428	358,410	394,723	62,923
Capital Outlay	97,579	126,495	67,500	73,030	73,030	0
Non-Expenditure Items	0	0	0	0	2,438	0
TOTALS	<u>1,868,535</u>	<u>1,536,886</u>	<u>1,408,180</u>	<u>1,347,871</u>	<u>1,261,435</u>	<u>877,373</u>
TOTAL DEPARTMENT OF ADMINISTRATION						
Personnel Services	3,606,068	3,814,846	3,452,872	3,358,042	3,028,406	3,083,386
Operating Expenses	759,121	787,956	741,649	989,575	1,075,064	653,072
Capital Outlay	560,524	559,216	399,935	73,030	276,164	203,134
Non-Expenditure Items	0	(41)	0	0	2,438	0
TOTAL EXPENDITURES	<u><u>4,925,713</u></u>	<u><u>5,161,977</u></u>	<u><u>4,594,457</u></u>	<u><u>4,420,647</u></u>	<u><u>4,382,072</u></u>	<u><u>3,939,592</u></u>

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
ADMINISTRATION						
Office of the Business Administrator	3.00	4.00	4.00	4.00	3.00	3.00
Insurance & Risk Management	3.00	3.00	2.00	0.00	0.00	0.00
Financial Management	12.00	11.00	8.00	12.00	10.00	10.00
Information Technology	21.60	20.60	12.60	12.60	11.60	11.60
Human Resources	6.00	7.00	6.00	7.00	7.00	7.00
Mayor's Office for Labor Relations	0.00	3.00	3.00	3.00	3.00	2.00
Operations & Revenue	34.00	28.00	16.00	18.00	15.00	15.00
TOTAL POSITIONS	79.60	76.60	51.60	56.60	49.60	48.60

In 2002, four new positions were added to the Bureau of Data Processing: a Webmaster, two part-time Programmer Support positions and a Systems Programmer. In 2003, a vacant Deputy Director of Finance position was eliminated from the Bureau of Financial Management. A Clerk and a Labor Relations Assistant positions were eliminated from the Bureau of Operations & Revenue. In the Bureau of Operations & Revenue, the Office of the Director was renamed to the Mayor's Office for Labor Relations and three positions were reclassified; Labor Relations Officer to Director of Labor Relations, Benefits Coordinator to Labor Relations Assistant, and Confidential Secretary to Administrative Assistant - Labor Relations Office. The 2004 Approved Budget eliminated nine vacant positions: a Graduate Intern from the Bureau of Financial Management; a Deputy Business Administrator for Data Processing, a Lead Programmer, an Assistant Network Administrator, and two part-time System Programmers from the Bureau of Data Processing; and a Deputy Business Administrator, a Deputy Tax and Enforcement Administrator, and a Receptionist/Archivist from the Bureau of Operations & Revenue. The Mayor's Office for Labor Relations was no longer included as part of the Bureau of Operations & Revenue; it became a separate office, and three positions were transferred from the Bureau of Operations & Revenue into that office. In addition, a Benefits Coordinator position was transferred from the Bureau of Operations & Revenue to the Bureau of Human Resources and a Secretary II position was transferred from the Bureau of Operations & Revenue to the Office of the Business Administrator. The Bureau of Data Processing was renamed to the Bureau of Information Technology. The 2005 Approved Budget eliminated ten vacant positions: an Auditor I and a Fiscal Technician from the Bureau of Financial Management; a Webmaster, a LAN Service Officer, and a Secretary I from the Bureau of Information Technology; and a Reproduction Technician I, a Receptionist, a Customer Service Representative/Account Specialist I, a Posting Specialist, and a Clerk I from the Bureau of Operations & Revenue. A Secretary II was transferred from the Office of the Business Administrator to the Bureau of Financial Management while the Manager of Billing Services and Quality Assurance was transferred from the Bureau of Operations & Revenue into the Office of the Business Administrator. The Office of Insurance and Risk Management was merged into the Bureau of Financial Management and three positions were transferred into this bureau: a Risk Manager, a Loss Control Officer, and an Administrative Assistant. In addition, a Secretary I was transferred from the Bureau of Operations & Revenue to the Bureau of Building Maintenance. In the 2006 Approved Budget, five vacant positions are eliminated from the Department of Administration: a Confidential Secretary from the Office of the Business Administrator, a Risk Manager and Secretary from the Bureau of Financial Management, an Administrative Assistant from the Mayor's Office for Labor Relations, and a Paralegal from the Bureau of Operations & Revenue. In the Bureau of Information Technology, a LAN Services Officer was reclassified as a LAN Services Assistant and a Clerk II position was transferred to the Department of Public Works, Bureau of Building Maintenance. The Bureau of Operations & Revenue was reorganized, effective January 1, 2006. The Office of Billing and Central Support was eliminated. The incumbent Customer Service Representative I was transferred to the Office of Credit Collection within the bureau. The Central Support Assistant II and the Reproduction Technician were transferred to the Department of Public Works, Bureau of Building Maintenance along with the Duplication Center.

OFFICE OF THE BUSINESS ADMINISTRATOR

The Department of Administration is headed by the Business Administrator who is appointed by the Mayor and confirmed by City Council. The Department of Administration performs the fiscal and central administrative functions of the City. The Business Administrator has the authority to oversee the management of all City departments and directly manages four bureaus and two offices: The Bureaus of Financial Management, Information Technology, Human Resources, Operations and Revenue, The Mayor's Office for Labor Relations, and the Affirmative Action Office. The Business Administrator serves as the Mayor's designee on various Boards and Commissions and acts as the Third Step Hearing Officer for Union grievances in the Mayor's stead.

The Affirmative Action Officer reports directly to the Business Administrator and is responsible for implementing the City's Affirmative Action Policy. The Affirmative Action Officer oversees recruitment, hiring, compensation, appointments for advancement (including upgrading and promotion), transfers, and terminations to verify that discrimination does not occur. The Affirmative Action Officer also evaluates the demographic statistics of the City to verify that equal employment opportunities are consistent with the relevant labor market and provides training on equal employment opportunity laws, cultural diversity, the Americans with Disabilities Act (ADA), and other related subjects.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0110 Office of the Business Administrator

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	170,872	Business Administrator	1	76,729
Overtime	0	Affirmative Action Officer	1	46,732
Fringe Benefits	58,167	Assistant to the Business Administrator	1	47,411
TOTAL	<u>229,039</u>	Total Management	<u>3</u>	<u>170,872</u>
OPERATING EXPENSES				
Communications	1,625	Overtime		<u>0</u>
Professional Services	26,494	FICA		13,072
Utilities	0	Healthcare Benefits - Active		32,205
Insurance	0	Healthcare Benefits - Retirees		12,890
Rentals	0	Total Fringe Benefits		<u>58,167</u>
Maintenance & Repairs	0			
Contracted Services	1,600			
Supplies	3,600			
Minor Capital Equipment	0			
TOTAL	<u>33,319</u>	TOTAL	<u>3</u>	<u>229,039</u>
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u>262,358</u>			

BUREAU OF FINANCIAL MANAGEMENT

The Bureau of Financial Management is responsible for the fiscal management of the City. This includes the management of all funds; the accounting of all assets; the production of all financial documents; and the administration of Debt Service, General Expenses and Transfers to Other Funds. In addition, this bureau aids in the administration of the City's three pension plans. Lastly, the bureau provides in-depth financial analysis and research to the Administration and City Council upon request. To complete these tasks, the bureau is organized into four offices: Accounting, Budget and Analysis, Purchasing, and Insurance and Risk Management.

The Accounting Office manages cash flow and performs accounts payable functions. This office also oversees the operation of the City's computerized accounting and financial reporting system. Upon completion of the annual audit, this office has the responsibility of producing the City's Comprehensive Annual Financial Report.

The Office of Budget and Analysis is responsible for the development, preparation, and distribution of the City's annual budget document. The office prepares the Mid-Year Fiscal Report, which illustrates the financial status of all budgeted funds as of June 30 of the current year compared to June 30 of the previous year, in addition to projecting financial performance by the current year-end. This office also monitors all budgeted appropriations and resources throughout the year to assure compliance with the annual budget.

The Purchasing Office is responsible for overseeing the procurement of most City materials, supplies, and services. All procurement records are compiled and maintained within the Purchasing Office. Additionally, this office must assure fair and equitable distribution of City contracts and agreements for capital and non-capital products and services, including the preparation of public bid specifications, advertisement of bids, and awarding of contracts.

The Office of Insurance and Risk Management (OI&RM) is responsible for the management of risk, evaluation of risk transfer alternatives, and the acquisition of insurance coverage for City government. An important mission of this office is to promote a proactive loss prevention strategy to limit potential hazards and illness through administering the City's Accident and Illness Prevention and Workplace Injury Treatment and Reporting Programs. This office also manages the workers' compensation self-insured program, and in conjunction with the City Solicitor's Office, manages all litigation cases, processes all insurance claims and submits them to the appropriate insurance companies for consideration.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0112 Financial Management

Allocation Plan		Position Control	
		JOB CLASSIFICATION	2006 BUDGET ALLOCATION
PERSONNEL SERVICES			
Salaries-Mgmt	355,922	Deputy Business Administrator	1 73,865
Salaries-BU	118,244	Accounting Manager	1 51,112
Overtime	0	Budget Manager	1 50,782
Fringe Benefits	156,180	Purchasing Manager	1 46,636
		Loss Control Officer	1 48,637
TOTAL	<u>630,346</u>	Senior Budget Analyst	1 42,980
		Administrative Assistant - OI&RM	1 41,910
		Total Management	<u>7 355,922</u>
OPERATING EXPENSES			
Communications	13,000		
Professional Services	127,965	Fiscal Officer II	1 45,400
Utilities	0	Auditor I	1 37,003
Insurance	0	Fiscal Technician II	1 35,841
Rentals	100		
Maintenance & Repairs	1,250	Total Bargaining Unit	<u>3 118,244</u>
Contracted Services	26,630		
Supplies	6,550		
Minor Capital Equipment	0	Overtime	<u>0</u>
TOTAL	<u>175,495</u>	FICA	36,275
		Healthcare Benefits - Active	105,125
CAPITAL OUTLAY	0	Healthcare Benefits - Retirees	14,780
		Total Fringe Benefits	<u>156,180</u>
TOTAL APPROPRIATION	<u>805,841</u>		
		TOTAL	<u>10 630,346</u>

DEPARTMENT OF ADMINISTRATION

PROGRAM: Bureau of Financial Management

OBJECTIVE: To provide comprehensive financial services to the City and its residents in an accurate and timely manner, and to procure goods and services at the lowest competitive price, while delivering efficient quality service.

2004 ACCOMPLISHMENTS:

Earned the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting Award for the 17th consecutive year and the Distinguished Budget Presentation Award for the 14th consecutive year. These awards are the highest forms of recognition in governmental accounting, financial reporting, and budgeting.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Years GFOA Budget Award received	12	13	14	15	16
Years GFOA Financial Reporting Award received	15	16	17	18	19
Accuracy rate of City revenue estimates (budget to actual %)	100.8%	97.0%	96.0%	96.9%	97.7%
Accuracy rate of City expenditure estimates (budget to actual %)	98.3%	96.2%	94.8%	99.3%	97.2%
City budget funds monitored (millions)	\$ 112.36	\$ 110.60	\$ 100.11	\$ 111.97	\$ 130.44
Bid reports created ^a	48	53	39	40	45
Bids issued ^a	31	34	31	36	30
Contracts Received and Filed ^a	44	49	42	43	40
Purchase Orders Issued ^a	1,600	1,443	1,235	1,307	1,345
Accounts Payable Processed	51,425	45,974	37,154	33,677	30,525
Checks Issued	9,219	10,487	9,295	9,100	9,000

Notes:

^a New measures instituted in 2002.

BUREAU OF INFORMATION TECHNOLOGY

The Bureau of Information Technology is responsible for the administration of the City's blend of mainframe and network computer systems.

The bureau programs, controls, troubleshoots, and monitors a wide array of mainframe-based systems used throughout the City's operations. Examples of these systems include the computerized billing system for property and mercantile taxes; billing water, sewer, and refuse charges; human resource management; insurance claims management; computer aided dispatch; and field reports for all service calls for police and fire.

This bureau provides the METRO police information system, established and owned by the City, which allows numerous suburban, municipal and county agencies to tie into a common police database. The METRO system is one of the few regional police systems in the nation.

This bureau also provides technical support and maintenance for the City's network of personal computers; and is responsible for the installation, maintenance, and troubleshooting of servers, routers, switches, and firewalls for the City's wired and wireless Local Area Network (LAN) and Wide Area Network (WAN). Responsibilities extend to troubleshooting of computer software, hardware, peripherals, and related equipment.

Daily responsibilities include: monitoring, configuring, and troubleshooting server backups and restoring systems; monitoring virus activity through a central management console; implementing LAN and local printer services; moving, adding, deleting and upgrading software.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0116 Information Technology

Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	578,430	Director (Acting)	1	75,314
Salaries-BU	73,896	Network Administrator	1	65,609
Overtime	300	Local Area Network Administrator	1	59,048
Fringe Benefits	196,488	IBM/Mainframe Data Administrator	1	61,066
		Computer Programmer III	1	63,347
TOTAL	<u>849,114</u>	Computer Programmer	1	63,611
		Lead Programmer	1	68,289
OPERATING EXPENSES		Assistant Network Administrator	1	54,202
		System Programmer Trainee	0.60	39,177
Communications	18,300	LAN Services Assistant	1	28,767
Professional Services	24,900			
Utilities	0	Total Management	<u>9.60</u>	<u>578,430</u>
Insurance	0			
Rentals	0			
Maintenance & Repairs	134,700	Computer Operator III	1	39,227
Contracted Services	13,050	Data Processing Assistant I	1	34,669
Supplies	81,850			
Minor Capital Equipment	0	Total Bargaining Unit	<u>2</u>	<u>73,896</u>
TOTAL	<u>272,800</u>			
CAPITAL OUTLAY	203,134	Overtime		300
		FICA		49,926
		Healthcare Benefits - Active		121,952
TOTAL APPROPRIATION	<u>1,325,048</u>	Healthcare Benefits - Retirees		24,610
		Total Fringe Benefits		<u>196,488</u>
		TOTAL	<u>11.60</u>	<u>849,114</u>

BUREAU OF HUMAN RESOURCES

The Bureau of Human Resources is responsible for recruiting, testing, screening, hiring and processing applicants for employment with the City of Harrisburg. The bureau also administers the City's medical, prescription drug, dental and vision benefits programs, life insurance, leave and pension benefits, and other voluntary benefits such as supplemental insurance and deferred compensation for every eligible employee. Additionally, the bureau maintains all personnel files and records all actions affecting an individual's employment status. The bureau processes the City's bi-weekly payroll, effects all salary adjustments and manages all mandatory and voluntary deductions. The bureau is responsible for compliance with all Federal, state and local laws governing hiring, benefits and payroll practices.

Responsibilities of the bureau are diverse. Bureau personnel work with the City's Affirmative Action Officer in recruitment, general policy implementation, and administration of specific City policies promulgated under the Family and Medical Leave Act and the Americans with Disabilities Act. In-house training on supervisory techniques for managers is made available on an individual basis, as well as in topic-generated forums. The bureau assists department directors and the Director of the Mayor's Office for Labor Relations in developing job descriptions for management and bargaining unit positions. The bureau monitors the automatic step progression for all bargaining unit employees within each classification, as well as the internal bid process for employment advancement at the City of Harrisburg. The bureau is also charged with the responsibility for effecting merit increases for management employees based on performance evaluations. Additionally, the bureau administers the civil service rules and regulations for the recruitment and promotional processes for all civil service positions.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0117 Human Resources

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	292,667	Director	1	63,479
Salaries-BU	35,693	Personnel Officer II	1	57,657
Overtime	1,098	Payroll Manager	1	47,505
Fringe Benefits	98,797	Benefits Coordinator/Privacy Officer	1	45,854
		Personnel Assistant II	1	43,789
		Confidential Secretary	1	34,383
TOTAL	428,255	Total Management	6	292,667
OPERATING EXPENSES				
Communications	5,900	Payroll Technician I	1	35,693
Professional Services	13,975	Total Bargaining Unit	1	35,693
Utilities	0			
Insurance	0			
Rentals	0			
Maintenance & Repairs	600	Overtime		1,098
Contracted Services	50,920	FICA		25,204
Supplies	7,100	Healthcare Benefits - Active		73,593
Minor Capital Equipment	0	Healthcare Benefits - Retirees		0
TOTAL	78,495	Total Fringe Benefits		98,797
CAPITAL OUTLAY	0			
		TOTAL	7	428,255
TOTAL APPROPRIATION	506,750			

MAYOR'S OFFICE FOR LABOR RELATIONS

The Mayor's Office for Labor Relations is responsible for contract administration of the City's collective bargaining agreements with the American Federation of State, County, and Municipal Employees (AFSCME) Local 521, the Fraternal Order of Police (FOP) Capital City Lodge No. 12 and the International Association of Firefighters (IAFF) Local 428. The office drafts all disciplinary reports for all AFSCME bargaining unit employees to ensure correct and consistent disciplinary action throughout City government. The office recommends and implements policy and is responsible for proper "meet and discuss" obligations and dissemination of approved policies. The office conducts scheduled labor management meetings with each of the union groups throughout the year; resolves issues which could result in grievances, whenever possible; acts as Management's advocate when grievances are filed; conducts and/or presents at all AFSCME First Step grievances hearings; defends the City's position at all Third Step grievance hearings for all union groups; and assists in preparation for arbitration hearings.

The office has additional responsibilities for contract negotiations with all three union groups and provides technical support and/or assistance as required by the Business Administrator. The office routinely polls department directors prior to AFSCME negotiations and prepares the first draft of City contract proposals. Recently, the Director acted as the Second Chair Negotiator in contract negotiations with AFSCME. In addition, this office provides management training relative to contract changes and on other topics, as necessary. The office works in conjunction with the Office of the City Solicitor and other City agencies to effectively represent the City in other venues, as required.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0121 Labor Relations Office

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	103,255	Director	1	63,022
Overtime	0	Labor Relations Assistant	1	40,233
Fringe Benefits	28,927			
		Total Management	<u>2</u>	<u>103,255</u>
TOTAL	<u>132,182</u>			
OPERATING EXPENSES				
		Overtime		<u>0</u>
Communications	2,150	FICA		7,899
Professional Services	25,000	Healthcare Benefits - Active		21,028
Utilities	0	Healthcare Benefits - Retirees		0
Insurance	0			
Rentals	0	Total Fringe Benefits		<u>28,927</u>
Maintenance & Repairs	0			
Contracted Services	1,090			
Supplies	1,800	TOTAL	<u>2</u>	<u>132,182</u>
Minor Capital Equipment	0			
TOTAL	<u>30,040</u>			
CAPITAL OUTLAY				<u>0</u>
TOTAL APPROPRIATION	<u>162,222</u>			

BUREAU OF OPERATIONS AND REVENUE
OFFICE OF THE DIRECTOR

The Director plans, organizes, and directs the activities of the Bureau of Operations and Revenue. This office is responsible for the preparation of the bureau's budget, compilation and analysis of statistical data relative to the collection, performance, and rate increases for utility billing and taxes. This office also handles citizens complaints related to mercantile taxes, utility billing and taxes, and water shutoff.

The Office of the Director provides assistance to bureaus throughout City government and other outside governmental entities with various projects. These projects include phone system administration, City-wide collection activities, statistical analyses, etc. In addition, this office maintains telephone equipment for the City Government Center Complex, as well as all off-site offices.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund 0124 Office of the Director

	Allocation Plan		Position Control	
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	62,944	Director	1	62,944
Salaries-BU	41,828			
Overtime	0	Total Management	<u>1</u>	<u>62,944</u>
Fringe Benefits	29,038			
TOTAL	<u>133,810</u>	Administrative Assistant/ Personal Computer Specialist III	1	41,828
OPERATING EXPENSES		Total Bargaining Unit	<u>1</u>	<u>41,828</u>
Communications	1,796			
Professional Services	0			
Utilities	0	Overtime		<u>0</u>
Insurance	0			
Rentals	0	FICA		8,015
Maintenance & Repairs	0	Healthcare Benefits - Active		21,023
Contracted Services	0	Healthcare Benefits - Retirees		0
Supplies	2,431			
Minor Capital Equipment	0	Total Fringe Benefits		<u>29,038</u>
TOTAL	<u>4,227</u>	TOTAL	<u><u>2</u></u>	<u><u>133,810</u></u>
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u><u>138,037</u></u>			

BUREAU OF OPERATIONS AND REVENUE
CREDIT COLLECTION UNIT

The Credit Collection Unit is responsible for collection activities of all delinquent utility accounts up to, and including, water shutoff. Customer Service Representatives provide billing information and establish payment schedules for property owners, both residential and commercial, who have fallen behind on their utility payments. In cases where a chronic delinquency exists, procedures for water service termination are initiated to motivate property owners to pay their utility bills in a timely manner. When these collection efforts fail, this unit also initiates legal action against the debtor.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0126 Credit Collection

	Allocation Plan		Position Control	
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	45,394	Operations Manager	1	45,394
Salaries-BU	310,150			
Overtime	0	Total Management	1	45,394
Fringe Benefits	164,254			
TOTAL	519,798	Cust. Serv. Rep./Account Spec. II	4	143,950
		Cust. Serv. Rep./Account Spec. I	2	68,589
OPERATING EXPENSES		Posting Specialist	1	34,598
Communications	12,390	Customer Serv. Representative I	1	32,292
Professional Services	22,500	Clerk II	1	30,721
Utilities	0	Total Bargaining Unit	9	310,150
Insurance	0			
Rentals	0	Overtime		0
Maintenance & Repairs	2,500	FICA		27,199
Contracted Services	0	Healthcare Benefits - Active		105,095
Supplies	2,400	Healthcare Benefits - Retirees		31,960
Minor Capital Equipment	0	Total Fringe Benefits		164,254
TOTAL	39,790			
CAPITAL OUTLAY	0	TOTAL	10	519,798
TOTAL APPROPRIATION	559,588			

BUREAU OF OPERATIONS AND REVENUE
TAX AND ENFORCEMENT UNIT

The Tax and Enforcement Unit bills and collects mercantile, business privilege, parking, and amusement taxes as well as various license fees for the City and the Harrisburg School District. This unit administers the dog licensing program and manages all activities associated with the City's burglar and fire alarm program. A civil collection program is in place to collect all delinquent taxes. An auditing program, implemented in 1992, allows this office to conduct thorough investigations to verify the taxable receipts of area businesses.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0128 Tax and Enforcement

	Allocation Plan	Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	57,246	Tax & Enforcement Administrator	1	57,246
Salaries-BU	62,875			
Overtime	0	Total Management	<u>1</u>	<u>57,246</u>
Fringe Benefits	40,721			
TOTAL	<u>160,842</u>	Secretary II	1	31,132
		Clerk Typist/ Data Entry Operator	1	31,743
OPERATING EXPENSES		Total Bargaining Unit	<u>2</u>	<u>62,875</u>
Communications	13,096			
Professional Services	500			
Utilities	0	Overtime		<u>0</u>
Insurance	0			
Rentals	0	FICA		9,189
Maintenance & Repairs	2,150	Healthcare Benefits - Active		31,532
Contracted Services	750	Healthcare Benefits - Retirees		0
Supplies	2,410			
Minor Capital Equipment	0	Total Fringe Benefits		<u>40,721</u>
TOTAL	<u>18,906</u>	TOTAL	<u><u>3</u></u>	<u><u>160,842</u></u>
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u><u>179,748</u></u>			



Department of Building and Housing Development

Office of the Director



DBHD Director participates in ribbon-cutting at Summit Terrace Neighborhood Association

Bureau of Planning



Bureau of Planning staff discussing National Historic Preservation Week with the public

Bureau of Housing



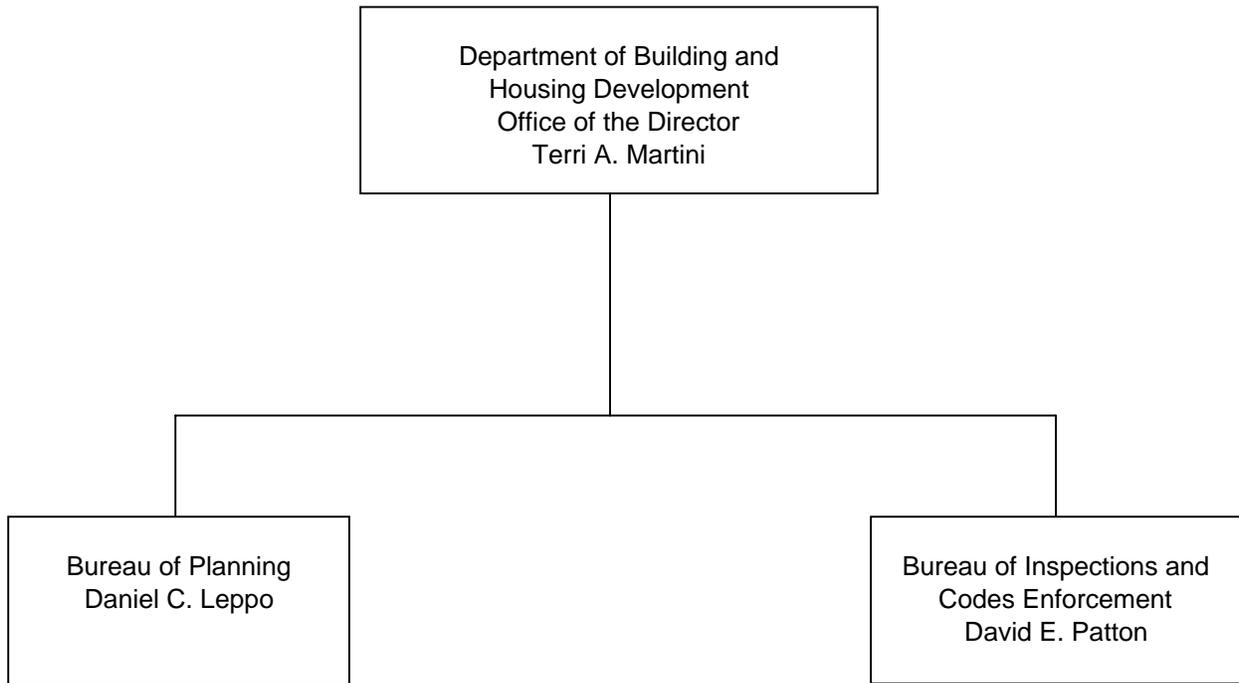
Deputy Director for Housing reviews bureau programs during a public meeting

Bureau of Inspection and Codes Enforcement



Codes Enforcement Officer performs building and safety inspections

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT



EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
DEPARTMENT OF BUILDING & HOUSING DEVELOPMENT						
<u>0134 OFFICE OF THE DIRECTOR</u>						
Personnel Services	106,929	92,109	91,294	92,096	94,137	95,664
Operating Expenses	3,545	55	800	960	960	960
Capital Outlay	0	0	0	0	0	0
TOTALS	110,474	92,164	92,094	93,056	95,097	96,624
<u>0135 BUREAU OF PLANNING</u>						
Personnel Services	147,687	202,803	188,202	206,552	158,066	185,305
Operating Expenses	20,141	18,836	19,490	13,535	15,955	22,263
Capital Outlay	1,628	0	0	0	0	0
Grants	0	0	0	0	0	0
TOTALS	169,456	221,639	207,692	220,087	174,021	207,568
<u>0137 BUREAU OF INSPECTIONS AND CODES ENFORCEMENT</u>						
Personnel Services	692,703	802,718	847,749	866,868	817,548	853,670
Operating Expenses	49,121	42,422	40,321	51,350	71,950	71,250
Capital Outlay	0	0	0	0	0	0
Non-Expenditure Items	0	0	2,446	0	0	0
TOTALS	741,824	845,140	890,517	918,218	889,498	924,920
TOTAL DEPARTMENT OF BUILDING & HOUSING DEVELOPMENT						
Personnel Services	947,319	1,097,630	1,127,246	1,165,516	1,069,751	1,134,639
Operating Expenses	72,807	61,312	60,612	65,845	88,865	94,473
Capital Outlay	1,628	0	0	0	0	0
Grants	0	0	0	0	0	0
Non-Expenditure Items	0	0	2,446	0	0	0
TOTAL EXPENDITURES	1,021,754	1,158,943	1,190,303	1,231,361	1,158,616	1,229,112

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
BUILDING AND HOUSING DEVELOPMENT						
Office of the Director	1.75	1.00	1.00	1.00	1.00	1.00
Planning	3.10	5.50	3.34	3.34	3.34	2.84
Inspections & Codes Enforcement	17.00	17.00	16.00	18.00	18.00	16.00
Health	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL POSITIONS	21.85	23.50	20.34	22.34	22.34	19.84

In 2003, the Bureau of Health was created. Two new positions were budgeted in this bureau, but paid by the Bureau of Planning: Deputy Health Officer and Technology Specialist. Two Graduate Interns, 40% of an Urban Planner I position, and 50% of a Senior Long-Range Planner were added to the Bureau of Planning. In the Office of the Director, the vacant Assistant to the Director position was eliminated. In 2004, two vacant Graduate Intern positions were eliminated from the Bureau of Planning, as well as a vacant Technology Specialist position from the Bureau of Health. The 2005 Approved Budget added 34% of the GIS Manager's salary to the Bureau of Planning and a Graduate Intern to the Bureau of Inspections and Code Enforcement, while a vacant Urban Planner and a vacant Deputy Health Officer were eliminated from the Bureau of Planning and Bureau of Health, respectively. In addition, the Bureau of Health was abolished. The 2006 Approved Budget adds 34% of a Current Planner's salary to the Bureau of Planning while eliminating 50% of the vacant Communications Officer and 34% of the vacant GIS Manager. A vacant Codes Enforcement Officer and a Graduate Intern were eliminated from the Bureau of Inspections and Codes Enforcement.

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OFFICE OF THE DIRECTOR

The Department of Building and Housing Development works to improve neighborhoods, promote business and residential development, maintain and upgrade the physical environment through code enforcement, and expand resources available for local projects.

The Director oversees the Bureaus of Planning, Codes, and Housing (see Special Revenue section), and directs the activities of the bureaus to facilitate timely approval and implementation of all new construction and major renovation projects. This ensures that the projects are designed according to the City's long-term development goals and that they incorporate elements of historic preservation, floodplain management, handicap accessibility, energy efficiency, safety and architectural integrity.

The Office of the Director represents the City on numerous boards for planning, transportation, housing, health, and employment. The Office conducts feasibility studies; develops specifications; conducts public bids or requests for proposals; and provides management oversight on such projects as the Market Place Townhomes, Broad Street Market, Police Athletic League (PAL) building, and Maclay Street Apartments.

The Office of the Director also coordinates the implementation of the City's Enterprise Community Strategic Plan, which involves the efforts of the Mayor's Office for Economic Development and Special Projects; the Bureau of Police; and dozens of community agencies, including the Harrisburg Housing Authority, the Community Action Commission, the Harrisburg School District, and many more participants.

The Department of Building and Housing Development has played an active role in the "Seeding" efforts of the Harrisburg Weed and Seed Program. Department staff have worked with the Assistance of Impact Delegation (AID) Team in the formulation of a plan for the revitalization efforts in South Allison Hill. Bureau of Housing staff currently acts as Chair of the Housing and Neighborhood Development (HAND) subcommittee and works with other committee members to facilitate implementation of the HAND portion of the revitalization plan. The Weed and Seed plan, prepared by the community, works in concert with the South Allison Hill Neighborhood Action Strategy with the assistance of the Bureau of Planning.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0134 Director

Allocation Plan

Position Control

		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	78,483	Director	1	78,483
Overtime	0			
Fringe Benefits	17,181	Total Management	1	78,483
TOTAL	<u>95,664</u>			
		Overtime		0
OPERATING EXPENSES				
		FICA		6,004
Communications	0	Healthcare Benefits - Active		11,177
Professional Services	0	Healthcare Benefits - Retirees		0
Utilities	0			
Insurance	0	Total Fringe Benefits		17,181
Rentals	0			
Maintenance & Repairs	0			
Contracted Services	860	TOTAL	<u>1</u>	<u>95,664</u>
Supplies	100			
Minor Capital Equipment	0			
TOTAL	<u>960</u>			
CAPITAL OUTLAY				
				0
TOTAL APPROPRIATION	<u>96,624</u>			

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT

PROGRAM: Office of the Director/Bureau of Housing Development

OBJECTIVE: Develop strong neighborhoods through the preservation of the existing housing stock; the creation of homeownership opportunities; construction of new housing; and the promotion of the physical, economic, and social welfare of the residents.

2004 ACCOMPLISHMENTS:

Undertook numerous projects and programs initiated through a variety of funds to increase homeownership, achieve comprehensive case management and consolidated reporting, and maximize the use of limited resources. The performance indicators include the accomplishments of the Bureau of Housing Development. The Bureau awarded millions of dollars in contracts for residential property rehabilitation and management and supported the activities of private non-profit and for-profit developers. The Department of Building and Housing Development (DBHD) took an active role in the "Seeding" efforts of the Harrisburg Weed and Seed Program, working with the Assistance for Impact Delegation (AID) Team on a revitalization plan in South Allison Hill. Bureau staff chaired the Housing and Neighborhood Development (HAND) subcommittee to facilitate the implementation of the HAND portion of the revitalization plan.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Number of:					
Acquisition of vacant properties	74	55	225 ^a	52	45
Rehabilitation of vacant single family dwellings	5	16	17	15	15
Rehabilitation of low income owner-occupied homes	25	30	42	33	35
Rehabilitation of vacant rental units	42	6	50	132 ^b	40
Construction of new rental units	0	0	0	40	8
Construction of new owner-occupied homes	40	21	35	33	100
Sales of single family owner-occupied homes	39	18	32	26	85
Lead Hazard Reduction	35	30	41	55	55
Homeownership Impact Loans	2	5	6	2	5
Facade Improvement Grants	12	5	4	4	0
Disposition of vacant lots	118	107	34	157 ^c	130
Adopt-A-Blocks adopted	190	227	237	240	240
Public improvement projects	8	0	0	1	1
Community facility projects	5	4	5	4	4
Grants to agencies providing homeless shelters/services	3	3	3	4	3

Notes:

- a Took control of repository properties located in strategic development areas.
- b Increase is due to a large scale rehabilitation project undertaken in 2005. No projects of that magnitude are anticipated for 2006.
- c A large number of vacant lots were assembled over 2004 and 2005 for a development project, but not disposed of until 2005.

BUREAU OF PLANNING

The Bureau of Planning is responsible for Harrisburg's long-range land use, physical growth management, urban design, and environmental planning. This responsibility is carried out through the development and implementation of a City-wide comprehensive plan, zoning ordinance amendments, regional and neighborhood planning, project-specific development review, distribution of planning information, and management of a computer-based Geographic Information System (GIS). The Bureau staffs the Harrisburg Planning Commission (HPC), the Harrisburg Architectural Review Board (HARB), and the Zoning Hearing Board (ZHB); providing recommendations to the Mayor and City Council regarding City plans and proposed development plans, promoting urban design, and the preservation of buildings and districts of historical significance.

A new comprehensive plan establishing a vision for future growth and development of the City will be finalized next year. It will serve as a guide to the public policy-makers on development proposals. The Land Use Plan consists of recommendations regarding development in the City. A completely re-written Zoning Code promotes the Land Use Plan recommendations and streamlines the permitting process in a user-friendly format, promoting measures to revitalize residential neighborhoods and encourage commercial and industrial development. The Bureau continues cooperative efforts with neighborhoods to implement Neighborhood Action Strategies and Urban Renewal Plans.

Accessibility guidelines were completed in concert with the Center for Independent Living to better ensure the ability of all persons to access existing sites and increase trade. Completion of Urban Design Guidelines, establishing standards for the settings and layouts of buildings and streetscapes throughout the City, is expected next year as are Historic District Guidelines to better acclimate property owners, contractors and designers with historic standards set for the City.

The Planning Bureau also continues with dissemination of public information, from Census 2000 to local program information. The City's GIS, a computer-based mapping and database program, is capable of producing site-specific, computer-generated maps showing a wide variety of spatial data used for site development, land use analysis, and a host of other uses. Several other bureaus are being assisted with the GIS capabilities.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund 0135 Planning

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	144,399	Deputy Director for Planning	1	62,866
Overtime	0	Senior Comprehensive Planner	0.50	25,219
Fringe Benefits	40,906	Current Planner	0.34	13,739
		Urban Planner I	1	42,575
TOTAL	<u>185,305</u>	Total Management	<u>2.84</u>	<u>144,399</u>
OPERATING EXPENSES				
Communications	8,175	Overtime		<u>0</u>
Professional Services	4,600	FICA		11,046
Utilities	0	Healthcare Benefits - Active		29,860
Insurance	0	Healthcare Benefits - Retirees		0
Rentals	0			
Maintenance & Repairs	700	Total Fringe Benefits		<u>40,906</u>
Contracted Services	4,345			
Supplies	4,443			
Minor Capital Equipment	0			
TOTAL	<u>22,263</u>	TOTAL	<u>2.84</u>	<u>185,305</u>
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u>207,568</u>			

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT

PROGRAM: Bureau of Planning

OBJECTIVE: To promote orderly future growth and development of the City through long-range comprehensive planning; to promote and facilitate physical development plans; to preserve and enhance districts of historic and architectural significance; to collect, analyze, and distribute timely information on planning and community development issues; and to update the City's Geographic Information System (GIS).

2004 ACCOMPLISHMENTS:

Provided recommendations to the Mayor, City Council, the Zoning Hearing Board, and the Harrisburg Planning Commission regarding city plans and development policies. Provided recommendations to City Council and the Harrisburg Architectural Review Board regarding proposals in the historic districts. The South Allison Hill and Uptown Neighborhood Action Strategies are being implemented, including work on three Urban Renewal Plans. Developed Accessibility Guidelines to help increase knowledge and techniques for businesses to better open themselves for additional trade. Commenced work on Historic District Guidelines. Coordination work continued with adjoining municipalities on the Walnut Street Corridor. The Bureau continued to prepare numerous reports, plans, and publications.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2002</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Harrisburg Planning Commission (HPC) meetings	12	12	11	11	12
<u>Applications reviewed and processed at these meetings:</u>					
Blight Certificates	31	63 ^a	34	31	33
Conditional Use	1	2	0	0	0
Planned Residential Development	0	0	0	1	0
Special Exceptions/Variances	24	16	15	30	20
Street Vacations/Easements	6	4	0	4	2
Subdivisions	3	5	4	6	5
Land Development Plans	14	13	17	20	19
Zoning Ordinance/Map Changes	0	0	3	7	1
New Zoning Ordinance	1	0	0	0	1
New Land Use Plan	1	0	0	0	1
Urban Renewal Plans	0	3	0	0	3
Zoning Hearing Board Appeals	1	3	0	0	2
Harrisburg Architectural Review Board (HARB) meetings	12	9	12	10	12
<u>Applications reviewed and processed at HARB meetings:</u>					
Repair or renovation	31	45	37	36	40
New construction/addition(s)	5	7	4	5	5
Demolition	5	10	4	3	3
Signs	12	4	11	12	12
Fences	5	5	15	10	12
Monuments/Historic Markers	1	0	0	0	0
Parking Lots/Structures	6	1	3	1	1
Administrative Historic District/ACOD Reviews	115/4	88/5	93/4	70/4	85/4
Environmental reviews - Programs	9	10	10	10	10
Environmental reviews - Projects/Total # Structures	5/190	5/194	5/191	5/193	5/195

Notes:

^a An increase in the number of properties acquired was due to lack of landlord ownership, poor environmental and economic conditions, resulting in a significant increase in the number of blight certifications issued.

BUREAU OF INSPECTIONS AND CODES ENFORCEMENT

The Bureau of Inspections and Codes Enforcement is responsible for the enforcement of electrical standards, building construction, plumbing, health and sanitation and property maintenance codes for residential and commercial structures.

The Bureau processes all permits relating to building construction, electrical and plumbing work, and zoning enforcement relating to violations of the City's zoning code and Municipal Planning Code provisions. The Bureau also issues licenses for electricians, plumbers, food establishments, and rooming houses. The building, electrical, and plumbing inspectors perform progressive inspections on new construction, rehabilitation, and alteration projects.

The Building Inspector, through the Deputy Director for Codes, enforces the building codes on all construction activity for new construction and rehabilitation work on all commercial and residential structures. The Building Inspector also ensures compliance with federal guidelines by regulating development in floodplains. The Codes Enforcement Officers inspect for code violations in existing structures and vacant lots, including but not limited to, high grass and weeds, sanitation, plumbing, heating, electrical, vector problems and structural violations.

The Bureau inspects properties for sale under the buyer notification ordinance to make buyers aware of any deficiencies and inspects rental properties to enforce the quality of life standards for City residents who rent.

The Health Officer, through the Deputy Director for Codes, enforces all state and local health code provisions relating to food establishments and lead based paint hazards in residential structures. The Health Officer also issues health licenses for all food service establishments.

The Bureau also promotes community interaction programs, which provide citizen involvement in codes related procedures.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund 0137 Inspections and Codes Enforcement

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	158,887	Deputy Director for Codes	1	62,996
Salaries-BU	474,726	Asst. Codes Administrator	1	52,609
Overtime	388	Health Officer	1	43,282
Fringe Benefits	219,669			
		Total Management	<u>3</u>	<u>158,887</u>
TOTAL	<u>853,670</u>			
OPERATING EXPENSES				
		Electrical Inspector III	1	39,462
		Codes Enforcement Off. IV	3	117,721
Communications	16,500	Codes Enforcement Off. III	3	114,066
Professional Services	39,000	Plumbing Inspector I	1	36,853
Utilities	0	Codes Enforcement Off. I	1	35,691
Insurance	0	Administrative Assistant II	1	34,748
Rentals	0	Secretary II	1	32,699
Maintenance & Repairs	600	Clerk Typist/Data Entry Op.	2	63,486
Contracted Services	8,400			
Supplies	6,750			
Minor Capital Equipment	0	Total Bargaining Unit	<u>13</u>	<u>474,726</u>
TOTAL	<u>71,250</u>			
CAPITAL OUTLAY				
	0	Overtime		<u>388</u>
TOTAL APPROPRIATION				
	<u>924,920</u>	FICA		48,500
		Healthcare Benefits - Active		168,159
		Healthcare Benefits - Retirees		3,010
		Total Fringe Benefits		<u>219,669</u>
		TOTAL	<u>16</u>	<u>853,670</u>

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT

PROGRAM: Bureau of Inspections and Codes Enforcement

OBJECTIVE: To create safer neighborhoods through aggressive codes enforcement on irresponsible and nonresponsive property owners and to foster programs that allow citizen participation in creating change and improvements in their neighborhoods and community.

2004 ACCOMPLISHMENTS:

A continuation of the in-house demolition program has resulted in creating more positive aesthetics in many of our City's neighborhoods. It has also served as a catalyst for development and overall neighborhood improvement. Active promotion of neighborhood involvement in legal proceedings has also increased awareness at the District Justice and County levels and has proved valuable in achieving an increase in the Bureau's conviction rate of property maintenance code violators. Neighborhood involvement has also resulted in an increase in efficiency at addressing citizen complaints.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
<u>Number of:</u>					
Housing inspections performed ^a	4,269	4,262	2,853	2,850	2,840
Abatements of lead based paint hazards ^b	42	9	23	20	20
Vacant or abandoned buildings cleaned and sealed ^c	12	42	74	155	60
Exterior area lot clean-up projects ^c	8	13	94	125	50
Citations filed	1,063	1,312	1,218	85	25
Buyer Notification Inspections (units) ^d	1,747	1,868	2,389	3,225	525
Plan reviews of architectural/engineering drawings to ensure compliance	125	220	360	651	525
Field inspections conducted to ensure work is in compliance with approved blue prints	4,229	3,650	4,093	3,450	3,650
Building condemnation orders issued	193	185	144	140	145
Floodplain construction sites inspected	4	7	5	8	7
New commercial buildings completed or under construction	6	5	11	6	4
New residential units completed or under construction	26	40	49	8	23 ^d
Alterations/additions valued at over \$500,000	19	13	26	12	20
Residential/Commercial rental units inspected ^d	1,289	1,192	1,927	1,725	2,500
<u>Number of permits issued for improvements of buildings or structures:</u>					
<u>Building Permits:</u>					
New construction	32	45	61	13	22 ^d
Alterations/additions	1,481	1,660	1,760	1,450	1,650
Electrical	1,265	1,368	1,279	1,150	1,175
Plumbing	395	350	381	325	375
Fire Prevention Code	356	350	415	420	450
Zoning	1,707	1,876	2,009	1,600	1,625
Rooming House	34	32	28	28	28
Demolition	46	86	90	90	90
Total permits issued	5,316	5,767	6,023	5,076	5,415

Notes:

- a Terminology change. Category indicates Citywide responses to property maintenance complaints.
- b Terminology change to denote identification/reduction of lead hazards. Numbers have increased due to Lead Based Paint Training for Codes Staff and Health Officer and Bureau of Housing grants to implement hazard reduction plans.
- c Increase in activity due to reassignment of Incinerator personnel to the Bureau of Codes to perform mitigation duties with a decrease in 2006 due to Incinerator personnel rotating back to the Incinerator.
- d Increase in inspections due to the consolidated inspections of residential and commercial properties and partial elimination of the Buyers Notification inspection program.



Department of Public Safety

Bureau of Police

Parking Enforcement



Computerized hand-held ticket writers

Office of the Police Chief



Police Chief discussing budgetary issue with his Assistant

Police Uniformed Patrol



Vehicle with Computer Aided Dispatch (CAD)



Captain of the Uniform Patrol discussing City issues with a Police Officer

Technical Services



Telecommunicator taking a call

Criminal Investigation



Detectives discussing an investigation

Department of Public Safety

Bureau of Fire



Fire Chief



Deputy Fire Chief analyzing a floor plan



Fire apparatus

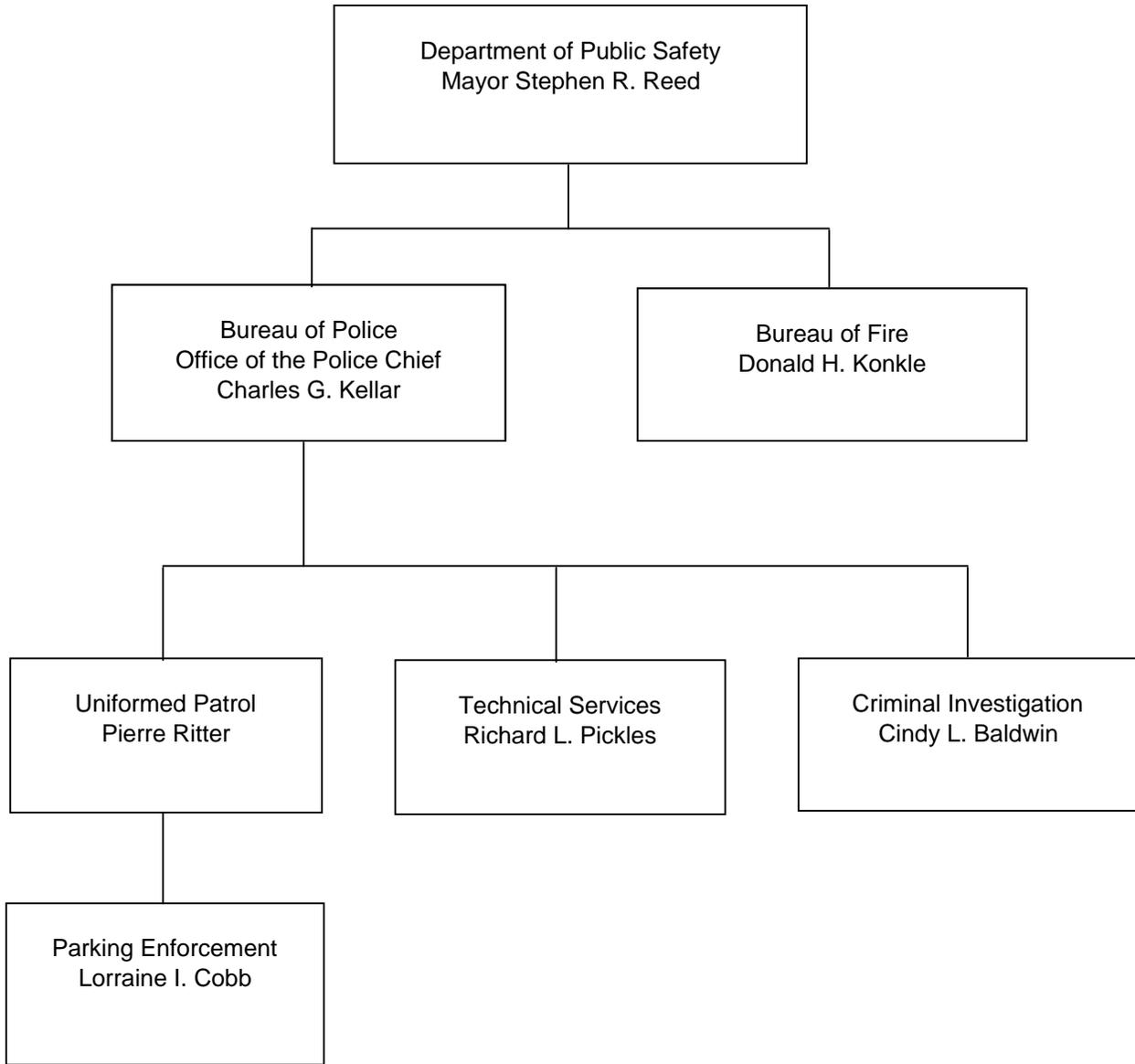


Air bag operations training



Patient packaging training

DEPARTMENT OF PUBLIC SAFETY



EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PUBLIC SAFETY						
<u>0141-0146 BUREAU OF POLICE</u>						
Personnel Services	14,156,477	15,140,461	15,784,825	17,457,040	17,583,649	17,781,107
Operating Expenses	274,214	562,073	688,181	875,889	860,590	972,066
Capital Outlay	9,690	26,250	(33,753)	6,500	6,500	0
Grants	121,395	104,753	170,699	475,898	475,898	327,563
Miscellaneous	1,066	(39,736)	381	0	0	0
TOTALS	<u>14,562,842</u>	<u>15,793,801</u>	<u>16,610,333</u>	<u>18,815,327</u>	<u>18,926,637</u>	<u>19,080,736</u>
<u>0151 BUREAU OF FIRE</u>						
Personnel Services	6,412,859	7,792,686	8,141,406	8,315,657	8,815,965	8,168,000
Operating Expenses	361,853	509,101	452,905	419,135	394,411	429,143
Capital Outlay	258,092	274,242	198,837	108,275	108,005	108,005
Miscellaneous	0	0	0	0	0	0
TOTALS	<u>7,032,804</u>	<u>8,576,030</u>	<u>8,793,148</u>	<u>8,843,067</u>	<u>9,318,381</u>	<u>8,705,148</u>
TOTAL PUBLIC SAFETY						
Personnel Services	20,569,336	22,933,147	23,926,231	25,772,697	26,399,614	25,949,107
Operating Expenses	636,067	1,071,174	1,141,086	1,295,024	1,255,001	1,401,209
Capital Outlay	267,781	300,492	165,084	114,775	114,505	108,005
Grants	121,395	104,753	170,699	475,898	475,898	327,563
Miscellaneous	1,066	(39,736)	381	0	0	0
TOTAL EXPENDITURES	<u><u>21,595,646</u></u>	<u><u>24,369,831</u></u>	<u><u>25,403,481</u></u>	<u><u>27,658,394</u></u>	<u><u>28,245,019</u></u>	<u><u>27,785,884</u></u>

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PUBLIC SAFETY						
Parking Enforcement	12.00	12.00	11.00	11.00	10.00	11.00
Office of Police Chief	16.50	13.50	11.00	11.00	11.00	11.00
Uniformed Patrol	130.00	122.00	121.00	121.00	117.00	117.00
Technical Services	47.00	47.00	53.00	48.00	51.00	58.00
Criminal Investigations	33.00	37.00	35.00	32.00	29.00	29.00
Fire	102.00	103.00	101.00	97.00	98.00	98.00
TOTAL POSITIONS	340.50	334.50	332.00	320.00	316.00	324.00

The City of Harrisburg has placed a major emphasis on public safety and has taken great strides to maximize services provided to the citizens of Harrisburg. In an effort to maximize police officer training and education, the Police Officer Career Development Program was created. This Program provides cross-training to officers by assigning them to various divisions to perform various duties. Fluctuations among the number of personnel assigned to the Office of the Police Chief, Uniformed Patrol Division, Technical Services Division and Criminal Investigations Division occur each year as a result and can be seen in the chart above. In 2003, three positions were added: a Communications Supervisor, a Dog Law Enforcement Officer and a Firefighter; while a part-time Hostler, a Clerk II, and seven Police Officer positions were eliminated. In 2004, the following positions were eliminated: a Parking Enforcement Officer, 50% of a Community Policing Assistant, a part-time Hostler, two part-time Clerical Assistants, a Dog Law Enforcement Officer, a Support Supervisor, a Communications Supervisor, a part-time Communications Supervisor, and two Firefighters. All of these eliminated positions were offset by the net addition of ten Police Officer positions. The 2005 Approved Budget eliminated eleven positions: Executive Assistant to the Police Chief, six Police Officers and four Firefighters. The budget for the salaries and benefits of three Police Officer positions was transferred to the State Grant Fund to be paid from an Auto Theft Grant received by the City. These eliminations and transfers are partially offset by the addition of a part-time Hostler. The 2006 Approved Budget adds ten new Police Officers, while eliminating two vacant Telecommunicators, one vacant Communications Supervisor, one vacant Secretary, and one vacant part-time Hostler. One additional Firefighter was added to the Bureau of Fire.

BUREAU OF POLICE
PARKING ENFORCEMENT UNIT

The Parking Enforcement Unit is responsible for enforcing the parking ordinances of the City of Harrisburg and the parking statutes of the Commonwealth of Pennsylvania. This unit reports directly to the Uniformed Patrol Commander and it consists of civilian personnel.

EXPENDITURE ANALYSIS DETAIL 2006 BUDGET				
General Fund		0141 Parking Enforcement		
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	51,107	Traffic Services Administrator	1	51,107
Salaries-BU	329,281			
Overtime	0	Total Management	1	51,107
Fringe Benefits	144,703			
TOTAL	525,091	Administrative Assistant I	1	35,743
		Clerk Typist/Data Entry Operator	1	33,617
OPERATING EXPENSES		Parking Enforcement Officer II	8	259,921
Communications		Total Bargaining Unit	10	329,281
Professional Services				
Utilities				
Insurance		Overtime		0
Rentals				
Maintenance & Repairs				
Contracted Services		FICA		29,099
Supplies		Healthcare Benefits - Active		115,604
Minor Capital Equipment		Total Fringe Benefits		144,703
TOTAL	0			
CAPITAL OUTLAY		TOTAL	11	525,091
TOTAL APPROPRIATION	525,091			

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Uniformed Patrol - Parking Enforcement Unit

OBJECTIVE: To efficiently enforce the parking ordinances of the City of Harrisburg and the parking statutes of the Commonwealth.

2004 ACCOMPLISHMENTS:

Although the number of metered parking spaces were reduced due to heightened security measures around government buildings, efforts continued to meet administrative goals.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Parking tickets issued	82,338	86,136	85,543	84,672	85,450
Vehicles booted	354	370	546 ^a	423 ^a	350
Total parking ticket revenue ^d	\$ 875,057	\$ 1,090,953	\$ 1,075,043	\$ 1,013,684	\$ 1,059,893
Total boot revenue ^d	\$ 28,395	\$ 13,311	\$ 27,425	\$ 20,733	\$ 20,811
Boot fees ^d	\$ 9,030	\$ 17,910	\$ 12,915	\$ 9,940 ^b	\$ 12,250 ^b
Bagged meters ^d	\$ 126,097	\$ 115,061	\$ 200,376	\$ 155,120 ^c	\$ 75,000 ^c
Residential permits ^d	\$ 20,495	\$ 19,811	\$ 19,398	\$ 19,901	\$ 19,703

Note:

a The increase is due to the assistance of three employee temporarily transferred from the Incinerator.

b Boot fees are expected to be less due to a decrease in employee compliment.

c Due to increased construction in the downtown area, collections have decreased.

d Revenues differ from General Fund Revenue due to a timing difference between the time of deposit by Treasury and the entering of data into the City's accounting system.

BUREAU OF POLICE
OFFICE OF THE POLICE CHIEF

The commanding officer of the Bureau is the Chief of Police. This office is responsible for the management of available resources to ensure that the Bureau's goals and objectives are achieved. The Chief's office is responsible for the direct supervision of the Internal Affairs Unit, Crime Prevention Unit, Community Relations Unit, the Accreditation Manager, and the Financial Development Officer. The Chief also manages and directs three primary divisions within the Bureau, each commanded by a Captain. These divisions consist of Uniformed Patrol, Technical Services, and Criminal Investigation.

The Harrisburg Bureau of Police is a nationally and state accredited agency. The Bureau attained this prestigious status in 1989 nationally and in 2003 from the Commonwealth after intense on-site assessments conducted by the Commission on Accreditation for Law Enforcement Agencies. With over 21,000 law enforcement agencies in the country, just over 600 have achieved the national recognition and only 5 have achieved dual accreditation. In 1994, 1999, 2002 and again in 2005, the Bureau was reaccredited nationally following on-site assessments.

The Bureau of Police consists of approximately 226 sworn and civilian personnel. All of these individuals contribute to the successful operation of the Harrisburg Bureau of Police.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund 0142 Office of the Police Chief

	Allocation Plan	Position Control	
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET ALLOCATION
Salaries-Mgmt	243,466	Police Chief	1 88,647
Salaries-BU	375,036	Community Policing Coordinator	1 59,923
Overtime	13,520	Financial Development Officer	1 50,474
Fringe Benefits	1,421,459	Confidential Secretary	1 44,422
Miscellaneous	1,136,293		
		Total Management	<u>4 243,466</u>
TOTAL	<u>3,189,774</u>		
		Detective	2 117,928
		Sergeant	1 57,514
		Police Officer	3 164,907
		Administrative Assistant I	1 34,687
		Total Bargaining Unit	<u>7 375,036</u>
		Overtime	<u>13,520</u>
		FICA	21,849
		Healthcare Benefits - Active	120,290
		Healthcare Benefits - Retirees	1,279,320
TOTAL	<u>972,066</u>	Total Fringe Benefits	<u>1,421,459</u>
CAPITAL OUTLAY	0		
GRANTS (MATCHING SHARE)	327,563	Sick Leave Buy-Back	64,900
		Severance Pay	50,000
MISCELLANEOUS	0	Uniform Allowance	175,000
		College Credits	8,800
		Loss/Time Medical	325,000
TOTAL APPROPRIATION	<u>4,489,403</u>	Police Pension Plan	512,593
		Total Miscellaneous	<u>1,136,293</u>
		TOTAL	<u><u>11 3,189,774</u></u>

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Office of the Police Chief

OBJECTIVE: To oversee the overall operations of the Bureau of Police, prevent crime, and maintain order.

2004 ACCOMPLISHMENTS:

Continued the assignment of the Domestic Violence Unit to all related incidents. This continued to assure consistent prosecution.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Homicides	12	9	12	11	10
Rapes	47	24	52	41	39
Robberies	346	267	369	327	321
Assaults	290	256	244	263	254
Burglaries	586	481	483	516	493
Thefts	1,535	1,635	1,431	1,533	1,533
Auto thefts	116	137	110	121	122
Arsons	37	26	25	29	27
Clearance rate	51.50%	52.50%	48.70%	50.90%	50.70%

PROGRAM: Office of the Police Chief - Internal Affairs Unit

OBJECTIVE: To investigate complaints against police officers and other alleged misconduct involving police officers and other City government employees, as well as to protect the integrity of the Police Bureau.

2004 ACCOMPLISHMENTS

The Unit evaluated practices, procedures, and activities of the Police Bureau's personnel to ensure objectives were being met.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Complaints investigated	19	11	14	15	13
Complaints founded	9	2	1	4	2
Cases unfounded/not sustained/ exonerated	10	9	13	11	10

PROGRAM: Office of the Police Chief - Crime Prevention/Community Relations Unit

OBJECTIVE: To develop and implement various crime prevention programs and activities that have an impact on crime reduction through education, training, and community activities.

2004 ACCOMPLISHMENTS:

Community Crime Watch groups continued to be a source of intelligence information for the police. These groups contributed to the reduction of crime in their respective neighborhoods and positively enhanced police/community relations.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Active programs	36	33	35	34	34
Programs for adults	22	18	20	20	19
Programs for juveniles	12	10	10	11	10
Programs for family	2	2	2	2	2
Programs for school	4	3	3	3	3
Property Protection (Seminars/Lectures)	15	10	10	12	11
Personal Protection (Seminars/Lectures)	15	10	10	12	11
Community Functions/Crime Watch	45	60	80	62	67
Security Surveys	1	4	10	5	6

BUREAU OF POLICE
UNIFORMED PATROL DIVISION

The largest division of the Bureau is the Uniformed Patrol Division, which is commanded by the Bureau's Uniformed Patrol Commander. This division consists of three platoons, a Special Services Unit, Power Shift Unit, Abandoned Vehicle Unit, and School Resource Officer Unit. These uniformed officers respond directly to the public's calls for service and are on the "front line" of law enforcement every day.

The Uniformed Patrol Commander supervises the Bureau's Animal Control Unit, which consists of civilian personnel. The Animal Control Unit responds directly to calls regarding animal and nature complaints, investigates allegations of cruelty and poor sanitary conditions, and verifies proper licensing and vaccinations. This Officer follows guidelines set forth in City ordinances and State of Pennsylvania Dog Laws.

The Commander of the Uniformed Patrol Division also oversees the Parking Enforcement Unit.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0144 Uniformed Patrol

Allocation Plan

Position Control

PERSONNEL SERVICES	JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	Captain	1	80,598
Salaries-BU			
Salaries-BU (EMS Tax)	Total Management	<u>1</u>	<u>80,598</u>
Overtime			
Fringe Benefits			
TOTAL			<u>8,512,575</u>
	Lieutenant	2	133,158
	Sergeant	8	504,325
	Corporal	7	415,598
OPERATING EXPENSES	Police Officer	37.35	2,142,004
	Police Officer (EMS Tax Funded)	60.65	3,191,100
Communications	Dog Law Enforcement Officer II	1	36,873
Professional Services			
Utilities	Total Bargaining Unit	<u>116</u>	<u>6,423,058</u>
Insurance			
Rentals			
Maintenance & Repairs	Overtime		<u>611,192</u>
Contracted Services			
Supplies	FICA		90,686
Minor Capital Equipment	Healthcare Benefits - Active		1,307,041
TOTAL	Total Fringe Benefits		<u>1,397,727</u>
CAPITAL OUTLAY			
	TOTAL	<u>117</u>	<u>8,512,575</u>
TOTAL APPROPRIATION			<u><u>8,512,575</u></u>

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Uniformed Patrol - (Platoons, K-9, and Mounted Units)

OBJECTIVE: To respond to calls for service, perform initial investigations, enforce traffic laws, assist citizens, and maintain a high degree of visibility through patrolling tactics.

2004 ACCOMPLISHMENTS:

The number of traffic citations increased dramatically.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Uniformed response to calls for service	49,246	50,034	48,816	49,365	49,405
Part I arrests	2,252	2,146	1,926	2,108	2,060
Part II arrests	4,244	5,104	4,679	4,675	4,819
Traffic citations issued	9,150	11,187	15,084	11,807	12,693
Non-traffic citations issued	3,206	5,566	5,792	4,855	5,404
Warrants issued	4,337	4,769	4,687	4,597	4,684
Uncommitted patrol time (hours)	8,991	11,192	10,816	10,333	10,780

PROGRAM: Uniformed Patrol - Traffic Safety Unit

OBJECTIVE: To promote traffic safety through education and enforcement, increase use of seat belts throughout the city, strict DUI enforcement, as well as accurate and detailed accident reporting.

2004 ACCOMPLISHMENTS:

Participated in the "Buckle-up PA" seatbelt enforcement and education program which concentrated on seatbelt compliance to reduce injuries.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Injury accidents	225	363	295	294	317
Accident investigations	878	857	856	864	859
Citations issued	4,376	4,991	7,238	5,535	5,921
Police vehicular accidents	30	38	43	37	39
Preventable accidents	8	12	20	13	15

PROGRAM: Uniformed Patrol - Community Policing Unit (Power Shift)

OBJECTIVE: To reduce crime by working with Dauphin County Probation and Parole in a proactive unit. To include the return of State Parole Officers to regular duties with the Power Shift Unit and concentrate on wanted state parole offenders and clients of the Dauphin Count Intensive Drug Supervision Unit.

2004 ACCOMPLISHMENTS:

The Unit successfully integrated working with Dauphin County Probation and Parole in the Community Policing Unit, as well as with the Police Bureau's "WEED AND SEED" Program.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Bar check operations	4	23	78	35	45
House visits to check on individuals on probation/parole	2,454	2,957	2,673	2,695	2,775
Noise Ordinance violations	149	86	10 ^a	81	59
Multi-agency operations	8	20	48	25	62

Note:

^a Noise Ordinance violations have decreased due to a shift in the focus of the Power Shift Unit to Probation and Parole violators and Weed and Seed violators.

BUREAU OF POLICE
TECHNICAL SERVICES DIVISION

The Technical Services Division is comprised of units which serve a variety of functions. The Bureau's Training, Property Management, Warrant/Process Service, Court Liaison/Special Events Officer, Report Writer, Communications and Records Center personnel are assigned to this division.

EXPENDITURE ANALYSIS DETAIL 2006 BUDGET				
General Fund		0145 Technical Services		
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	390,288	Captain	1	77,489
Salaries-BU	1,970,865	Technical Service Administrator	1	50,766
Salaries-Part Time	28,080	Training/Qual. Assur. Supervisor	1	47,334
Overtime	202,920	Communications Supervisor	5	214,699
Fringe Benefits	693,260			
		Total Management	<u>8</u>	<u>390,288</u>
TOTAL	<u>3,285,412</u>			
OPERATING EXPENSES		Lieutenant	1	66,579
		Police Officer	26	1,195,618
Communications		Telecommunicator IV	7	260,343
Professional Services		Record Center Operator IV	2	73,746
Utilities		Telecommunicator III	5	176,925
Insurance		Record Center Operator II	1	34,587
Rentals		Telecommunicator II	1	33,517
Maintenance & Repairs		Telecommunicator I	4	129,550
Contracted Services				
Supplies		Total Bargaining Unit	<u>47</u>	<u>1,970,865</u>
Minor Capital Equipment				
TOTAL	<u>0</u>	Communication Supervisor	3	28,080
CAPITAL OUTLAY		Total Part Time	<u>3</u>	<u>28,080</u>
TOTAL APPROPRIATION	<u>3,285,412</u>	Overtime		<u>202,920</u>
		FICA		113,291
		Healthcare Benefits - Active		579,969
		Total Fringe Benefits		<u>693,260</u>
		TOTAL	<u>58</u>	<u>3,285,412</u>

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Technical Services Division - Training Unit

OBJECTIVE: To promote employee effectiveness through proper and efficient training protocols designed to best equip the sworn employee with adequate skill, knowledge, and abilities.

2004 ACCOMPLISHMENTS:

Training protocols were revised to include additional mandatory in-house training endeavors. This significantly increased the number of training hours for all officers at no overtime costs to the Bureau.

MEASURES/INDICATORS:	ACTUALS			EST. FY2005	PROJ. FY2006
	FY2002	FY2003	FY2004		
Duty hours spent in mandatory training protocols	4,080	4,462	3,280	3,300	3,320
Field Training Officers (man-hours)	5,160	0 ^a	400	5,600	2,800

a No new recruits were hired in 2003.

PROGRAM: Technical Service Division - Abandoned Vehicle Unit

OBJECTIVE: To locate and remove abandoned vehicles from City streets and private areas.

2004 ACCOMPLISHMENTS:

The unit removed 1,138 abandoned vehicles from City streets and private property.

MEASURES/INDICATORS:	ACTUALS			EST. FY2005	PROJ. FY2006
	FY2002	FY2003	FY2004		
Vehicle tags issued	1,407	1,371	1,499	1,425	1,431
Vehicles removed from street	413	366	342	375	360
Vehicles removed from private property	981	247	796	674	572
Citations issued	680	727	810	739	758

PROGRAM: Technical Service Division - Communication Center

OBJECTIVE: To provide efficient and prioritized response to all calls for services.

2004 ACCOMPLISHMENTS:

Continue to abide by Pennsylvania Emergency Management Association Standards in all facets of communication and increase the level of quality control.

MEASURES/INDICATORS:	ACTUALS			EST. FY2005	PROJ. FY2006
	FY2002	FY2003	FY2004		
Telephone transactions:	415,104	416,591	370,504	400,733	395,942
false alarms (fire, burglar)	2,692	2,176	2,918	2,595	2,563
calls for service	49,246	50,034	48,894	49,391	49,386
directed activity	50,817	44,772	43,973	46,520	45,088
administrative duties	74,875	80,779	76,025	77,226	78,010
Computer Aided Dispatch (CAD) Incidents	184,858	186,777	179,077	183,570	183,141

PROGRAM: Technical Services Division - Court Liaison Officer

OBJECTIVE: Provide for economy of operation in the scheduling of police officers for Dauphin County Court.

2004 ACCOMPLISHMENTS:

Cleared officers subpoenaed for court, resulting in a significant savings in overtime costs.

MEASURES/INDICATORS:	ACTUALS			EST. FY2005	PROJ. FY2006
	FY2002	FY2003	FY2004		
Officers subpoenas	8,905	9,242	8,442	8,863	8,849
Officers cleared from court	7,431	7,762	5,919	7,037	6,906

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Technical Services Division - Record Center

OBJECTIVE: To process and manage the distribution and receipt of police information.

2004 ACCOMPLISHMENTS:

The Digital Photo System and computerized record-keeping continued to be extremely beneficial to internal and external law enforcement assistance.

MEASURES/INDICATORS:	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Data entry transactions	31,851,784	32,957,498	32,573,833	32,461,038	32,664,123
Documents microfilmed ^a	14,000	0	0	0	0

Note:

a Digital Imaging was installed as a replacement to microfilming.

PROGRAM: Technical Services Division - Resource Management Unit

OBJECTIVE: To perform crime analysis, plan and revise General Orders, prepare Special Orders and various operations manuals, and monitor all Accreditation protocols.

2004 ACCOMPLISHMENTS:

Updated General Orders and manuals that assisted the Bureau in the reaccreditations process.

MEASURES/INDICATORS:	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Reports compiled and disseminated to Unit Supervisors	58	60	52	56	56
General Orders, Special Orders, and manuals that were changed	37	25	10	24	19

PROGRAM: Technical Services Division - Warrant Process Service Unit

OBJECTIVE: To locate and arrest individuals named on arrest warrants and to attend hearings in place of the arresting officers, saving the City overtime costs.

2004 ACCOMPLISHMENTS:

The Unit saved the City \$179,843 in overtime costs for preliminary hearings.

MEASURES/INDICATORS:	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Arrest warrants served	87	21	96	68	61
Subpoenas served	14,059	16,530	14,755	15,114	15,466
Prisoner transports	88	90	81	86	85
Hearings attended	514	448	598	520	522
Overtime dollars saved	\$ 174,194	\$ 215,507	\$ 179,843	\$ 189,844	\$ 195,066

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BUREAU OF POLICE
CRIMINAL INVESTIGATIONS DIVISION

The Criminal Investigations Division investigates adult and juvenile crimes referred by the Uniformed Patrol Division. The Division is broken down into the Adult Offender, Juvenile Offender, Organized Crime and Vice Control, Special Operations, Forensic, Auto Theft, Habitual Offender, Domestic Violence, and Arson Units. The primary goal of this division is to resolve crime through thorough investigation.

EXPENDITURE ANALYSIS DETAIL 2006 BUDGET				
General Fund			0146 Criminal Investigations	
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	77,175	Captain	1	77,175
Salaries-BU	1,615,131			
Overtime	226,508	Total Management	<u>1</u>	<u>77,175</u>
Fringe Benefits	349,441			
TOTAL	<u>2,268,255</u>	Lieutenant	2	133,158
		Sergeant	1	62,099
OPERATING EXPENSES		Corporal	3	175,468
Communications		Detective/Investigator	20	1,175,763
Professional Services		Secretary II	2	68,643
Utilities		Total Bargaining Unit	<u>28</u>	<u>1,615,131</u>
Insurance				
Rentals		Overtime		<u>226,508</u>
Maintenance & Repairs				
Contracted Services		FICA		26,644
Supplies		Healthcare Benefits - Active		322,797
Minor Capital Equipment		Total Fringe Benefits		<u>349,441</u>
TOTAL	<u>0</u>			
CAPITAL OUTLAY		TOTAL	<u>29</u>	<u>2,268,255</u>
TOTAL APPROPRIATION	<u>2,268,255</u>			

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Criminal Investigations - Forensic Technology Section

OBJECTIVE: To preserve crime scenes and collect evidence.

2004 ACCOMPLISHMENTS:

The black and white photo lab was transformed into a complete photo processing lab. The Unit began using a Fingerprint Powder Accumulator to reduce, if not eliminate, the airborne particles within the lab.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Crime scenes processed	742	737	789	756	760
Print comparisons	46	109	141	98	115
Latent prints logged	559	559	500	539	533

PROGRAM: Criminal Investigations - Adult Offenders Section

OBJECTIVE: To investigate serious adult criminal offenses and clear these through arrest and prosecution.

2004 ACCOMPLISHMENTS:

Re-opened and prosecuted several cold homicide cases. Utilized federal investigative grand juries to prosecute cases.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Cases assigned	1,399	1,364	1,016	1,259	1,213
Adult arrests (persons)	404	182	179	255	205

PROGRAM: Criminal Investigations - Juvenile Offenders Section

OBJECTIVE: To investigate juvenile criminal offenses and clear these offenses through arrest and prosecution.

2004 ACCOMPLISHMENTS:

The Child Abuse Unit continued to coordinate cases with the District Attorney's office, Dauphin County Children and Youth Services, and area hospitals to ensure increased convictions.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Cases assigned	419	450	511	480	500
Juvenile charges processed	97	65	76	79	73
Arrests (persons)	59	73	105	79	87

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Criminal Investigations - Habitual Offenders Unit

OBJECTIVE: To investigate habitual offenses and clear these offenses through arrest and prosecution.

2004 ACCOMPLISHMENTS:

Increased number of cases investigated and prosecuted.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Cases investigated	66	78	5	49	44
Cases prosecuted	25	27	5	19	17
Career criminals classified	25	27	0 ^a	17	15

Note:

a Due to the decrease in the uniformed employee compliment and increased workload due to the shortage, there was no time to classify career criminals.

PROGRAM: Criminal Investigations - Organized Crime and Vice Unit

OBJECTIVE: To investigate drug related and organized criminal offenses and clear these offenses through arrest and prosecution.

2004 ACCOMPLISHMENTS:

The Unit continued concentrating on seizing firearms from armed offenders, confiscating twenty-two firearms during the execution of search warrants.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Cases investigated	1,440	1,138	906	1,161	1,068
Drug arrests (persons)	909	715	369	664	582
Prostitution arrests (persons)	78	115	32	75	74
Other arrests (persons)	453	308	505	422	412

BUREAU OF FIRE

The primary responsibility of the Fire Bureau is the protection of life and property from fire and man-made or natural disasters. The suppression of fire involves arriving at the scene as quickly as possible so as to attack the fire at the point of origin and prevent its spread. Fire apparatus respond from four fire stations.

The Fire Inspection Unit, created in 1989, acts to reduce fire loss through inspections and code enforcement, using a City fire code that is considered a national model in fire safety. To achieve this goal, the Fire Inspection Unit reviews, approves, and verifies the following plans for private and public structures: building, fire alarm, smoke detector, standpipe system, fire pump system, and sprinkler system. New construction sites are also reviewed to assure that life safety components are installed properly. This unit performs all fire code inspection of properties, including but not limited to, electrical, structural, smoke detectors, and general housekeeping to determine housing code violations. In commercial units, inspections are performed to verify the safety of the fire extinguishers, sprinkler systems, and smoke detectors. Reinspections are performed to assure that fire safety regulations are being upheld once a violation of the Fire Prevention Code is reported or to follow up after an actual fire incident. The unit also participates in numerous seminars and demonstrations related to fire safety techniques such as the installations of sprinkler systems and smoke detectors. Fire safety education is another responsibility of the Fire Bureau. Through well-planned, year-round fire programs, the Fire Bureau educates the public about fire and burn hazards, how to prevent fire and burn injuries due to individual carelessness, how to survive a fire once it starts, and how to treat a burn injury properly. The fire prevention program covers the home, the school, the workplace, and the community.

By Mayoral designation, the Fire Bureau also operates as the Emergency Management Agency for the City of Harrisburg, and the Fire Chief has been designated by the Mayor as Emergency Management Coordinator. This agency maintains the Emergency Operations Plan (EOP), which sets forth a procedure to alert the public and provide information and appropriate protective action instructions, as needed. The Pennsylvania Emergency Management Agency has cited the Harrisburg plan as a model for municipalities in the State. This plan also provides for the coordination and use of available resources during a natural or human-caused emergency or disaster. It defines the roles and responsibilities of municipal officials in accordance with the Dauphin County EOP. Annually, representatives from the Federal and Pennsylvania Emergency Management Agencies evaluate a drill of the City's EOP.

The Fire Bureau has a comprehensive training apprenticeship program designed to incrementally qualify firefighters through certification so they may advance to the next rank. This program includes practical hands-on training and classroom instruction leading to appropriate testing for certification. Harrisburg is the first municipality in Pennsylvania to establish such a comprehensive program.

The Rescue One Program, begun in 1992, increases the Fire Bureau's ability to respond to incidents requiring special or technical rescue, such as structural collapse, trench rescue, confined space rescue, high/low angle rescue, or heavy vehicle extrication. This is accomplished by intensive training of personnel and the purchase of specialized equipment.

The Rescue One Unit is the product of a series of major innovations and advances, making the Harrisburg Fire Bureau one of the premier firefighting and rescue operations in the state and nation. The Rescue One Unit is part of Pennsylvania Task Force 1, a designated Urban Search and Rescue Team of the Federal Emergency Management Agency. Only twenty-seven such teams exist nationwide and each is available for mobilization in response to any national emergency. The twenty-two member unit has received more than 300 hours of advanced technical training, which is supplemented by the unit's continuing education program and periodic drills.

The Fire Bureau completed the self-assessment process involved in obtaining Fire Service Accreditation through the Commission of Fire Accreditation International. Harrisburg is the only professional fire department in Pennsylvania seeking to attain this goal. The self-assessment process was completed in 2005 and Accreditation is expected to be attained in early 2006.

BUREAU OF FIRE

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0151 Fire

Allocation Plan		Position Control	
		JOB CLASSIFICATION	2006 BUDGET ALLOCATION
PERSONNEL SERVICES			
Salaries-Mgmt	210,420	Fire Chief	1 75,563
Salaries-BU	4,736,269	Senior Deputy Chief	1 69,648
Overtime	613,472	Deputy Chief	1 65,209
Fringe Benefits	2,325,854		
Miscellaneous	281,985	Total Management	<u>3 210,420</u>
TOTAL	<u>8,168,000</u>		
OPERATING EXPENSES			
		Battalion Chief	4 235,260
		Master Mechanic	1 58,815
		Captain	3 174,567
Communications	19,450	Lieutenant	8 440,432
Professional Services	10,000	Firefighter Driver/Operator	62 3,099,602
Utilities	87,793	Firefighter II	11 474,045
Insurance	0	Firefighter I	6 253,548
Rentals	0		
Maintenance & Repairs	131,000	Total Bargaining Unit	<u>95 4,736,269</u>
Contracted Services	21,200		
Supplies	159,700		
Minor Capital Equipment	0	Overtime	<u>613,472</u>
TOTAL	<u>429,143</u>		
CAPITAL OUTLAY			
	108,005	FICA	57,998
		Healthcare Benefits - Active	1,206,576
		Healthcare Benefits - Retirees	691,380
		Severance Pay	350,000
		College Credit	6,400
		Medicare - Part B	10,000
		J.T.S.B. & Mask Service Division	3,500
		Total Fringe Benefits	<u>2,325,854</u>
		Sick Leave Buy-Back	96,900
		Hearing Aids	10,000
		Fire Pension Plan	0
		Clothing Allowance	50,085
		Workers' Compensation	125,000
		Total Miscellaneous	<u>281,985</u>
TOTAL APPROPRIATION	<u><u>8,705,148</u></u>	TOTAL	<u><u>98 8,168,000</u></u>

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Bureau of Fire - Emergency Response

OBJECTIVE: To protect life and property from fire and natural or man-made hazards.

2004 ACCOMPLISHMENTS:

Fire deaths were reduced. New SCBAs were purchased .

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Fire alarms reported	3,286	3,338	2,968	3,100	3,150
Actual fires	265	265	268	255	250
False alarms	809	809	849	850	855
Property loss from fires	\$ 2,526,400	\$ 1,879,450	\$ 1,844,807	\$ 2,000,000	\$ 2,000,000
Injuries among fire personnel	75	66	67	50	45
Civilian injuries	33	16	14	10	10
Hours of training for fire personnel ^a	N/A	25,003	20,369	22,000	22,000
Civilian deaths	0	6	4	0	0

Note:

a Beginning in 2003, this line-item has been broken out into detail under the program heading "Training and Safety Unit."

PROGRAM: Bureau of Fire - Accreditation

OBJECTIVE: To conduct a self-assessment of the Fire Bureau using the standards created by the Commission on Fire Service Accreditation to become a nationally accredited agency.

2004 ACCOMPLISHMENTS:

The Fire Bureau continues the self-assessment process. Accreditation should be achieved in 2006.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Accreditation	92%	95%	95%	95%	95%

PROGRAM: Bureau of Fire - Fire Inspection Unit

OBJECTIVE: To reduce the likelihood of fires starting, prevent the spread of fire, and to ensure the safe evacuation of buildings through the enforcement of the fire code.

2004 ACCOMPLISHMENTS:

The Fire Inspection Unit responded to all complaints within two business days. The Inspection Unit efforts helped to achieve this goal.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Number of fire inspections:					
General or complaint initiated	156	172	181	200	200
Day Care	22	23	24	25	25
Sprinkler	170	172	145	150	150
Pre-Plan	95	91	107	100	100
Re-Inspections	89	78	65	50	50
Schools	22	22	22	22	22
Routine Inspections	150	155	147	160	160

DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Bureau of Fire - Fire Safety Education Unit

OBJECTIVE: To protect life and property through fire prevention and safety education, thus the likelihood of a fire originating is reduced; and if a fire occurs, physical injury, death, and property damage will be minimized.

2004 ACCOMPLISHMENTS:

Seven firefighters were certified as level 2 Juvenile Fire Setter Interventionists by the National Fire Academy. In addition, the regional Juvenile Fire setter program continues.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Number of fire safety education programs:					
Fire extinguisher training	30	37	40	40	40
Neighborhood Fairs	41	46	48	50	50
Juvenile Fire Setter Counseling	33	37	41	35	35
General Fire Safety	67	78	81	80	80
High Rise Fire Safety	7	8	11	15	15
Group Home Safety	25	25	25	25	25
Nursing Home Fire Safety	3	1	1	1	1
Fire Drill/Education	83	83	72	72	75
Fire Safety House	115	91	103	100	100
Station Tours	37	36	31	30	30
Disaster Plans ^a	10	8	26	30	30

Note:

^a In 1996, the Fire Bureau began assisting businesses in disaster plan preparation.

PROGRAM: Bureau of Fire - Training and Safety Unit

OBJECTIVE: To provide basic operations and advanced skills training for firefighters and fire recruits, as well as provide additional instruction to the Fire Officers.

2004 ACCOMPLISHMENTS:

Officer training and professional development continues to expand. Response to terrorism training was expanded.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Company Based Training (man-hours)	7,339	7,189	9,000	9,000	9,000
Specialized Training (man-hours)	1,430	997	545	600	750
Rescue Training (man-hours)	3,691	6,193	8,654	9,000	9,000
Recruit Training (man-hours)	0 ^a	2,900	0 ^a	3,500	3,599
Volunteer Training (man-hours)	250	250	275	275	275
Officer Training (man-hours)	1,597 ^b	9,015 ^b	1,692	5,018	1,700
Total Man-hours	14,307	26,544	20,166	27,393	24,324

^a No new Firefighters were hired in 2002 and 2004.

^b Approval was given in 2001 for a Career Development Program to be created for all Officers in Bureau. Full impact of total training hours was not seen until 2003 when the program was completely developed.

Department of Public Works

Office of Director



Public Works staff meeting

Bureau of Neighborhood Services - City Services



Street Cleaning

Bureau of Neighborhood Services - City Services



Street sign replacement project

Bureau of Vehicle Management



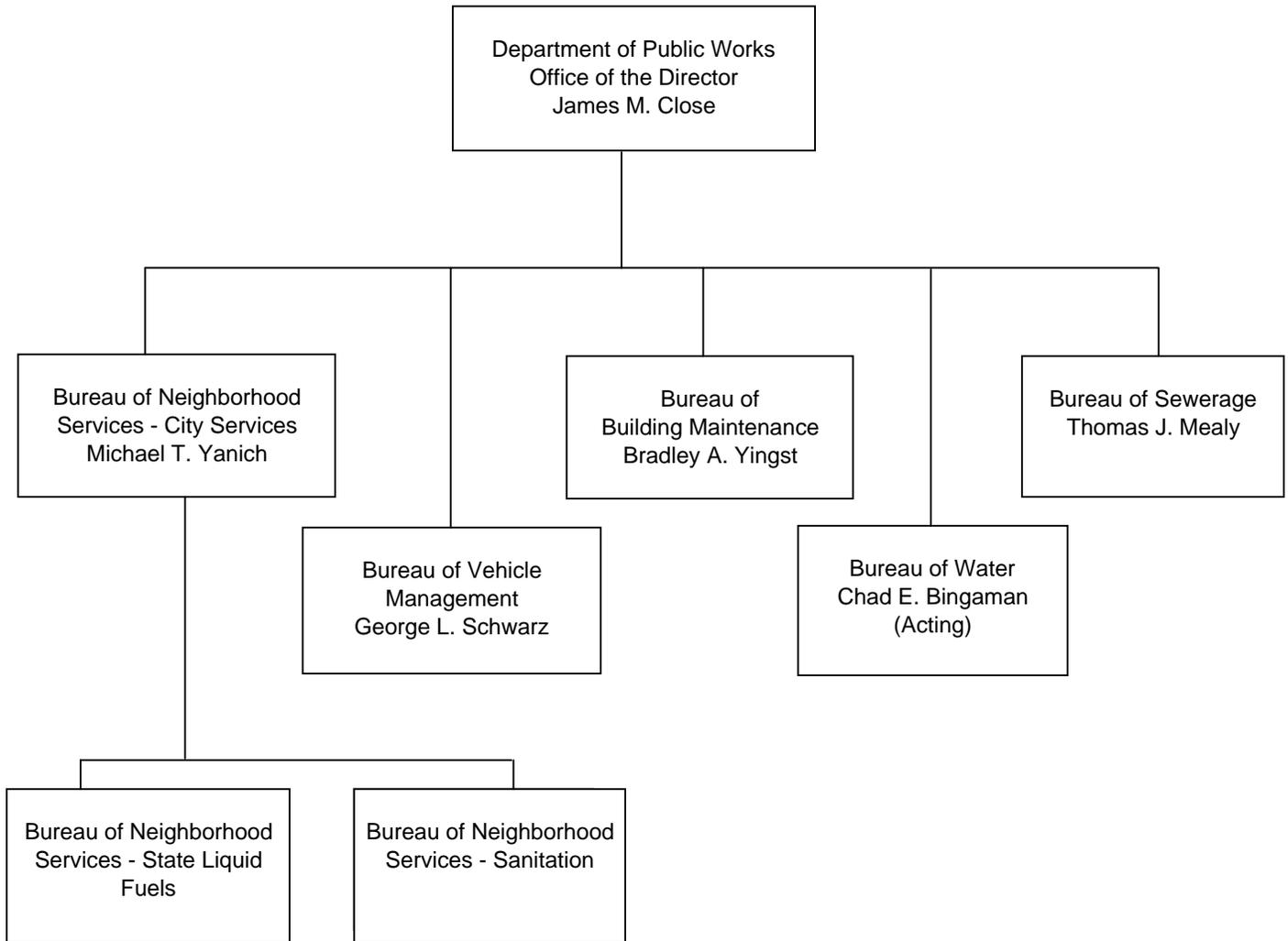
Performing preventative maintenance on a City vehicle

Bureau of Building Maintenance



Cleaning the Vance McCormick Public Safety Building

DEPARTMENT OF PUBLIC WORKS



EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
DEPARTMENT OF PUBLIC WORKS						
<u>0160 OFFICE OF THE DIRECTOR</u>						
Personnel Services	88,538	97,813	90,361	91,171	91,725	94,686
Operating Expenses	995	1,579	1,398	1,125	965	1,225
Capital Outlay	0	0	0	0	0	0
TOTALS	89,533	99,392	91,759	92,296	92,690	95,911
<u>0162 NEIGHBORHOOD SERVICES - CITY SERVICES</u>						
Personnel Services	482,527	508,257	428,163	765,064	733,101	1,388,068
Operating Expenses	179,221	466,844	369,682	501,786	617,138	639,157
Capital Outlay	1,472	0	0	42,047	97,992	43,945
Non-Expenditure Items	8,969	0	0	0	0	0
TOTALS	672,189	975,101	797,845	1,308,897	1,448,231	2,071,170
<u>0169 TRAFFIC ENGINEERING</u>						
Personnel Services	389,772	412,875	419,600	0	0	0
Operating Expenses	225,637	198,306	201,601	0	0	0
Capital Outlay	11	0	32,380	0	0	0
TOTALS	615,420	611,181	653,581	0	0	0
<u>0172 VEHICLE MANAGEMENT</u>						
Personnel Services	583,898	666,147	577,340	618,705	592,191	637,185
Operating Expenses	838,386	1,048,758	1,167,611	1,059,450	1,431,965	2,054,050
Capital Outlay	1,161	32,206	147,657	3,960	0	0
Non-Expenditure Items	0	3,000	0	0	0	0
TOTALS	1,423,445	1,750,111	1,892,608	1,682,115	2,024,156	2,691,235
<u>0175 BUILDING MAINTENANCE</u>						
Personnel Services	341,421	346,278	296,791	353,049	332,166	491,089
Operating Expenses	469,076	500,713	562,283	451,600	494,383	831,670
Capital Outlay	15,718	92,529	0	0	91,451	164,480
Non-Expenditure Items	0	0	2,362	0	7,000	0
TOTALS	826,215	939,520	861,436	804,649	925,000	1,487,239

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
TOTAL DEPARTMENT OF PUBLIC WORKS						
Personnel Services	1,886,156	2,031,370	1,812,255	1,827,989	1,749,183	2,611,028
Operating Expenses	1,713,315	2,216,200	2,302,575	2,013,961	2,544,451	3,526,102
Capital Outlay	18,362	124,735	180,037	46,007	189,443	208,425
Non-Expenditure Items	8,969	3,000	2,362	0	7,000	0
TOTAL EXPENDITURES	<u><u>3,626,802</u></u>	<u><u>4,375,305</u></u>	<u><u>4,297,229</u></u>	<u><u>3,887,957</u></u>	<u><u>4,490,077</u></u>	<u><u>6,345,555</u></u>

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PUBLIC WORKS						
Office of the Director	1.00	1.00	1.00	1.00	1.00	1.00
Neighborhood Services -City Svc	11.00	10.50	10.50	14.50	14.50	23.50
Traffic Engineering	7.00	7.00	7.00	0.00	0.00	0.00
Vehicle Management	12.00	13.00	14.00	12.00	12.00	11.00
Building Maintenance	7.00	7.00	8.00	8.00	8.00	10.00
TOTAL POSITIONS	38.00	38.50	40.50	35.50	35.50	45.50

In 2003, the Bureaus of City Services and Sanitation were merged into the Bureau of Neighborhood Services. The title of the Director of City Services was changed to the Deputy Director of Public Works, likewise, 50% of the Deputy Director of Public Works' salary was moved to the Sanitation Utility Fund. In addition, one Automotive Mechanic position was added to the Bureau of Vehicle Management. In 2004, one Automotive Mechanic position was added to the Bureau of Vehicle Management. In 2005, the Bureau of Traffic Engineering was merged into the Bureau of Neighborhood Services - City Services and a Secretary position was transferred from the Department of Administration into the Bureau of Building Maintenance. A vacant Director, two Laborer positions, and two Automotive Mechanic positions were eliminated. The 2006 Approved Budget reflects the transfer of nine employees from the State Liquid Fuels Tax Fund to the Bureau of Neighborhood Services - City Services, as all personnel costs were removed from the State Liquid Fuels Tax Fund. This transfer includes one Deputy Director, one Construction Tradesman, five Heavy Equipment Operators, and two Street Maintenance Workers. In addition, the Duplication Center was transferred from the Department of Administration to the Bureau of Building Maintenance. With this transfer, the following positions were added to the Bureau of Building Maintenance: one Central Support Assistant, one Reproduction Technician, and one Clerk. Two vacant positions were eliminated, an Automotive Mechanic from the Bureau of Vehicle Management and a Laborer from the Bureau of Building Maintenance.

OFFICE OF THE DIRECTOR

The Department of Public Works is administered through the Office of the Director, which is responsible for the overall management of the department's resources. The department consists of six bureaus which provide major public works services: Neighborhood Services - City Services and Sanitation, Vehicle Management, Building Maintenance, Water, and Sewer. With nearly 150 employees and a combined annual budget of approximately \$42 million, the Department of Public Works performs a vast array of functions.

Immediately following are the General Fund Public Works bureaus. The Public Works related Special Revenue Fund (State Liquid Fuels Tax Fund) and Utility Funds activities are addressed in the respective Funds' section of the document.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0160 Office of the Director

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	77,575	Director	1	77,575
Overtime	0			
Fringe Benefits	17,111	Total Management	<u>1</u>	<u>77,575</u>
TOTAL	<u>94,686</u>			
OPERATING EXPENSES				
		Overtime		<u>0</u>
		FICA		5,934
Communications	275	Healthcare Benefits - Active		11,177
Professional Services	0	Healthcare Benefits - Retirees		0
Utilities	0			
Insurance	0	Total Fringe Benefits		<u>17,111</u>
Rentals	0			
Maintenance & Repairs	0			
Contracted Services	700	TOTAL	<u><u>1</u></u>	<u><u>94,686</u></u>
Supplies	250			
Minor Capital Equipment	0			
TOTAL	<u>1,225</u>			
CAPITAL OUTLAY	0			
TOTAL APPROPRIATION	<u><u>95,911</u></u>			

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BUREAU OF NEIGHBORHOOD SERVICES - CITY SERVICES

The Bureau of Neighborhood Services was created in January 2003, through the consolidation of the previous Bureaus of City Services and Sanitation. The Bureau of Neighborhood Services - City Services provides a variety of services to the residents and businesses of the City, contingent upon weather conditions. These services include general repairs to the roadway, resurfacing of worn and deteriorating roadways and alleys, and preparing and maintaining safe roadway conditions in time of snow and ice. This bureau also repairs and maintains all City sewer and storm inlets. Additional responsibilities include leaf collection in the fall and Christmas tree pick-up after Christmas, street cleaning year-round by crews that operate motorized street sweepers and flusher trucks that keep down the dust, and demolition of blighted and deteriorating properties.

In 2004, by way of Mayoral Directive, the Bureau of Traffic Engineering was consolidated into the Bureau of Neighborhood Services - City Services. Because of this consolidation, the Bureau of Neighborhood Services - City Services acquired additional responsibilities such as the operation and maintenance of ninety-one signalized intersections; eight flashing/warning signal locations; the burglar and fire alarm systems and the Public Works Radio system, as well as the fabrication, installation, and maintenance of all traffic control signage; street name signs; and the pavement marking for vehicular and pedestrian control. In addition, the Bureau maintains the electrical and sound systems in the City Park complexes and the special events hosted by the Department of Parks and Recreation, as well as all outline lighting on City Island, uplighting in Riverfront Park, and the Walnut Street Bridge; Christmas decorations and all decorative banners in the City.

In 2006, all personnel related costs were transferred from the State Liquid Fuels Tax Fund to the General Fund. A corresponding amount of utility costs were transferred to the State Liquid Fuels Fund from the General Fund. These transfers were performed to ease compliance and reporting regarding the use of State Liquid Fuels Tax monies. This bureau received the former State Liquid Fuels Tax Fund positions.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0162 Neighborhood Services - City Services

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	74,180	Deputy Director (DPW)	0.50	28,669
Salaries-BU	855,323	Deputy Director - Neighborhood Services	1.00	45,511
Overtime	66,860			
Fringe Benefits	391,705			
		Total Management	1.50	74,180
TOTAL	1,388,068			
OPERATING EXPENSES				
		Demolition Crew Leader	1	41,828
		Electrician III	1	41,828
		Traffic Engineering Tech. III	5	202,710
		Demolition Specialist II	2	78,354
Communications	10,930	Demolition Specialist I	1	37,989
Professional Services	150	Construction Tradesman	1	40,552
Utilities	138,371	Heavy Equipment Operator III	4	162,158
Insurance	0	Street Maintenance Worker III	1	40,552
Rentals	41,900	Heavy Equipment Operator I	1	38,039
Maintenance & Repairs	34,800	Street Maintenance Worker I	1	35,593
Contracted Services	252,550	Motor Equipment Operator	3	103,911
Supplies	160,456	Laborer II	1	31,809
Minor Capital Equipment	0			
		Total Bargaining Unit	22	855,323
TOTAL	639,157			
CAPITAL OUTLAY				
	43,945	Overtime		66,860
TOTAL APPROPRIATION				
	<u>2,071,170</u>	FICA		76,296
		Healthcare Benefits - Active		246,969
		Healthcare Benefits - Retirees		68,440
		Total Fringe Benefits		391,705
		TOTAL	<u>23.50</u>	<u>1,388,068</u>

DEPARTMENT OF PUBLIC WORKS

PROGRAM: Bureau of Neighborhood Services - City Services/State Liquid Fuels

OBJECTIVE: To maintain the physical condition of public roadways for vehicular travel, the Sanitary Sewer Collection System, and the Storm Water Collection System. This bureau is responsible for the maintenance of over 3,500 storm inlets, 135 miles of sewers, and the cleanliness of all public roadway surfaces in the City. Other duties include leaf collection; illegally deposited bulk item removal; alley resurfacing; pothole filling; crack sealing; street sweeping; Christmas tree collection; demolishing unsafe and deteriorating properties; operating and maintaining ninety-one signalized intersections and eight flashing/warning signals; fabricating and maintaining all traffic control signage within the City; providing sound and electrical support to the Department of Parks and Recreation for maintenance purposes, as well as special events; and installing wireless communication at City-owned facilities.

2004 ACCOMPLISHMENTS:

Street sweeping was conducted year-round. The crew collected 1,818 tons of sweeper debris. Crews continued with leaf collection, collecting 345.87 tons of leaves in October and November. The crews also picked up 664 Christmas trees in January. The Bureau removed 400.38 tons of illegal bulk items from streets, alleys, and vacant lots. The construction portion of the Bureau repaired 57 storm inlets and 21 sinkholes. The demolition crew demolished 39 properties throughout the City. The Bureau responded to eight different snow and ice events, using 1,900 tons of salt and anti-skid mixture to combat 13.00 inches of snow and ice. The Bureau also distributed 1,247 sets of barricades to 124 different events to help close down the streets.

In addition, certification with the International Municipal Signal Association continued. The annual PennDOT mandate of relamping the entire traffic signal system including ninety-one intersections, and eight flashing/warning signals was completed. The bureau became responsible for the maintenance of the "WAYFINDER" signs within the City and several townships. Other responsibilities included: the continued expansion of the accent lighting on City Island; provided electrical assistance at the Greater Fire Museum of Harrisburg; installed banners for the Department of Building and Housing Development; maintained the decorative banners downtown and on City Island, and installed and maintained the decorative banners for the United Way. A new responsibility for the Bureau is the wireless communication field that connects off-site locations to the City's computer network. This project continues in 2005 and will be the responsibility of the Bureau to maintain the wireless communication network once completed.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Patching material applied by City crews (tons)	1,900	1,300	49 ^a	50 ^a	50
Leaves collected during the fall months (cubic yards)	2,200	2,300	2,300	2,300	2,300
Streets cleaned (linear miles)	7,000	7,000	7,000	7,000	7,000
Salt mixture used during snow storms (tons)	1,500	2,700	2,700	1,900	2,000
Hours to operate salt & plow trucks	2,500	3,000	3,000	2,100	2,300
Bulk trash collected (tons)	591	458	401	450	450
Blocked sewer lines cleaned	64	54	59	55	55
Sewer lines maintained (linear miles)	156	156	156	156	156
Storm sewer inlets cleaned	490	361	278	150	150
Sealant used (pounds)	1,500	1,200	1,000	250 ^a	0
City properties demolished	47	39	28	45	45
Signalized intersections in the City	88	89	89	91	93
Traffic signal repairs	2,762	2,683	2,713	2,700	2,700
Fire and burglar alarm repairs	66	59	48	45	45
Street directional signs prepared and installed	4,902	3,764	3,523	3,600	3,600
Hours spent on electrical service/recreational events	2,761	3,851	3,712	3,700	3,700

Notes:

^a Reduction of funding beginning in 2004 substantially reduced patching and sealing activities.

BUREAU OF VEHICLE MANAGEMENT CENTER

The Bureau of Vehicle Management is responsible for the administration, maintenance, and repair of the City's vehicular equipment fleet. The fleet consists of over 450 vehicles and pieces of equipment ranging from tractor and trailers, articulated wheel loaders, fire apparatus and police cars, to small equipment such as lawnmowers.

The administration of the Bureau includes: preparation of the annual budget submission, equipment specifying, titling, licensing, maintaining of state inspection records, surplus disposal, and the scheduled maintenance and repair of all City-owned vehicles. Other associated activities include, but are not limited to, the maintaining of automated reports/records; a parts and supply inventory valued in excess of \$100,000; a fuels/lubricants management program; and the testing and evaluation of programs, such as alternate fuels, to determine the feasibility of adoption for City operations.

The Bureau operates on a budget in excess of \$2.6 million in an effort to provide a highly serviceable fleet while operating in the most efficient and effective method.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund		0172 Vehicle Management		
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	55,763	Director	1	55,763
Salaries-BU	405,757			
Overtime	3,644	Total Management	1	55,763
Fringe Benefits	172,021			
TOTAL	637,185	Automotive Mechanic IV	5	214,368
		Automotive Body Mechanic IV	1	43,035
OPERATING EXPENSES				
		Parts Person II	1	37,889
Communications	4,200	Automotive Mechanic II	2	75,878
Professional Services	0	Automotive Body Mechanic I	1	34,587
Utilities	18,250	Total Bargaining Unit	10	405,757
Insurance	0			
Rentals	6,000			
Maintenance & Repairs	113,900	Overtime		3,644
Contracted Services	15,000			
Supplies	1,896,700	FICA		35,587
Minor Capital Equipment	0	Healthcare Benefits - Active		115,604
		Healthcare Benefits - Retirees		20,830
TOTAL	2,054,050	Total Fringe Benefits		172,021
CAPITAL OUTLAY				
	0			
TOTAL APPROPRIATION	2,691,235	TOTAL	11	637,185

DEPARTMENT OF PUBLIC WORKS

PROGRAM: Bureau of Vehicle Management

OBJECTIVE: To aggressively continue to be an asset to City operations by properly maintaining the fleet in the highest state of readiness at the lowest cost, and to provide a cost savings city-wide through the Fleet Administrative Program.

2004 ACCOMPLISHMENTS:

The Bureau continues the efforts to save the City in excess of \$15,000.00 annually by performing the Commonwealth's Emission Inspections in-house. These savings and the continuation of supporting the fleet with a reduced workforce and major reduction in overtime continues.

In August and September, the Bureau provided a major support operation to the City's emergency personnel who were detached to New Orleans because of Hurricane Katrina. The PA Capital City (PACC) cooperative purchasing program continues to grow and expand at a rapid pace. The City should stand proud in its ability to share with other governmental entities a program that saves tax dollars. In September the Bureau Director was recognized by the American Public Works Association as the 2005 National Fleet Manager of the Year.

This bureau continued to work in close unison with the Bureau of Fire and other emergency response teams in securing additional vehicles and equipment for the Homeland Security and Urban Search and Rescue Programs.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Equipment Repairs					
Trucks	935	790	925	825 ^a	900
Passenger	803	1,049	993	600 ^a	600
Heavy Equipment	579	600	461	280 ^a	200
Miscellaneous Equipment	82	162	72	26 ^a	25
Total Units	<u>2,399</u>	<u>2,601</u>	<u>2,451</u>	<u>1,731^a</u>	<u>1,725</u>
Equipment (Preventive Maintenance)	<u>476</u>	<u>439</u>	<u>441</u>	<u>390</u>	<u>400</u>
Fuels Dispensed (Gallons)					
Gasoline ^b	<u>189,615</u>	<u>190,000</u>	<u>261,500</u>	<u>262,000</u>	<u>312,000</u>
Diesel ^b	<u>189,688</u>	<u>204,000</u>	<u>198,357</u>	<u>200,000</u>	<u>250,000</u>

Notes:

^a Equipment repairs have been reduced due to the decrease in bureau personnel.

^b Calculations for both the Vehicle Management Center and Fire Station No. 2.

BUREAU OF BUILDING MAINTENANCE

The Bureau of Building Maintenance is responsible for the maintenance and custodial care of the Rev. Dr. Martin Luther King, Jr. City Government Center, the Vance McCormick Public Services Center, and their exterior plaza and site areas. This includes the daily cleaning, trash removal, and general maintenance and repair of the facilities; including any repairs and renovations that involve the use of outside contractors. In addition, this bureau is responsible for the management of all utility services in the buildings such as electricity, water, sewer, and cooling. The director identifies, recommends, and executes energy savings projects for the City of Harrisburg, and works with others to comply with all safety and security considerations concerning the City Government Centers.

The Duplication Center is being transferred to the Bureau of Building Maintenance from the Bureau of Operations and Revenue in the 2006 Budget. This unit is responsible for the monthly billing of utility services and City and School District real estate taxes, maintaining the mailroom, managing office supplies, overseeing copier maintenance, and handling office equipment service contracts. These services are provided to all departments within City Government.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
General Fund		0175 Building Maintenance		
Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	57,601	Director	1	57,601
Salaries-BU	294,980			
Overtime	0	Total Management	1	57,601
Fringe Benefits	138,508			
TOTAL	491,089	Building & Grounds Mech. I	1	39,277
		Central Support Assistant II	1	33,667
OPERATING EXPENSES				
		Secretary II	1	32,699
		Laborer II	4	127,136
		Reproduction Technician I	1	31,380
Communications	119,770	Clerk II	1	30,821
Professional Services	500	Total Bargaining Unit	9	294,980
Utilities	410,900			
Insurance	0	Overtime		0
Rentals	2,000			
Maintenance & Repairs	143,000	FICA		26,973
Contracted Services	1,500	Healthcare Benefits - Active		105,095
Supplies	154,000	Healthcare Benefits - Retirees		6,440
Minor Capital Equipment	0	Total Fringe Benefits		138,508
TOTAL	831,670			
CAPITAL OUTLAY				
	164,480			
TOTAL APPROPRIATION	1,487,239	TOTAL	10	491,089

DEPARTMENT OF PUBLIC WORKS

PROGRAM: Bureau of Building Maintenance

OBJECTIVE: To clean and maintain the interior and exterior of the Rev. Dr. Martin Luther King, Jr. City Government Center and the Vance McCormick Public Services Center.

2004 ACCOMPLISHMENTS:

A complicated and extensive project to upgrade the hydraulic elevators in the Vance McCormick Public Services Center, also known as the Public Safety Building (PSB), was completed. In order to comply with new regulations, both cylinders and pistons for the two hydraulic elevators in this building were removed and replaced. The cylinders and pistons extended into the ground about fifty feet. This project lasted about two months.

The Bureau completed other projects that included: sealing the skylight in the Atrium to prevent leakage during the wintertime months; installed angle iron on the corners of the PSB near the garage area; replaced moldy ceiling tile in the PSB; repainted the handicapped parking area behind Treasury; installed a new commode in the men's room in one bathroom of the City Government Center; removed some junk trees from the Lower Level moat around the Rev. Dr. Martin Luther King, Jr., City Government Center; installed two CAT 5 cables in the Bureau of Police's Forensics Division; cleaned storage areas for the Bureau of Building Maintenance; rebuilt sinks in the men's and women's rooms on the second floor of the PSB; and repaired a steam leak in the PSB garage.

The Bureau also retrofitted select schools in the Harrisburg School District with energy saving lighting. This was coordinated by the Director of the Bureau of Building Maintenance.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Offices cleaned per week (square feet)	110,256	110,256	110,256	110,256	110,256
General maintenance activities and repairs performed	550	675	700	700	725
Lavatories cleaned each day	25	25	25	25	25
Activities and special events set-up	63	72	67	70	70
Non-routine activities performed	525	530	500	525	550



Department of Parks and Recreation

Office of Director



Mayor and Department Director accepting Tree City USA designation

Bureau of Recreation



Black History Showcase at the Forum



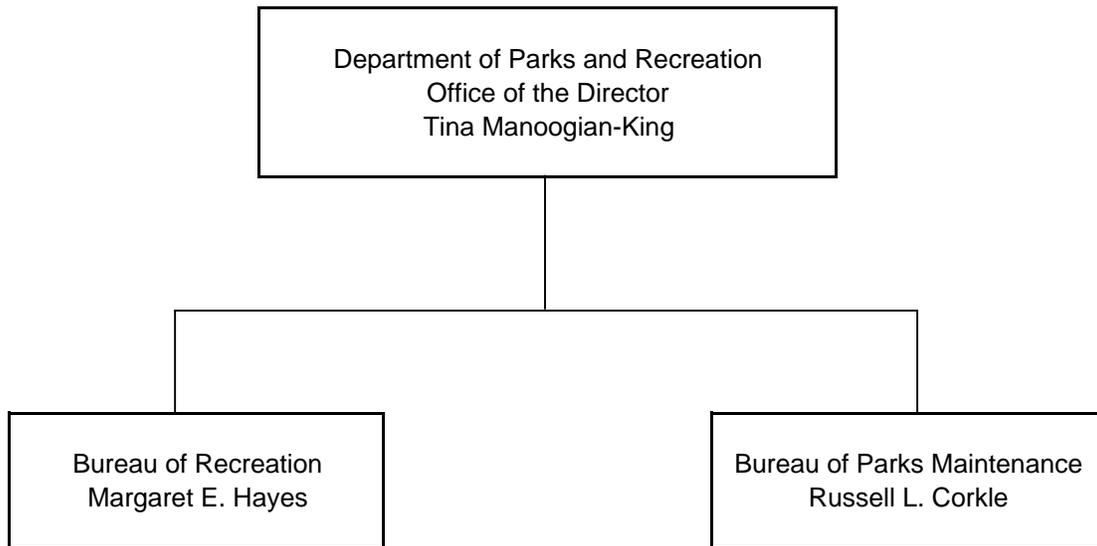
Fishing Derby

Bureau of Park Maintenance



Cutting grass on infield of Commerce Bank Park

DEPARTMENT OF PARKS AND RECREATION



EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PARKS & RECREATION						
<u>0180 OFFICE OF THE DIRECTOR</u>						
Personnel Services	499,255	559,279	556,854	626,156	604,323	664,730
Operating Expenses	314,843	389,029	332,081	315,350	358,705	345,245
Capital Outlay	0	1,964	0	0	0	0
Grants	12,997	15,000	15,350	15,350	15,350	15,350
TOTALS	827,095	965,272	904,285	956,856	978,378	1,025,325
<u>0183 BUREAU OF RECREATION</u>						
Personnel Services	619,143	664,296	628,852	711,143	770,041	800,366
Operating Expenses	190,007	228,777	233,285	224,485	229,760	207,550
Capital Outlay	11,794	9,005	0	0	0	0
TOTALS	820,944	902,078	862,137	935,628	999,801	1,007,916
<u>0184 BUREAU OF PARKS MAINTENANCE</u>						
Personnel Services	899,584	943,369	774,165	857,530	733,954	757,972
Operating Expenses	471,142	496,913	434,140	388,250	389,900	339,250
Capital Outlay	7,613	11,454	22,750	5,000	5,000	0
Grants	0	0	0	0	0	0
TOTALS	1,378,339	1,451,736	1,231,055	1,250,780	1,128,854	1,097,222
TOTAL DEPARTMENT OF PARKS & RECREATION						
Personnel Services	2,017,982	2,166,944	1,959,871	2,194,829	2,108,318	2,223,068
Operating Expenses	975,992	1,114,719	999,506	928,085	978,365	892,045
Capital Outlay	19,407	22,423	22,750	5,000	5,000	0
Grants	12,997	15,000	15,350	15,350	15,350	15,350
TOTAL EXPENDITURES	3,026,378	3,319,086	2,997,477	3,143,264	3,107,033	3,130,463

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
PARKS & RECREATION						
Office of the Director	19.00	20.00	19.00	19.00	18.00	18.00
Recreation	3.00	8.00	8.00	8.00	10.00	10.00
Parks Maintenance	<u>27.00</u>	<u>27.00</u>	<u>18.00</u>	<u>17.00</u>	<u>11.00</u>	<u>14.00</u>
TOTAL POSITIONS	49.00	55.00	45.00	44.00	39.00	42.00

In 2003, six positions were added: a Special Events Assistant, a Recreation Program Assistant, a Parks and Recreation Assistant, a Secretary I, a Clerk II, and a Golf Instructor. In 2004, ten vacant positions were eliminated: a Park Ranger, a Laborer I, a part-time Special Events Assistant, five part-time Laborers, and two part-time Gardeners. The 2005 Approved Budget eliminated one vacant Crew Leader position. The 2006 Approved Budget eliminates the following vacant positions: two part-time Park Rangers, a Landscape Specialist, a Landscape Technician, and a Laborer III. Three new part-time positions were added: a Dance Instructor, a Fitness Instructor, and a Music Instructor. In addition, a Secretary was transferred from the Bureau of Recreation to the Office of the Director.

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OFFICE OF THE DIRECTOR

The Office of the Director is responsible for planning and conducting all City special events, parks planning and development, park security, publication of the City Calendar, and the overall direction and management of the department. This office plans, schedules, promotes, implements, manages, and solicits sponsorships for all City special events. Two major events that highlight the calendar are the American MusicFest (held over the Independence Day Weekend) and the Kipona Celebration (held over the Labor Day Weekend). In addition to these events, numerous other activities take place during the year including, but not limited to, summer concerts in various City parks, PNC Saturday concerts, the Holiday Parade, and the Harrisburg New Year's Eve Celebration.

Park planning and development is performed by this office and oversight of all construction projects underway in the parks system is a primary responsibility of the Director. Since 1985, more than \$69 million has been spent in Harrisburg's parks system under the Mayor's Parks Improvement Program. Additionally, technical assistance from this office is provided to the Harrisburg School District, Harrisburg Housing Authority, various PTA organizations, and neighborhood organizations regarding playground improvements, fund-raising activities, grantsmanship techniques, and recreational programs.

The Park Ranger Program, created by the Mayor in 1990, provides for ongoing security in all City parks, playgrounds, and open space areas, along with providing information to the general public regarding Harrisburg and its park system. The Park Rangers patrol the park system on a 20-hours per day basis in order to maintain order and enforce park rules and regulations.

Published as a free service and distributed through newsstands, grocery stores, libraries, and organizations throughout the greater Harrisburg area, the *Harrisburg City Calendar* offers details on City programs and a monthly calendar of events. Additional publications are published for the City's festivals and for the Summer Recreation Program. The monthly calendar has grown to an annual distribution of nearly 211,000 copies. Counting the City Island brochure, the Kipona Celebration brochure, the American MusicFest brochure, and the Summer Recreation brochure, the number of publications issued annually totals over 370,000. The sale of advertising space offsets some of the *Harrisburg City Calendar* costs.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0180 Office of the Director

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	353,971	Director	1	78,576
Salaries-BU	67,751	Exec. Dir. - Parks Partnership	1	37,040
Salaries-Part-Time	95,615	Exec. Dir. - Levitt Foundation	1	40,525
Overtime	1,880	Special Events Director	1	50,802
Fringe Benefits	145,513	Events Marketing Manager	1	30,619
		Chief Park Ranger Supervisor	1	41,403
		Park Ranger Supervisor	2	75,006
TOTAL	664,730			
OPERATING EXPENSES				
		Total Management	8	353,971
Communications	156,700			
Professional Services	700	Administrative Assistant II	1	34,184
Utilities	0	Secretary I	1	33,567
Insurance	0			
Rentals	92,000	Total Bargaining Unit	2	67,751
Maintenance & Repairs	2,295			
Contracted Services	81,400			
Supplies	12,150	Park Ranger	7	83,135
Minor Capital Equipment	0	Special Events Assistant	1	12,480
TOTAL	345,245	Total Part-Time	8	95,615
CAPITAL OUTLAY				
	0	Overtime		1,880
GRANTS				
	15,350	FICA		39,720
TOTAL APPROPRIATION	1,025,325	Healthcare Benefits - Active		105,793
		Healthcare Benefits - Retirees		0
		Total Fringe Benefits		145,513
		TOTAL	18	664,730

DEPARTMENT OF PARKS AND RECREATION

PROGRAM: Office of the Director

OBJECTIVE: To administer the overall operations of the Department of Parks and Recreation. This office is responsible for planning and conducting special events; raising necessary funds for special events; overseeing park improvements; providing on-going security to all park facilities; and preparing federal, state, and other non-profit applications for City Parks and Recreation-related grants.

2004 ACCOMPLISHMENTS:

The Department of Parks and Recreation has spent approximately \$69 million on capital improvements for Harrisburg's park system since 1985 under the Mayor's Parks Improvement Program. In addition, the Department wrote two grants for additional work in the Capital Area Greenbelt and one for tree planting activities throughout Harrisburg. As a result of these capital improvements, the number of park permits issued and events held in Harrisburg's park system has expanded, thus providing more family-oriented entertainment for visitors, residents, and tourists. The Park Rangers continue to patrol all of the City's parks 20-hours per day, seven days per week. Increases in the amount of sponsorship revenue generated and the number of park permits issued are a direct result of the improvements undertaken and completed.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Neighborhood meetings attended by Director	12	11	10	11	11
Grants received	4	4	2	2	2
Park Rangers	13	13	12	12	12
Attendance at City special events ^a	1,312,850 ^b	1,441,350	1,966,735	2,000,000	2,100,000
City-organized special events	50	50 ^c	50	50	50
Park permits issued ^d	747	851	1,055	1,300	1,500
Sponsorship revenue for special events (includes in-kind contributions)	\$ 341,543	\$ 330,962	\$ 462,768	\$ 475,000	\$ 500,000

Notes:

- a Attendance figure does not include attendance for Harrisburg Senators games.
- b Severe storms during annual festival seasons resulted in a modest decrease in attendance.
- c Includes events held at the Levitt Pavilion for the Performing Arts which came into existence in 2003.
- d Represents total dates rented since multiple dates can be indicated on a single park permit.

PROGRAM: Office of the Director - Monthly Recreation Guide

OBJECTIVE: To provide a monthly publication listing of all forthcoming events of the Department of Parks and Recreation for the public.

2004 ACCOMPLISHMENTS:

The *Harrisburg City Calendar* provided expanded information for public use. This monthly publication is printed on recycled newsprint, making it cost-effective, yet environmentally sound. In 2004, a total of 370,022 copies of the *Harrisburg City Calendar* and other publications were distributed.

MEASURES/INDICATORS:

	<u>ACTUALS</u>			<u>EST.</u>	<u>PROJ.</u>
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Recreation publications distributed ^a	370,022	370,022	370,022	370,022	370,022

Notes:

- a Figures include the monthly City Calendar, American Musicfest, Kipona Program, Summer City Calendar, and City Island inserts (16 separate publications).

BUREAU OF RECREATION

The Bureau of Recreation offers the most extensive year-round recreational programming in the City's history. The fall, winter, and spring programs provide general recreational activities based largely at public school gymnasiums. These programs include, but are not limited to, sports events, athletic programs, crafts (including an art contest for elementary students), puppet shows, live children's theater productions, aerobic and exercise classes, gymnastics, roller skating, and miscellaneous games. Summer programming occurs on sixteen staffed playgrounds, with assistance provided by hired recreation leaders and teachers aides, and consists of sports programs for golf, volleyball, basketball, soccer, football, T-ball, and tennis, as well as sports clinics for baseball, T-ball, soccer, and lacrosse. In addition, this bureau provides arts and crafts, 4-H activities, computer classes, nutrition classes, peer mediation, cooking classes, and reading programs on the sixteen playgrounds during the summer months, along with swimming instruction, rollerblade clinics, environmental/educational programs, ecology programs, and dance and music appreciation classes. Swimming programs are offered at our two inner-city swimming pools and at the City Island Beach from Memorial Day to Labor Day. Pool #1 and Pool #2 are open from mid-June to early September.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0183 Recreation

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	137,990	Director	1	54,721
Salaries-BU	128,263	Deputy Director	1	44,589
Salaries-Part-Time	40,625	Sports/Special Programs Coordinator	1	38,680
Salaries-Temp. Emp.	364,763			
Overtime	3,500			
Fringe Benefits	125,225	Total Management	<u>3</u>	<u>137,990</u>
TOTAL	<u>800,366</u>			
OPERATING EXPENSES				
		Recreation Program Asst.	1	37,939
		Parks & Recreation Asst.	1	35,643
		Clerk II	1	32,620
Communications	12,400	Golf Instructor	1	22,061
Professional Services	500			
Utilities	0	Total Bargaining Unit	<u>4</u>	<u>128,263</u>
Insurance	0			
Rentals	17,000			
Maintenance & Repairs	54,100	Fitness Instructor	1	13,325
Contracted Services	29,000	Dance Instructor	1	15,600
Supplies	94,550	Music Instructor	1	11,700
Minor Capital Equipment	0			
TOTAL	<u>207,550</u>	Total Part-Time	<u>3</u>	<u>40,625</u>
CAPITAL OUTLAY				
	0	Temporary Employees		364,763
TOTAL APPROPRIATION	<u>1,007,916</u>	Total Temporary Employees		<u>364,763</u>
		Overtime		3,500
		FICA		51,647
		Healthcare Benefits - Active		73,578
		Healthcare Benefits - Retirees		0
		Total Fringe Benefits		<u>125,225</u>
		TOTAL	<u>10</u>	<u>800,366</u>

DEPARTMENT OF PARKS AND RECREATION

PROGRAM: Bureau of Recreation

OBJECTIVE: To plan, conduct, and manage year-round adult/children recreational programming.

2004 ACCOMPLISHMENTS:

Year-round, culturally diverse, recreational programming in 2004 contributed to the positive image, consistency, and credibility of the City's recreational activities. Greater participation resulted from increases in number and type of programs offered. More properties for use in outdoor and indoor programming were utilized. Field trips to petting zoos, museums, amusement parks, aquariums, and nature centers were added to the program to provide a well-rounded, educational experience for inner-city youth.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Swimming pool attendance ^a	67,800	62,600	58,600 ^b	65,000	65,750
Participants during summer programming	390,900	425,600	440,900	445,000	450,000
Participants during fall programming	65,008	51,450 ^c	32,100	35,000	37,500
Participants during winter/spring programming	115,760	108,710 ^c	66,800	70,000	75,000
Participants attending programs at Brownstone	23,327	19,200 ^d	19,980	20,000	20,500

Notes:

- a Figures include City Island Beach.
- b Drop in attendance due to a very wet and cool summer.
- c Attendance decreased due to Explore Program offered by Harrisburg School District.
- d Attendance decreased because Department has been unable to offer computer classes until new internet lines are installed.

BUREAU OF PARKS MAINTENANCE

The Bureau of Parks Maintenance is directly responsible for the maintenance of twenty-seven parks and playgrounds, along with twenty open space parcels, two softball fields, one multi-sports complex, two swimming pools, and numerous basketball and tennis courts which total more than 450 acres of park land, as well as a 1,200 acre greenbelt, which travels the circumference of the City, linking many recreational facilities together. This bureau is also responsible for the landscaping and maintenance of the City's 4.5 mile riverfront embankment known as Riverfront Park. Other park maintenance duties include minor repair work; cleaning and painting of structures; trash removal on a daily basis; cleaning of storm drains in area parks; and landscaping and maintenance work associated with Italian Lake, City Island, Sunken Garden, Swenson Plaza, Reservoir Park, Riverfront Park, Kunkel Plaza, and eight traffic islands, as well as the maintenance of 50,000 shade trees within the City's corporate limits. Additionally, the Bureau assists with set-up and tear-down of all special events programs.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0184 Parks Maintenance

Allocation Plan		Position Control		
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
PERSONNEL SERVICES				
Salaries-Mgmt	63,362	Director	1	63,362
Salaries-BU	469,529			
Overtime	23,124	Total Management	1	63,362
Fringe Benefits	201,957			
TOTAL	757,972	Stadium Groundskeeper	1	41,728
		Construction Tradesman	1	41,828
OPERATING EXPENSES				
		Landscape Specialist I	1	37,939
Communications	7,500	Crew Leader IV	1	41,828
Professional Services	0	Crew Leader III	1	39,227
Utilities	152,700	Landscape Technician I	1	34,537
Insurance	0	Motor Equipment Operator	1	34,537
Rentals	1,000	Tradesman	2	69,374
Maintenance & Repairs	56,800	Gardener I	2	65,176
Contracted Services	15,950	Laborer III	2	63,355
Supplies	105,300	Total Bargaining Unit	13	469,529
Minor Capital Equipment	0			
TOTAL	339,250	Overtime		23,124
CAPITAL OUTLAY	0	FICA		42,536
		Healthcare Benefits - Active		147,131
GRANTS	0	Healthcare Benefits - Retirees		12,290
		Total Fringe Benefits		201,957
TOTAL APPROPRIATION	1,097,222			
		TOTAL	14	757,972

DEPARTMENT OF PARKS AND RECREATION

PROGRAM: Bureau of Parks Maintenance

OBJECTIVE: To maintain all City parks, playgrounds, and open space areas.

2004 ACCOMPLISHMENTS:

Since a number of parks and playgrounds were rehabilitated, the amount of time spent on repairs decreased, which allowed staff to dedicate time to grooming existing and expanded facilities. The hiring of specialized staff increased productivity levels, while making Harrisburg's park system more attractive for visitors, residents, and tourists. During the off-season, Parks Maintenance staff concentrated their efforts on tree work in an effort to catch-up on backlog, and snow removal activities, as well as construction of picnic tables, park benches, and other park equipment, as needed.

In addition to routine maintenance activities and construction projects, the Department of Parks and Recreation combated several severe storms, resulting in a large volume of downed trees. On August 4, the City had a tornado that required 257 calls for services over and above our routine calls. Then in September, the City was hit by Tropical Depression Ivan which severely damaged facilities on City Island and embankments along Riverfront Park. Over the winter months, the Bureau chipped up 1,042 christmas trees, and cleaned-up damaged facilities due to Tropical Depression Ivan. In addition, 17 trees were planted on Arbor Day.

The Bureau repainted several offices within the City Government Center (Parks and Recreation, Police Bureau, Operations & Revenue, and Special Events), as well as assisted with snow removal, when needed.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Miscellaneous maintenance tasks performed	178	178	178	178	178
Acres maintained ^a	450	450	450	450	450
Trash and debris disposed of during summer months and festivals (tons)	465	487	498	500	510
Tree requests received (routine) ^b	339	211	220	200	250
Tree requests answered ^c	309	164	150	110	220

Notes:

- a Does not include natural areas within the 1,200 acre Capital Area Greenbelt Project, which will exceed 20.1 miles when completed.
- b Does not include calls resulting from storms.
- c Does not include the number of permits issued or the number of notices sent.



GENERAL EXPENSES

This group of accounts is used to reflect all expenses in the General Fund which are not directly related to any one particular departmental operation. Examples include specific personnel costs, such as pension plan contributions, employee severance pay, workers' compensation, loss/time medical payments, and other miscellaneous expenses, including telephone services, insurance(s), and various subsidies and grants to local units.

TRANSFERS TO OTHER FUNDS

This group of accounts is used to reflect transfers to other City funds and related entities, either to fund for payment of general obligation debt or to supplement operations.

EXPENDITURE ANALYSIS SUMMARY 2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
<u>0188 GENERAL EXPENSES</u>						
Personnel Services	1,037,065	1,138,425	585,988	875,202	1,106,187	1,383,694
Operating Expenses						
Communications	211,819	179,708	180,619	203,100	154,100	117,400
Professional Fees	140,243	94,560	135,611	230,000	230,200	231,200
Insurance	536,175	623,345	862,454	979,552	857,230	798,500
Contracted Services	64,136	78,381	65,171	80,400	176,718	200,625
Supplies	0	158	0	0	0	0
Minor Capital Equipment	0	0	0	0	1,800	0
Total Operating Expenses	952,373	976,151	1,243,854	1,493,052	1,420,048	1,347,725
Capital Outlay	73,492	65,477	0	695,338	0	0
Subsidies and Grants	417,235	945,691	546,895	474,638	508,138	459,963
Cash Over/Under	0	(438)	0	0	0	0
Uncollectible Accounts	480	0	0	0	0	0
Refund of Prior Year Revenue	500,000	0	0	0	0	0
Fines and Settlements	0	0	0	0	0	0
E.M.S. Tax Eligible Expenses	0	0	0	2,612,400	1,308,000	0
Total General Expenses	<u>2,980,645</u>	<u>3,125,307</u>	<u>2,376,737</u>	<u>6,150,630</u>	<u>4,342,372</u>	<u>3,191,382</u>
<u>0189 TRANSFERS TO OTHER FUNDS</u>						
Debt Service Fund	8,251,164	8,277,764	8,727,045	8,803,851	8,803,300	8,851,933
Hydroelectric Dam Utility Fund	165,000	0	0	0	0	0
Total Transfers	<u>8,416,164</u>	<u>8,277,764</u>	<u>8,727,045</u>	<u>8,803,851</u>	<u>8,803,300</u>	<u>8,851,933</u>

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0188 General Expenses

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
WAGES/BENEFITS						
Salaries/Wages/Benefits	309,084	180,087	191,095	265,718	235,700	287,940
Early Retirement	0	0	0	0	0	0
Sick Leave Buy-Back	6,833	7,488	7,634	6,900	6,587	7,700
Severance Pay	244,753	264,618	274,994	245,000	300,200	300,000
Medicare	2,082	1,506	161	0	0	0
Unemployment Compensation	48,053	68,154	59,743	68,800	72,500	95,400
TOTAL WAGES/BENEFITS	610,805	521,852	533,627	586,418	614,987	691,040
WORKERS' COMPENSATION						
Workers' Compensation Adj. Fees	38,946	66,730	21,287	45,800	43,800	42,280
Loss Time & Medical	262,434	486,335	(51,705)	165,584	370,000	567,154
State Fees/Assessments	30,531	18,717	30,355	23,000	23,000	25,300
Excess Policy & Bond	39,515	44,791	58,934	54,400	54,400	57,920
Excess Policy/Other Recoveries	(65,135)	0	0	0	0	0
TOTAL WORKERS COMP.	306,291	616,573	58,871	288,784	491,200	692,654
PENSION CONTRIBUTIONS						
Police Pension	(25,747)	0	(6,510)	0	0	0
Fire Pension	145,716	0	0	0	0	0
Non-Unif. Pension	0	0	0	0	0	0
TOTAL PENSION CONTRIB.	119,969	0	(6,510)	0	0	0
TOTAL PERSONNEL SERVICES	1,037,065	1,138,425	585,988	875,202	1,106,187	1,383,694
COMMUNICATIONS						
Advertising	2,191	2,228	354	2,300	500	2,000
Printing & Report Binding	0	0	0	2,000	2,000	2,000
Telephone/Pagers	206,580	176,711	180,140	197,000	150,000	111,600
Email	0	0	125	0	0	0
Postage	3,048	769	0	1,800	1,600	1,800
TOTAL COMMUNICATIONS	211,819	179,708	180,619	203,100	154,100	117,400
PROFESSIONAL FEES						
Legal Fees	52,155	8,453	15,031	25,000	25,000	25,000
Consulting	59,776	70,340	103,269	85,000	85,200	86,200
Other	28,312	15,767	17,311	120,000	120,000	120,000
TOTAL PROFESSIONAL FEES	140,243	94,560	135,611	230,000	230,200	231,200

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0188 General Expenses

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
INSURANCE						
Stop Loss - Premium	0	0	156,178	183,052	181,700	185,100
Automobile - Premium	67,363	103,922	120,772	184,700	156,800	154,200
Automobile - Deductible	9,265	23,842	19,860	25,000	10,800	25,000
General Liability - Premium	136,069	202,667	204,319	200,300	182,200	173,800
General Liability - Deductible	0	1,969	19,710	25,000	11,100	25,000
Boiler & Machinery - Premium	873	1,382	1,637	2,000	2,000	2,100
Property & Crime - Premium	61,239	46,754	49,561	55,400	55,700	41,000
Property & Crime - Deductible	4,990	(1,556)	0	25,000	5,000	25,000
Inland Marine - Premium	0	33,993	43,835	44,800	44,800	41,000
Flood - Premium	10,761	11,810	12,508	13,200	14,230	15,600
Police Professional Liability - Premium	128,635	0	(291)	0	0	0
Police Professional Liability - Deductible	4,000	0	0	0	0	0
Public Official Liability - Premium	80,683	126,660	136,153	94,400	64,300	36,500
Public Official Liability - Deductible	6,421	9,927	12,390	25,000	55,000	25,000
Excess Liability - Premium	25,876	58,764	79,600	95,500	67,100	41,800
Terrorism - Premium	0	3,211	6,222	6,200	6,500	7,400
TOTAL INSURANCE	536,175	623,345	862,454	979,552	857,230	798,500
CONTRACTED SERVICES						
Maintenance Service Contract	22,770	14,981	23,957	16,000	25,960	27,600
Bank Administration/Trustee Fees	16,075	15,793	12,938	17,000	13,000	13,000
Travel	163	344	350	0	1,000	500
Conference	0	0	0	0	540	0
Membership Dues	17,454	18,608	18,613	19,000	18,618	18,700
Catastrophic Event Disaster Recovery	4,441	2,664	2,664	10,700	10,700	10,400
Miscellaneous	3,233	25,744	1,695	10,000	101,200	125,175
Bank Service Charges	0	247	4,954	7,700	5,700	5,250
TOTAL CONTRACTED SERVICES	64,136	78,381	65,171	80,400	176,718	200,625
SUPPLIES & EXPENSES						
Miscellaneous	0	158	0	0	0	0
TOTAL SUPPLIES & EXPENSES	0	158	0	0	0	0
MINOR CAPITAL EQUIPMENT						
Office Equipment	0	0	0	0	1,800	0
TOTAL MINOR CAPITAL EQUIPMENT	0	0	0	0	1,800	0
TOTAL OPERATING	952,373	976,151	1,243,854	1,493,052	1,420,048	1,347,725
CAPITAL OUTLAY						
Lease/Purchase Capital Equipment	62,965	62,965	0	695,338	0	0
Miscellaneous	10,527	2,512	0	0	0	0
TOTAL CAPITAL OUTLAY	73,492	65,477	0	695,338	0	0

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

General Fund

0188 General Expenses

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
SUBSIDIES & GRANTS						
Grants to Local Units	50,500	125,000	27,000	54,500	88,000	79,500
Dauphin County Library	50,000	50,000	50,000	50,000	50,000	50,000
Capital Area Transit	143,168	598,912	243,168	243,168	243,168	250,463
Community Life Team	100,000	100,000	0	0	0	0
Downtown Improvement District (DID)	23,567	21,779	21,847	21,850	21,850	20,000
Harrisburg Regional Chamber	50,000	50,000	50,000	60,000	60,000	60,000
Councilmanic Special Projects	0	0	154,880	45,120	45,120	0
TOTAL SUBSIDIES & GRANTS	<u>417,235</u>	<u>945,691</u>	<u>546,895</u>	<u>474,638</u>	<u>508,138</u>	<u>459,963</u>
Cash Under/Over	0	(438)	0	0	0	0
Uncollectible Accounts	480	0	0	0	0	0
Refund of Prior Year Revenue	500,000	0	0	0	0	0
Fines and Settlements	0	0	0	0	0	0
E.M.S. Tax Eligible Expenses	0	0	0	2,612,400	1,308,000	0
TOTAL GENERAL EXPENSES	<u><u>2,980,645</u></u>	<u><u>3,125,307</u></u>	<u><u>2,376,737</u></u>	<u><u>6,150,630</u></u>	<u><u>4,342,372</u></u>	<u><u>3,191,382</u></u>

STATE LIQUID FUELS TAX FUND

The State Liquid Fuels Tax Fund is funded by an annual Commonwealth of Pennsylvania State Liquid Fuels Tax allocation and investment income. This fund is used to account for state aid revenue used primarily for building, improving, and maintaining city roads and bridges in accordance with policies and procedures of the County Liquid Fuels Tax Act of 1931 and the Liquid Fuels Tax Act 655 of 1956 of the Commonwealth of Pennsylvania.

RESOURCE ALLOCATION
2006 BUDGET

RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	6,200	MAINTENANCE	856,557
LIQUID FUELS TAX RECEIPTS	839,774		
FUND BALANCE APPROPRIATION	10,583		
TOTAL RESOURCES	856,557	TOTAL APPROPRIATION	856,557

STATE LIQUID FUELS TAX FUND
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
REVENUE ANALYSIS SUMMARY						
Investment Income	9,874	4,293	4,954	3,100	6,200	6,200
Liquid Fuels Tax Receipts	740,091	754,849	769,518	787,406	790,591	839,774
Road Turnback Program	0	0	0	0	0	0
TOTAL REVENUE	<u>749,965</u>	<u>759,142</u>	<u>774,472</u>	<u>790,506</u>	<u>796,791</u>	<u>845,974</u>
Fund Balance Appropriation	22,000	44,016	82,138	85,054	85,054	10,583
TOTAL RESOURCES	<u><u>771,965</u></u>	<u><u>803,158</u></u>	<u><u>856,610</u></u>	<u><u>875,560</u></u>	<u><u>881,845</u></u>	<u><u>856,557</u></u>

REVENUE ANALYSIS DETAIL						
Interest-Savings Account	201	146	170	100	200	200
Interest-Other	9,672	4,147	4,784	3,000	6,000	6,000
Liquid Fuels Tax Receipts	740,091	754,849	769,518	787,406	790,591	839,774
Road Turnback Program	0	0	0	0	0	0
TOTAL REVENUE	<u>749,965</u>	<u>759,142</u>	<u>774,472</u>	<u>790,506</u>	<u>796,791</u>	<u>845,974</u>
Fund Balance Appropriation	22,000	44,016	82,138	85,054	85,054	10,583
TOTAL RESOURCES	<u><u>771,965</u></u>	<u><u>803,158</u></u>	<u><u>856,610</u></u>	<u><u>875,560</u></u>	<u><u>881,845</u></u>	<u><u>856,557</u></u>

EXPENDITURE ANALYSIS SUMMARY						
Personnel Services	457,030	484,927	488,294	497,621	495,030	0
Operating Expenses	189,309	206,699	228,627	315,277	313,570	792,494
Capital Outlay	0	0	0	0	0	0
Transfers	111,562	111,371	82,630	62,662	62,662	64,063
TOTAL EXPENDITURES	<u>757,901</u>	<u>802,997</u>	<u>799,551</u>	<u>875,560</u>	<u>871,262</u>	<u>856,557</u>

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
STATE LIQUID FUELS TAX FUND						
State Liquid Fuels Tax Fund	10.00	10.00	10.00	9.00	9.00	0.00
TOTAL POSITIONS	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>

Through 2004, the personnel complement in the State Liquid Fuels Tax Fund had remained at the same level since 1994. The 2005 Approved Budget eliminated a Street Maintenance Worker position. The 2006 Approved Budget contains a reorganization of the State Liquid Fuels Tax Fund operation. All personnel related costs were transferred to the General Fund, specifically, the Department of Public Works, Bureau of Neighborhood Services - City Services and General Expenses. To offset this transfer, an equal dollar amount of utility costs were transferred from the General Fund to the State Liquid Fuels Tax Fund. These changes were made to make the State Liquid Fuels Tax Fund easier to administer and audit. The nine positions associated with the State Liquid Fuels Tax Fund are now assigned to the Department of Public Works, Bureau of Neighborhood Services - City Services.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Special Revenue Fund

2020 State Liquid Fuels

	Allocation Plan		Position Control	
PERSONNEL SERVICES				
		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	0			
Salaries-BU	0			
Overtime	0			
Fringe Benefits	0			
Miscellaneous	0	Total Management	0.00	0
TOTAL	0			
OPERATING EXPENSES				
Communications	0	Total Bargaining Unit	0	0
Professional Services	0			
Utilities	537,489			
Insurance	0	Overtime		0
Rentals	0			
Maintenance & Repairs	33,251	FICA		
Contracted Services	16	Healthcare Benefits - Active		
Supplies	221,738	Healthcare Benefits - Retirees		
Minor Capital Equipment	0	Total Fringe Benefits		0
TOTAL	792,494	Sick Leave Buy-Back		
CAPITAL OUTLAY	0	Severance Pay		
		Unemployment Compensation		
TRANSFERS	64,063	Workers' Compensation		
		Loss/Time Medical		
		State Fees		
TOTAL APPROPRIATION	856,557	Excess Policy & Bond		
		Non-Uniformed Pension		
		Total Miscellaneous		0
		TOTAL	0.00	0

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG)
2005 - 2006 PROGRAM YEAR BUDGET SUMMARY, YEAR XXXI**

DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT

BUREAU OF HOUSING DEVELOPMENT

The Bureau of Housing carries out a variety of community and residential development activities to revitalize Harrisburg's neighborhoods. The Bureau is funded primarily by the Community Development Block Grant. The Bureau maximizes the use of federal, state, and local funds, as well as private resources in achieving its objectives. The Bureau's housing programs include the Home Improvement Program (assistance for low- and moderate-income homeowners), the Homeownership Opportunities Program (rehabilitation of vacant houses), the Homeownership Impact Loan Program (first-time homebuyer assistance), and the Section-8 Rental Rehabilitation Program (lead-paint hazard control). The Bureau seeks to stimulate private investment in City real estate through rehabilitation of vacant structures and disposition of vacant lots. The Bureau sponsors several programs designed to encourage community involvement in neighborhood improvement and beautification efforts. These include the Adopt-A-Lot Urban Gardening Program and the Adopt-A-Block Beautification Program.

The Bureau also promotes and facilitates private development of quality housing in Harrisburg's Neighborhoods. Ongoing projects include Capitol Heights, the Residences and Townhomes at Governor's Square, Marketplace Townhomes, and the Mt. Pleasant Apartments project. The Bureau works in cooperation with the Office of the City Engineer to implement major public infrastructure improvements in support of housing and community development. Prior to the actual development phase, staff works to assemble land and request proposals for new housing development initiatives. The Bureau works closely with developers to promote quality construction that will expand the City's tax base and grow its population.

Along with its relationships with private developers, the Bureau supports the housing development efforts of private non-profit agencies by providing federal, state, and local funds and/or properties to organizations such as Tri-County Housing Development Corporation, Wesley Union CDC, and Habitat for Humanity. The Bureau also directs Emergency Shelter Grant funds to agencies providing shelter and other assistance to homeless persons, including the YWCA, Shalom House, and Christian Churches United. The Bureau has provided funding for repairs or improvements to community facilities such as Camp Curtin YMCA, Hamilton Health Center, Mount Pleasant Hispanic American Center, etc. Bureau staff assist non-profits by providing technical guidance on project management, budgeting, and the numerous grant compliance issues such as eligibility of expenditures, procurement of contractors and services, affirmative action, and conflict of interest. The Bureau provides loans to for-profit developers of affordable rental housing, and scattered site rental rehabilitation projects.

The Bureau of Housing administers an aggressive Lead Paint Hazard Control Program to reduce lead paint hazards in the older homes of low and moderate-income owner-occupants. Under a cooperation agreement with the City, Pinnacle Health Childhood Lead Poisoning Prevention Center provides blood testing of children and lead paint testing in homes. The Bureau uses certified contractors who are qualified to carry out lead paint hazard control. This program is funded by a \$3 million, 42-month grant from the U.S. Department of HUD and a \$530,000, 42-month grant from the PA Department of Health. In 1999, the effort was expanded to include rental housing development sponsored by non-profit organizations. In 2001, the effort was again expanded to include rental housing leased by Section-8 tenants. The program received a national "Best Practices" Award from the U.S. Department of Housing and Urban Development.

The Housing Bureau provides all staff support for the Harrisburg Redevelopment Authority's (HRA) acquisition and disposition activities, most of which support City initiatives such as Homeownership Opportunities Program, Capitol Heights, Market Place, Governor's Square, and Mount Pleasant Apartments projects. The Bureau staff manages and maintains the majority of Redevelopment Authority properties prior to sale to developers or homeowners. The Bureau also participates in community based planning processes such as Consolidated Plan (for federal housing and community development grants), and the Continuum of Care, a strategy for addressing homelessness.

FILE OF THE CITY COUNCIL

NO. 11 Session of **2005**

MOVED BY LINDA D. THOMPSON, JUNE 14, 2005

An ordinance appropriating Community Development Block Grant funds from the United States Department of Housing and Urban Development for Fiscal Year 2005 and authorizing expenditure of such funds.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISBURG, AND IT IS HEREBY ENACTED BY AUTHORITY OF THE SAME, as follows:

SECTION 1. The City of Harrisburg's 2005-2010 Consolidated Plan provides the City a comprehensive vision for the use of federal funds that encompasses a description of the needs related to affordable housing, infrastructure, fair housing, economic development and helping the homeless. Through a process of consultation with the community, the City has developed Goals and Objectives for addressing these needs. The Consolidated Plan charts a strategic course of action for revitalization and community development. Benchmarks for performance under the specific goals and objectives have been established by which the City and its Citizens can track the performance of the programs established by the City.

The Consolidated Plan meets the application requirements of the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant program (CDBG), the HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant Program (ESG). The City of Harrisburg is a formula grantee and receives funding each year in October for the new program year.

SECTION 2. Community Development Block Grant (“CDBG”) funds for Fiscal Year 2005 of \$2,392,796.00 and Program Income of \$300,000.00 shall be appropriated as follows:

<u>Activity</u>	<u>Appropriation</u>
Homeownership Opportunities Program	\$1,111,807.00
Land Assembly	\$ 60,000.00
MOED Business Loans	\$ 100,000.00
ACORN Housing	\$ 30,000.00
Habitat for Humanity-Rehab	\$ 30,000.00
Habitat for Humanity-Repair	\$ 30,000.00
Summit Terrace Neighborhood Assoc.	\$ 3,870.00
Emergency Demolition	\$ 400,000.00
CDBG Administration and Indirect Costs	\$ 463,809.00
Debt Service	\$ 369,701.00
Community Facility Improvements	
Mt. Pleasant Hispanic American Center	\$ 65,000.00
Central Allison Hill CC.	\$ 10,000.00
Delta Community	\$ 18,609.00
Total CDBG:	\$2,692,796.00

SECTION 3. The Department of Building and Housing Development is authorized to submit the Annual Action Plan for the City's 2005-2006 allocation of Community Development Block Grant funds for Fiscal Year 2005 to the appropriate agency in order to obtain Community Development Block Grant funds.

SECTION 4. Of the \$400,000.00 allocated for Emergency Demolition, City Council reserves \$ 100,000.00 of said funds for demolition of condemned structures specifically designated by City Council. By resolution, City Council will direct the Department of Building and Housing as to which structures are to be demolished.

SECTION 5. **DELEGATION.**

Appropriate City officials are authorized and directed to take such actions as are necessary to effectuate this ordinance.

SECTION 6. **SEVERABILITY.**

If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstances is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, section or part of this ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

SECTION 7. **REPEALER.**

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 8. **EFFECTIVE DATE.**

This ordinance shall take effect in accordance with the law.

Second by: Richard House

PASSED by City Council on the 12th day of July 2005

SIGNED by the Mayor on the 18th day of July 2005

Ord 11-2005 urban dev block grant-dbhd
I drive-Bills-ord- 2005

FILE OF THE CITY COUNCIL

NO. 12 Session of **2005**

MOVED BY LINDA D. THOMPSON, JUNE 14, 2005

An ordinance appropriating HOME Investment Partnerships Program (HOME) funds from the United States Department of Housing and Urban Development for Fiscal Year 2005 and authorizing expenditure of such funds.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISBURG, AND IT IS HEREBY ENACTED BY AUTHORITY OF THE SAME, as follows:

SECTION 1. The City of Harrisburg's 2005-2010 Consolidated Plan provides the City a comprehensive vision for the use of federal funds that encompasses a description of the needs related to affordable housing, infrastructure, fair housing, economic development and helping the homeless. Through a process of consultation with the community, the City has developed Goals and Objectives for addressing these needs. The Consolidated Plan charts a strategic course of action for revitalization and community development. Benchmarks for performance under the specific goals and objectives have been established by which the City and its Citizens can track the performance of the programs established by the City.

The Consolidated Plan meets the application requirements of the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant program (CDBG), the HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant Program (ESG). The City of Harrisburg is a formula grantee and receives funding each year in October for the new program year.

SECTION 2. HOME Investment Partnership Program (HOME) funds for Fiscal Year 2005 of \$621,958.00 and Program Income of \$20,000.00 shall be appropriated as follows:

<u>Activity</u>	<u>Appropriation</u>
TriCounty HDC Capital Corridors SF Rehab	\$ 100,000.00
Wesley Union CDC	\$125,000.00
Home Improvement Program	\$ 302,763.00
<u>HIP Emergency Home Repair</u>	\$ 50,000.00
Administration	\$ 64,195.00
Total HOME	\$ 641,958.00

SECTION 3. The Department of Building and Housing Development is authorized to submit the Annual Action Plan for the City's 2005-2006 allocation of Home Investment Partnerships Program funds for Fiscal Year 2005 to the appropriate agency in order to obtain HOME Investment Partnerships Program funds.

SECTION 4. **DELEGATION.**

Appropriate City officials are authorized to take such actions as are necessary to effectuate this ordinance.

SECTION 5. SEVERABILITY.

If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this ordinances. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

SECTION 6. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 7. EFFECTIVE DATE.

This ordinance shall take effect in accordance with the law.

Seconded by: Richard House

PASSED by City Council on the 12th day of July 2005

SIGNED by the Mayor on the 18th day of July 2005

FILE OF THE CITY COUNCIL

NO. 13 Session of **2005**

MOVED BY LINDA D. THOMPSON, JUNE 14, 2005

An ordinance appropriating Emergency Shelter Grant Program funds from the United States Department of Housing and Urban Development for Fiscal Year 2005 and authorizing expenditure of such funds.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISBURG, AND IT IS HEREBY ENACTED BY AUTHORITY OF THE SAME, as follows:

SECTION 1. The City of Harrisburg's 2005-2010 Consolidated Plan provides the City a comprehensive vision for the use of federal funds that encompasses a description of the needs related to affordable housing, infrastructure, fair housing, economic development and helping the homeless. Through a process of consultation with the community, the City has developed Goals and Objectives for addressing these needs. The Consolidated Plan charts a strategic course of action for revitalization and community development. Benchmarks for performance under the specific goals and objectives have been established by which the City and its Citizens can track the performance of the programs established by the City.

The Consolidated Plan meets the application requirements of the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant program (CDBG), the HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant Program (ESG). The City of Harrisburg is a formula grantee and receives funding each year in October for the new program year.

SECTION 2. Emergency Shelter Grant Program funds for Fiscal Year 2005 of \$92,792.00 shall be appropriated as follows:

<u>Activity</u>	<u>Appropriation</u>
Christian Churches United/H.E.L.P.	\$58,833.00
Shalom House Operations and Rehabilitation	\$30,000.00
Dauphin County HMIS	\$ 3,959.00
Total ESG	\$92,792.00

SECTION 3. The Department of Building and Housing Development is authorized to submit the Annual Action Plan for the City's 2005-2006 allocation of Emergency Shelter Grant funds for Fiscal Year 2005 to the appropriate agency in order to obtain Emergency Shelter Grant funds.

SECTION 4. **DELEGATION.**

Appropriate City officials are authorized to take such actions as are necessary to effectuate this ordinance.

SECTION 5. SEVERABILITY.

If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this ordinances. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

SECTION 6. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 7. EFFECTIVE DATE.

This ordinance shall take effect in accordance with the law.

Seconded by: Richard House

PASSED by City Council on the 12th day of July 2005

SIGNED by the Mayor on the 18th day of July 2005



DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources, principally transfers from the General, Capital Projects, and State Liquid Fuels Tax Funds, for the payment of general long-term obligation principal, interest, and related costs.

OVERVIEW

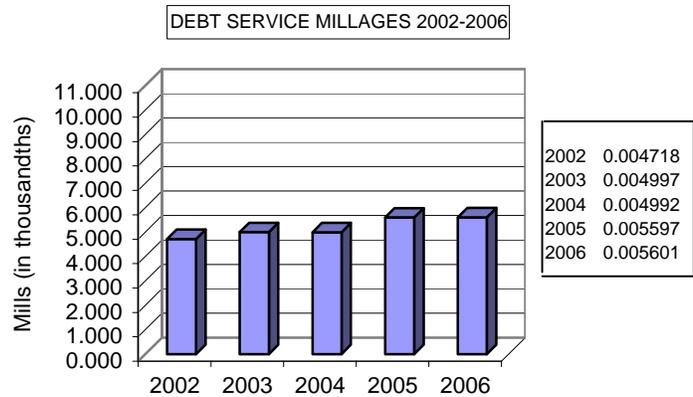
The City currently has five debt issues outstanding of a general obligation nature. These issues are ultimately secured by the full faith, credit and taxing power of the City. They bear interest, payable semiannually or annually, at rates varying from 1.59% to 7.64%. The first four of these debt issues are insured and have an "Aaa" rating from Moody's and an "AAA" rating from Standard & Poor's. The following is a description of the debt issues currently outstanding and the projects they financed:

1. **1995 Federally Taxable General Obligation Bonds, Series A and B.** This \$35,734,416 issue was approved by City Council on December 5, 1995, to fund the City's unfunded actuarial accrued pension liability with deposits to the applicable City pension plans and for the payment of all costs and expenses related to the issuance of the Bonds. The Series A Bonds (\$33,394,416) and Series B Bonds (\$2,340,000), dated December 15, 1995, have 20-year and 11-year terms, respectively, and are being repaid by General Fund real estate taxes, pension system state aid, liquid fuels tax receipts, and user fees from the Sewer Utility Fund on a pro-rata share basis.
2. **1997 General Obligation Refunding Bonds, Series D.** This \$24,891,722 issue was approved by City Council on November 25, 1997, to advance refund the City's \$22,195,000 General Obligation Bonds, Series B-1 of 1997 in whole, to fund certain capital projects of the City, and to pay costs of issuance related to the Bonds. The B-1 Bonds were issued to retire the City's \$15,000,000 G.O. Note, Series A of 1995, issued to the Emmaus Bond Pool Program (EPIII); and to pay for the costs and expenses of a National Civil War Museum, certain street repaving and repairs, and certain parking facilities. The Series D Bonds have a term of 25 years and are being repaid from General Fund real estate taxes.
3. **1997 General Obligation Refunding Notes, Series F.** This \$26,632,303 issue was approved by City Council on November 25, 1997, to currently refund all of the City's \$25,000,000 General Obligation Bonds, Series 1995, which proceeds paid in full on March 1, 1995; the City's \$25,000,000 G.O. Note, Series A of 1992, issued to Emmaus General Authority Bond Pool Program (EPII); to pay for costs and expenses of a National Civil War Museum, certain street/alley repaving/reconstruction and other certain capital projects of the City and to pay costs of issuance related to the Notes. The Notes, dated December 1, 1997, have a term of 25 years and are being repaid from General Fund real estate taxes.
4. **1997 Federally Taxable General Obligation Bonds, Series A1.** This \$8,000,000 issue was approved by City Council on April 8, 1997, to retire the City's \$7,200,000 Federally Taxable General Obligation Notes, Series A of 1996, issued to finance the purchase of the Harrisburg Senator's AA Baseball Team. The Series A1 Bonds also funded construction of a new scoreboard and other stadium improvements. The Bonds have a 12-year term and are being repaid from team revenues and General Fund real estate taxes.
5. **2003 General Obligation Notes, Series A, B and C.** These notes, totaling \$627,800, were approved by City Council on June 10, 2003, for the purpose of providing funds to apply for and towards various transportation infrastructure improvement projects including the Hamilton Street Intersection Project at Sixth Street, the State Street Intersection Project at Reservoir Park, and the purchase and installation of energy-saving LED traffic signal lenses for approximately 24 intersections in the City. These Notes have a term of 10 years and are being repaid from General Fund real estate taxes.

DEBT MANAGEMENT

The City structures its debt service (principal, interest, and related costs) at a fixed level of expenditure by which to budget. Financing the debt somewhat evenly over the useful life of the project not only enables the cost to be spread equitably to all who benefit from the project, current and future, but also keeps expenditures relatively constant year after year.

Debt Service requirements not otherwise provided for are appropriated in the year in which they are due. As part of the annual tax levy ordinance, the City designates property tax millage sufficient to fund for the payment of debt service on general obligation indebtedness. As the chart indicates, for 2006, this levy is 5.601 mills, or \$0.5601 on each \$100.00 of assessed value. Because of the General Fund's adequate undesignated fund balance, the City does not designate, nor is required to designate, additional millage to fund for future year debt service reserves.



For revenue bond indebtedness, current operating revenues (primarily utility user fees) are budgeted to fund the debt service requirement. Since the City operates the water and sewer systems and the HRRF on behalf of THA, related revenue bond debt service is budgeted in each respective utility fund.

Historically, the City has only issued bonds for capital improvements (or refundings/refinancing related thereto) and notes for bond anticipation purposes. Short-term borrowing, such as lease/purchase contracts, is considered and occasionally utilized for financing capital equipment and rolling stock purchases when it is determined to be in the City's financial interest.

In recognition of the City's policy and procedures to provide continuing and improved financial disclosure to investors of City debt issues, the National Federation of Municipal Analysts granted its Award of Recognition to the City in 1993.

DEBT SERVICE FUND
RESOURCE ALLOCATION
2006 BUDGET

RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	1,000	DEBT SERVICE	8,916,996
TRANSFERS	8,915,996		
FUND BALANCE APPROPRIATION	0		
TOTAL RESOURCES	<u>8,916,996</u>	TOTAL APPROPRIATION	<u>8,916,996</u>

DEBT SERVICE AS A PERCENTAGE OF GENERAL EXPENDITURES

	2002 <u>Actual</u>	2003 <u>Actual</u>	2004 <u>Actual</u>	2005 <u>Projected</u>	2006 <u>Approved Budget</u>
Debt Service	8,817,379	8,783,389	8,874,926	8,867,512	8,916,996
General Expenditures*	49,817,493	54,563,095	54,218,488	59,643,405	59,120,877
Percentage	17.70%	16.10%	16.37%	14.87%	15.08%

* Includes General Fund expenditures plus transfers.

The above chart entitled "Debt Service as a Percentage of General Expenditures" compares total debt service paid out of the Debt Service Fund each of the last four years to General Fund expenditures and transfers over the same period of time.

DEBT SERVICE FUND
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
REVENUE ANALYSIS DETAIL						
Interest on Savings Account	1,782	974	1,263	1,000	1,500	1,000
Interest on Other Investments	3,432	34	11	0	50	0
Gain on Sale of Investments	0	0	0	0	0	0
Miscellaneous	75,214	0	33,171	0	0	0
Transfers-General Fund	8,251,164	8,277,764	8,727,045	8,803,851	8,803,300	8,851,933
Transfers-Capital Projects Fund	225,000	270,000	0	0	0	0
Transfers-State Liquid Fuels Tax Fund	110,999	111,371	82,630	62,662	62,662	64,063
Transfers-Sanitation Fund	0	0	0	0	0	0
Transfers-Incineration Fund	0	0	0	0	0	0
TOTAL REVENUE	8,667,591	8,660,143	8,844,120	8,867,512	8,867,512	8,916,996
Fund Balance Appropriation	149,788	123,246	30,806	0	0	0
TOTAL RESOURCES	8,817,379	8,783,389	8,874,926	8,867,512	8,867,512	8,916,996

EXPENDITURE ANALYSIS DETAIL						
Principal Retirements	7,449,194	7,725,848	8,317,864	6,744,210	6,744,209	6,751,912
Interest Expense	1,200,807	947,596	446,917	2,123,303	2,123,303	2,165,084
Letter of Credit Fees	0	0	0	0	0	0
Capitalized Lease Payments	167,378	109,945	110,145	0	0	0
Remarketing Fee Reserve	0	0	0	0	0	0
TOTAL EXPENDITURES	8,817,379	8,783,389	8,874,926	8,867,512	8,867,512	8,916,996

CITY OF HARRISBURG, PENNSYLVANIA
 COMPUTATION OF LEGAL DEBT MARGIN
As of December 31, 2004

The statutory borrowing limit of the City under the Commonwealth's Local Government Unit Debt Act is computed as a percentage of the City's "Borrowing Base." The "Borrowing Base" is calculated as the annual arithmetic average of total "Revenues" (as defined by the Debt Act) for the three full fiscal years ended next preceding the date of incurring debt.

The City calculates its present borrowing base and borrowing capacity as follows:

	<u>Gross</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net</u>
Revenues for 2002	\$ 48,065,985	\$ 2,845,641	\$ 45,220,344
Revenues for 2003	55,128,180	3,617,572	51,510,608
Revenues for 2004	<u>62,058,748</u>	<u>9,912,097</u>	<u>52,146,651</u>
Total Revenues - Past Three Years	<u>\$ 165,252,913</u>	<u>\$ 16,375,310</u>	<u>\$ 148,877,603</u>
Annual Arithmetic Average (Borrowing Base)			<u>\$ 49,625,868</u>

Under the Debt Act as presently in effect: 1) new nonelectoral debt may not be incurred if the net amount of such new nonelectoral debt plus all outstanding net nonelectoral debt would cause total net nonelectoral debt to exceed 250% of the Borrowing Base; and 2) new lease rental debt or new nonelectoral debt may not be incurred if the net amount of such new debt plus all outstanding net nonelectoral debt and net lease rental debt would cause the total net nonelectoral plus net lease rental debt to exceed 350% of the Borrowing Base. The application of the aforesaid percentages to the City's Borrowing Base produces the following products:

	<u>Legal</u> <u>Limit</u>	<u>Net</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Remaining</u> <u>Borrowing</u> <u>Capacity</u>
Net Nonelectoral Debt Limit: 250% of Borrowing Base	\$ 124,064,670	\$ 80,592,769 ⁽³⁾	\$ 43,471,901
Net Nonelectoral and Lease Rental Debt Limit: 350% of Borrowing Base	\$ 173,690,538	\$ 97,592,769 ⁽⁴⁾	\$ 76,097,769

⁽¹⁾ General Fund total revenues, plus other financing sources.

⁽²⁾ Exclusions represent non-recurring or subsidized receipts.

⁽³⁾ Net Bonded Debt Outstanding includes: \$590,000 General Obligation Bonds, Series A & B of 1995; \$7,970,000 General Obligation Bonds, Series A1 of 1997; \$33,565,241 General Obligation Refunding Bonds, Series D of 1997; \$37,896,495 General Obligation Refunding Notes, Series F of 1997 and \$571,033 Pennsylvania Infrastructure Bank Notes. Net bonded debt outstanding does not include portions of general obligation bonds which are payable from enterprise funds of the City or credits and exclusions from debt pursuant to the Debt Act.

⁽⁴⁾ Incorporates note (3) above, plus \$17,000,000 of The Harrisburg Authority Guaranteed Resource Recovery Notes, Series A of 2002.

Sources: City's audited basic financial statements and annual debt statement filings with the Commonwealth; exclusions per City's Bureau of Financial Management

DEBT SERVICE REQUIREMENTS:

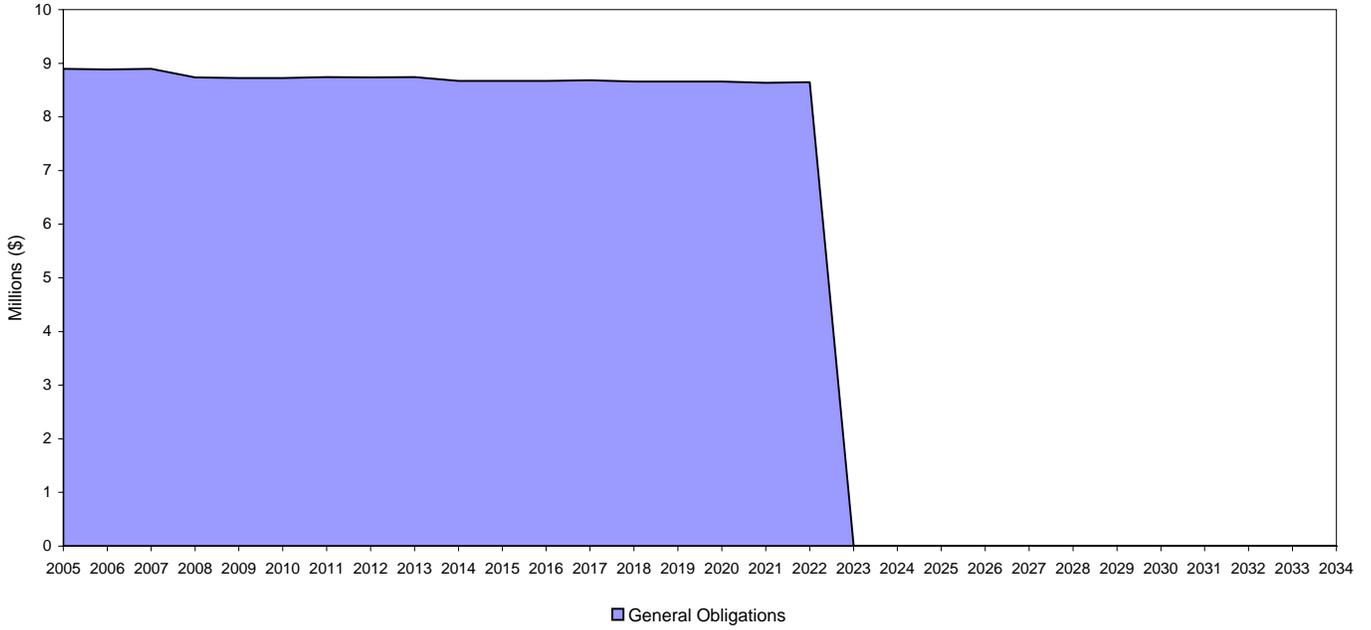
The annual requirements to amortize all debt (bonds and notes payable) outstanding as of December 31, 2004 are as follows:

Year Ending December 31	General Obligation		Revenue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Primary Government						
2005	\$ 8,307,718	\$ 1,105,128	\$ -	\$ -	\$ 8,307,718	\$ 1,105,128
2006	7,992,167	1,291,405	-	-	7,992,167	1,291,405
2007	7,760,065	1,528,166	-	-	7,760,065	1,528,166
2008	7,403,485	1,725,621	-	-	7,403,485	1,725,621
2009	7,056,729	2,057,808	-	-	7,056,729	2,057,808
Thereafter	63,885,395	52,697,745	-	-	63,885,395	52,697,745
	102,405,559	60,405,873	-	-	102,405,559	60,405,873
Less deferred loss on refunding and unamortized discount:	(17,482)	-	-	-	(17,482)	-
Total Primary Government	\$ 102,388,077	\$ 60,405,873	\$ -	\$ -	\$ 102,388,077	\$ 60,405,873
Component Units:						
The Harrisburg Authority						
2005	\$ -	\$ -	\$ 4,440,716	\$ 15,542,954	\$ 4,440,716	\$ 15,542,954
2006	-	-	5,134,270	16,269,505	5,134,270	16,269,505
2007	-	-	5,189,639	16,662,537	5,189,639	16,662,537
2008	-	-	6,786,777	16,587,127	6,786,777	16,587,127
2009	-	-	7,919,981	16,481,010	7,919,981	16,481,010
Thereafter	-	-	382,279,876	236,982,728	382,279,876	236,982,728
	-	-	411,751,260	318,525,861	411,751,259	318,525,861
Less deferred loss on refunding and unamortized discount:	-	-	(32,223,200)	-	(32,223,200)	-
Add unamortized premium:	-	-	966,711	-	966,711	-
Harrisburg Authority, Net	\$ -	\$ -	\$ 380,494,771	\$ 318,525,861	\$ 380,494,770	\$ 318,525,861
Harrisburg Parking Authority						
2005	\$ -	\$ -	\$ 2,510,000	\$ 3,499,456	\$ 2,510,000	\$ 3,499,456
2006	-	-	2,570,000	3,436,391	2,570,000	3,436,391
2007	-	-	2,640,000	3,368,349	2,640,000	3,368,349
2008	-	-	2,720,000	3,287,254	2,720,000	3,287,254
2009	-	-	2,820,000	3,196,639	2,820,000	3,196,639
Thereafter	-	-	70,895,000	27,592,936	70,895,000	27,592,936
	-	-	84,155,000	44,381,025	84,155,000	44,381,025
Less unamortized discount	-	-	(3,075,924)	-	(3,075,924)	-
Harrisburg Parking Authority, Net	-	-	81,079,076	44,381,025	81,079,076	44,381,025
Total Debt Service Requirements	\$ 102,388,077	\$ 60,405,873	\$ 461,573,847	\$ 362,906,886	\$ 563,961,923	\$ 423,312,759

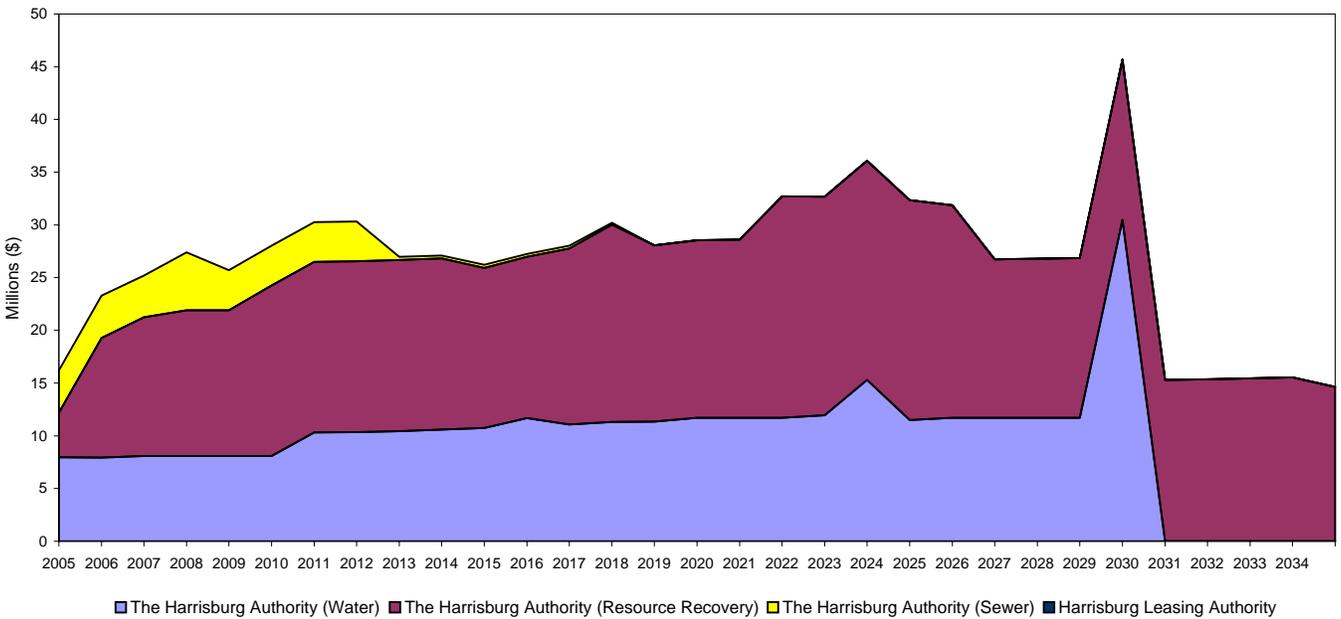
Source: City's audited general purpose financial statements.

CITY OF HARRISBURG SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST INCLUDED)

Annual General Obligation Debt Payments



Annual Revenue Debt Payments



DEBT OUTSTANDING:

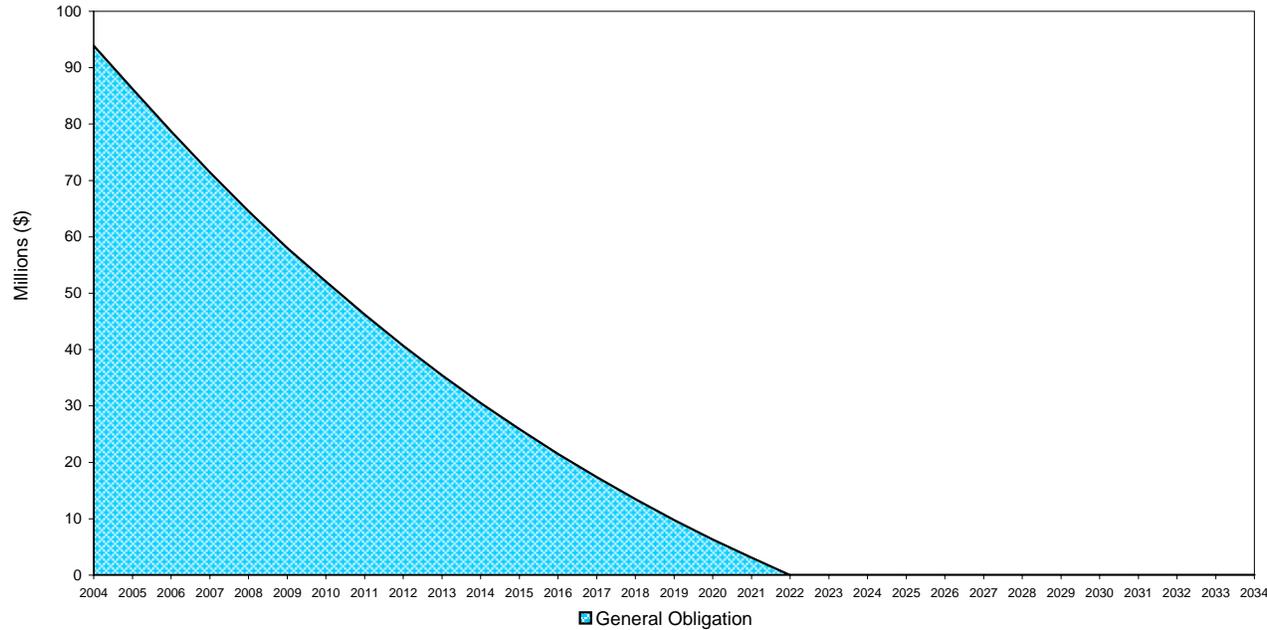
All debt (bonds and notes payable) outstanding as of December 31, 2004, is accounted for in the following fund and account group:

	Primary Government			Component Units		
	Enterprise Funds	General Long-Term Debt	Total Primary Government	The Harrisburg Authority	Harrisburg Parking Authority	Total Component Units
General Obligation Debt:						
Series A & B of 1995 Bonds	\$ 234,472	\$ 18,505,836	\$ 18,740,308	\$ -	\$ -	\$ -
Series A1 of 1997 Bonds	7,970,000	-	7,970,000	-	-	-
Series D of 1997 Bonds	-	33,565,241	33,565,241	-	-	-
Series F of 1997 Notes	-	37,896,495	37,896,495	-	-	-
Pennsylvania Infrastructure Notes	-	571,033	571,033	-	-	-
Total General Obligation Debt	\$ 8,204,472	\$ 90,538,605	\$ 98,743,077	\$ -	\$ -	\$ -
Revenue Debt:						
Water Revenue Bonds, Series A of 2001	\$ -	-	-	6,535,000	-	6,535,000
Water Revenue Bonds, Bonds, Series A,B,C and D of 2002	-	-	-	48,825,000	-	48,825,000
Water Revenue Bonds, Series A of 2003	-	-	-	56,535,000	-	56,535,000
Water Revenue Bonds, Series A of 2004	-	-	-	37,455,000	-	37,455,000
Sewer Revenue Bonds, Series of 1984	-	-	-	2,265,000	-	2,265,000
Sewer Revenue Bonds, First, Second and Third Series of 1989	-	-	-	13,840,000	-	13,840,000
Sewer Revenue Bonds, Series of 1992	-	-	-	13,840,000	-	13,840,000
Sewer Revenue Notes, Series A, B, & C of 1998	-	-	-	2,561,260	-	2,561,260
Resource Recovery Revenue Bonds, Series A of 1998	-	-	-	11,970,000	-	11,970,000
Resource Recovery Revenue Notes, A of 2002	-	-	-	17,000,000	-	17,000,000
Resource Recovery Revenue Notes, B and C of 2003	-	-	-	53,370,000	-	53,370,000
Resource Recovery Revenue Bonds, A, D, E, and F of 2003	-	-	-	147,555,000	-	147,555,000
Office and Parking Revenue Bonds						
Series K of 2000	-	-	-	-	11,800,000	11,800,000
Series J of 2001	-	-	-	-	29,285,000	29,285,000
Series of 2001	-	-	-	-	18,605,000	18,605,000
Series N of 2003	-	-	-	-	7,420,000	7,420,000
Series O of 2003	-	-	-	-	17,045,000	17,045,000
Less: Deferred loss on refunding and unamortized discount	-	-	-	(31,256,489)	(3,075,924)	(34,332,413)
Total Revenue Debt	0	0	0	380,494,771	81,079,076	461,573,847
Total Debt Outstanding	\$ 8,204,472	\$ 90,538,605	\$ 98,743,077	\$ 380,494,771	\$ 81,079,076	\$ 461,573,847

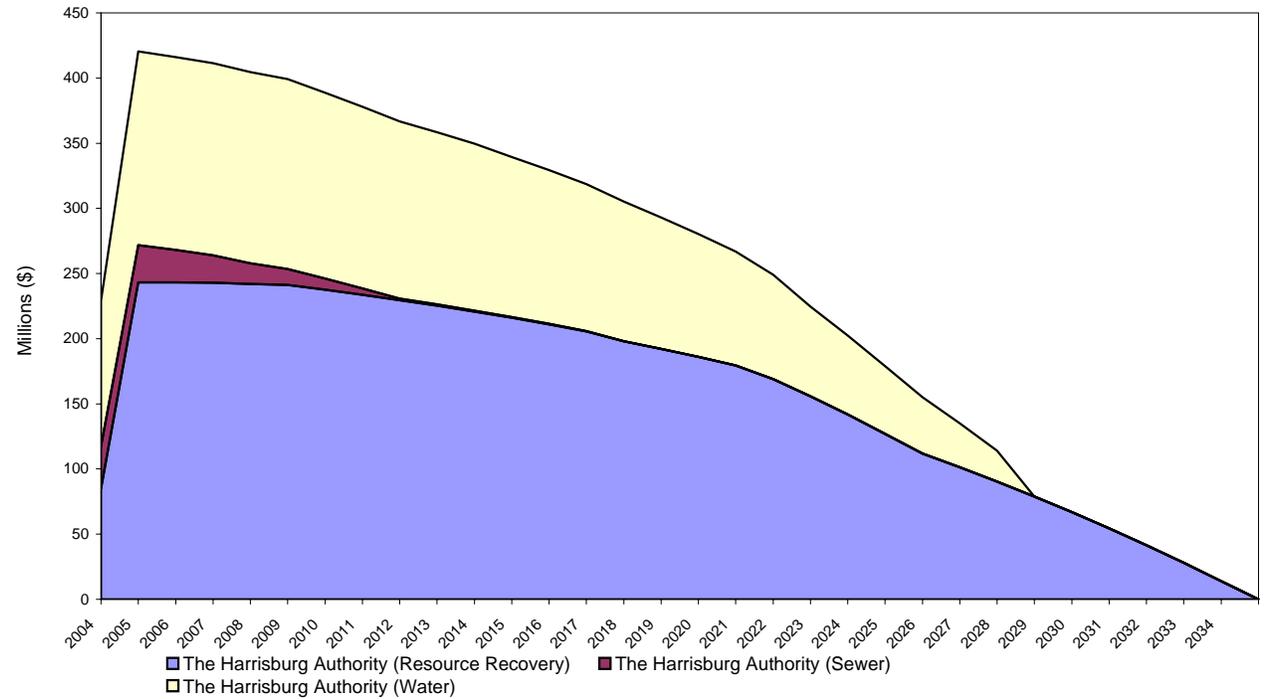
Source: City's audited general purpose financial statements

CITY OF HARRISBURG SCHEDULE OF DEBT OUTSTANDING AT FISCAL YEAR END

General Obligation Debt Principal Outstanding



Revenue Debt Principal Outstanding



DEFEASANCE OF DEBT:

The City defeased general obligation and other bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At December 31, 2004, the following bonds outstanding are considered defeased:

The City of Harrisburg:	
General Obligation Bonds, Series A of 1995	\$ 35,415,000
General Obligation Bonds, Series B-1 of 1997	22,165,000
The Harrisburg Authority:	
Guaranteed Sewer Revenue Bonds, Series of 1978	3,500,000
Water Revenue Bonds, Series A of 1999	4,510,000
Resource Recovery Revenue Bonds, Series A of 1998	21,140,000
Resource Recovery Revenue Bonds, Series B of 1998	8,585,000
Resource Recovery Revenue Bonds, Series C of 1998	3,815,000
Resource Recovery Revenue Bonds, Series D of 1998	1,845,000
Seventh Street Office & Parking Revenue Bonds, Series A of 1998	15,540,000
Seventh Street Office & Parking Revenue Bonds, Series B of 1998	6,185,000
Resource Recovery Notes, Series A of 2000	4,195,000
Resource Recovery Notes, Series B of 2000	3,615,000
The Harrisburg Parking Authority:	
Harrisburg Parking Authority, Series F Bonds	6,675,000
Harrisburg Parking Authority, Series I of 1998	25,770,000
	<hr/>
	\$ 162,955,000
	<hr/> <hr/>

LEASES:

The City leases certain equipment under long-term lease agreements which are classified as capital leases. As of December 31, 2004, the General Fixed Asset Account Group and the enterprise funds include equipment and furniture under capital leases of \$4,056,134 and \$291,545, respectively. The future minimum payments under capital leases and the present value of the net minimum lease payments at December 31, 2004, are as follows:

<u>Year ending December 31,</u>	<u>General Long-Term Debt</u>	<u>Enterprise Funds</u>	<u>Total</u>
2005	1,652,153	93,060	1,745,213
2006	1,652,153	93,060	1,745,213
2007	1,168,891	65,839	1,234,730
2008	1,007,805	56,766	1,064,571
2009-2011	1,900,648	107,056	2,007,704
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Total minimum lease payments	7,381,650	415,781	7,797,431
Less amount representing interest	(697,177)	(39,269)	(736,446)
	<hr/>	<hr/>	<hr/>
Present value of future minimum lease payments	\$ 6,684,473	\$ 376,512	\$ 7,060,985
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Source: City's audited general purpose financial statements.

Water Utility Fund Bureau of Water

Administration Division



Lower Reservoir Storage Tanks



Laboratory Technician testing for quality assurance

Distribution Division



Operating main line valve



Maintaining distribution system

Operations/Maintenance Division

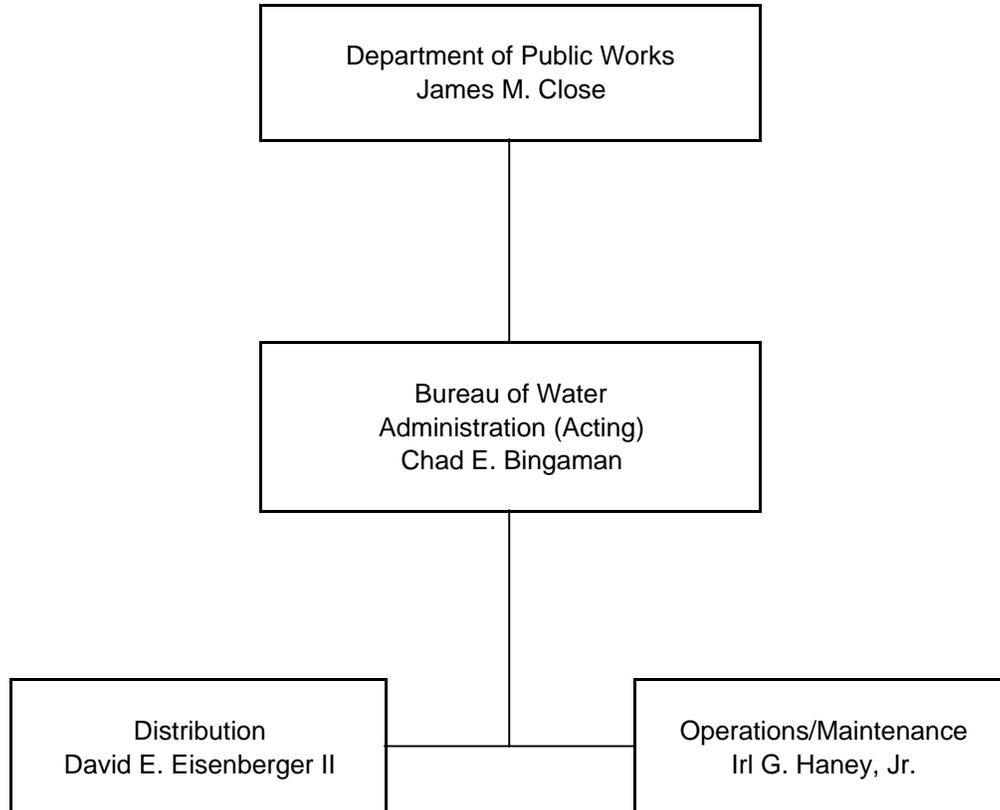


Six billion gallon raw water reservoir and watershed



Plant operators monitoring water flow

BUREAU OF WATER



WATER UTILITY FUND

The Bureau of Water manages and operates the Harrisburg Water System for The Harrisburg Authority under a management agreement which delineates the Bureau's responsibilities as follows: control of operations and maintenance; supervision of employees; contracting and purchasing of supplies and services; making recommendations to the Authority as to rates and charges, extensions, alterations, and improvement to the water system; and preparation and filing of reports. The Harrisburg Water System includes two water supplies, treatment facilities and a distribution system which serves approximately 77,000 people in the City of Harrisburg, Borough of Penbrook, Susquehanna, Swatara and Lower Paxton Townships.

The major revenue sources for this fund are metered water sales and all corresponding utility liens. The Bureau of Water consists of three divisions: Administration, which includes Water Quality and Metering; Distribution; and Operations/Maintenance.

RESOURCE ALLOCATION 2006 BUDGET			
RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	6,500	ADMINISTRATION	13,270,789
WATER SALES	15,917,900	DISTRIBUTION	1,235,630
METER/VALVE SALES & REPAIRS	500	OPERATIONS/MAINTENANCE	3,130,664
FEES	69,250		
OTHER REVENUE	352,000		
TRANSFER IN -THA	1,290,933		
TOTAL RESOURCES	17,637,083	TOTAL APPROPRIATIONS	17,637,083

WATER UTILITY FUND
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
REVENUE ANALYSIS SUMMARY						
Investment Income	10,623	8,153	6,026	6,000	6,000	6,500
Water Sales	14,240,017	14,352,561	13,805,587	15,059,650	14,002,650	15,917,900
Meter/Valve Sales & Repairs Fees	7,109	5,583	735	2,000	2,030	500
Other Revenue	33,029	60,901	77,499	56,500	74,000	69,250
Transfers In - THA	349,780	361,179	347,487	367,000	363,000	352,000
	638,027	2,021,045	0	2,143,333	3,307,052	1,290,933
TOTAL REVENUE	<u>15,278,585</u>	<u>16,809,422</u>	<u>14,237,334</u>	<u>17,634,483</u>	<u>17,754,732</u>	<u>17,637,083</u>
Fund Balance Appropriation	0	0	0	0	0	0
TOTAL RESOURCES	<u>15,278,585</u>	<u>16,809,422</u>	<u>14,237,334</u>	<u>17,634,483</u>	<u>17,754,732</u>	<u>17,637,083</u>

REVENUE ANALYSIS DETAIL						
Interest-Savings Account	6,200	6,783	5,970	5,000	5,500	6,000
Interest-Other	4,423	1,370	56	1,000	500	500
Metered Water Sales	9,695,786	9,626,260	8,972,320	10,000,000	8,900,000	11,035,900
Ready-to-Serve	2,872,615	2,985,015	3,060,159	3,000,000	3,043,000	3,100,000
Sale of Water Meters	6,900	5,535	702	2,000	2,000	500
Sale of Water Parts	191	48	33	0	30	0
Fireline Charges	292,769	293,882	263,303	300,000	300,000	290,000
Sale of Conservation Devices	18	0	0	0	0	0
Other Operational Revenue	51,593	61,812	71,788	60,000	62,000	60,000
Water Tapping Fee	13,125	5,874	6,900	5,000	19,000	7,500
Water Service Initiation Fee	250	500	700	500	2,000	750
Water Restoration	18,720	51,742	63,850	50,000	52,000	60,000
Water Termination Fee	934	2,784	6,049	1,000	1,000	1,000
Water Sales Liens-Principal	205,222	193,153	219,970	475,000	475,000	42,800
Water Sales Liens-Interest	20,345	27,325	33,636	59,650	59,650	7,600
Metered Susq. Water Sales	1,129,381	1,206,982	1,188,129	1,200,000	1,200,000	1,406,600
Susquehanna Ready-to-Serve	316,668	313,828	331,373	325,000	325,000	325,000
Refund of Expenditures	5,418	5,485	12,396	7,000	1,000	2,000
Transfers In - THA	638,027	2,021,045	0	2,143,333	3,307,052	1,290,933
TOTAL REVENUE	<u>15,278,585</u>	<u>16,809,422</u>	<u>14,237,334</u>	<u>17,634,483</u>	<u>17,754,732</u>	<u>17,637,083</u>
Fund Balance Appropriation	0	0	0	0	0	0
TOTAL RESOURCES	<u>15,278,585</u>	<u>16,809,422</u>	<u>14,237,334</u>	<u>17,634,483</u>	<u>17,754,732</u>	<u>17,637,083</u>

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
WATER UTILITY FUND						
<u>0210 ADMINISTRATION</u>						
Personnel Services	423,517	439,611	457,773	466,655	466,236	379,283
Operating Expenses	4,259,982	5,815,633	3,065,287	4,677,921	4,683,035	4,516,219
Capital Outlay	139,777	54,612	168,972	159,438	249,959	224,120
Debt Service	5,847,515	5,060,638	6,219,754	8,098,011	8,098,011	8,151,167
Non-Expenditure Items	9,466	0	30,000	26,000	6,000	0
TOTALS	10,680,257	11,370,494	9,941,786	13,428,025	13,503,241	13,270,789
<u>0220 DISTRIBUTION</u>						
Personnel Services	608,026	638,301	616,287	643,220	629,866	657,563
Operating Expenses	876,630	1,007,583	409,011	587,229	587,523	578,067
Capital Outlay	0	0	0	0	0	0
Non-Expenditure Items	60,500	0	0	0	0	0
TOTALS	1,545,156	1,645,884	1,025,298	1,230,449	1,217,389	1,235,630
<u>0230 OPERATIONS/MAINTENANCE</u>						
Personnel Services	979,379	1,073,439	1,077,316	1,075,203	1,069,971	1,102,392
Operating Expenses	2,068,223	2,719,706	1,573,490	1,900,806	1,964,131	2,028,272
Capital Outlay	5,570	0	0	0	0	0
Non-Expenditure Items	0	0	83,856	0	0	0
TOTALS	3,053,172	3,793,145	2,734,662	2,976,009	3,034,102	3,130,664
TOTAL WATER UTILITY FUND						
Personnel Services	2,010,922	2,151,351	2,151,376	2,185,078	2,166,073	2,139,238
Operating Expenses	7,204,835	9,542,922	5,047,788	7,165,956	7,234,689	7,122,558
Capital Outlay	145,347	54,612	168,972	159,438	249,959	224,120
Debt Service	5,847,515	5,060,638	6,219,754	8,098,011	8,098,011	8,151,167
Non-Expenditure Items	69,966	0	113,856	26,000	0	0
TOTAL EXPENDITURES	15,278,585	16,809,523	13,701,746	17,634,483	17,754,732	17,637,083

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
WATER UTILITY FUND						
Administration Division	8.33	8.33	8.33	7.33	7.33	6.33
Distribution Division	13.00	13.00	12.00	12.00	12.00	12.00
Operations/Maintenance Division	22.00	22.00	20.00	19.00	19.00	19.00
TOTAL POSITIONS	43.33	43.33	40.33	38.33	38.33	37.33

In 2003, there were no changes in the personnel complement. In 2004, three vacant positions were eliminated: a Laborer II position in the Distribution Division, an Operations Supervisor position in the Operations/Maintenance Division, and an Operator I position in the Operations/Maintenance Division. In 2005, a vacant Secretary I position in the Administration Division and a vacant Operator I position in the Operations/Maintenance Division were eliminated. The 2006 Approved Budget eliminates a vacant Administrative Assistant in the Administration Division. The vacant Director position in the Administration Division is funded for the second half of 2006.

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BUREAU OF WATER
ADMINISTRATION DIVISION

The Administration Division oversees the operation of the Bureau and makes recommendations to The Harrisburg Authority (THA) as required. This division also serves as the first line of response in satisfying the needs of the customer. It serves a major role as a support mechanism to the other divisions of the Bureau of Water. The Administration Division also performs public relations activities such as presentations made to civic and school groups.

Water Quality Administrator is responsible for all monitoring and analysis in accordance with federal, state, and local drinking water regulations. Other duties include submitting reports to state and federal agencies; public relations concerning water quality, distribution, and water conservation; performing bacterial testing; and education.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

0210 Administration

	Allocation Plan	Position Control	
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET ALLOCATION
Salaries-Mgmt	175,353	Director	1 31,065
Salaries-BU	74,149	Staff Attorney	0.50 22,466
Overtime	0	Current Planner	0.33 13,335
Fringe Benefits	90,082	Watershed Superintendent	1 42,226
Miscellaneous	39,700	Computer Programmer III	0.50 24,410
		Water Quality Administrator	1 41,851
TOTAL	379,283	Total Management	4.33 175,353
OPERATING EXPENSES		Paralegal II	1 39,462
Communications	27,000	Secretary II	1 34,687
Professional Services	46,410	Total Bargaining Unit	2 74,149
Utilities	0		
Insurance	148,730	Overtime	0
Rentals	0		
Maintenance & Repairs	56,000	FICA	19,295
Contracted Services	4,152,849	Healthcare Benefits - Active	61,287
Supplies	85,230	Healthcare Benefits - Retirees	9,500
Minor Capital Equipment	0	Total Fringe Benefits	90,082
TOTAL	4,516,219		
CAPITAL OUTLAY	224,120	Sick Leave Buy-Back	700
DEBT SERVICE	8,151,167	Severance Pay	2,000
		Unemployment Compensation	3,000
NON-EXPENDITURE ITEMS	0	Workers' Compensation	900
		Loss/Time Medical	29,000
		State Fees	900
TOTAL APPROPRIATION	13,270,789	Excess Policy & Bond	3,200
		Non-Uniformed Pension	0
		Total Miscellaneous	39,700
		TOTAL	6.33 379,283

BUREAU OF WATER

PROGRAM: Administration Division - Water Quality Unit

OBJECTIVE: To obtain samples of potable water for monitoring and analysis of the quality and complying with state and federal Safe Drinking Water Act regulations.

2004 ACCOMPLISHMENTS:

Harrisburg's water supply met all of the primary and secondary water quality standards of the federal Safe Drinking Water Act.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
<u>Number of samples collected and analyzed per year:</u>					
Total Coliform Bacteria (Dist. System)	1,064	1,073	1,095	1,080	1,080
Fecal Coliform Bacteria					
(Clarks Creek & DeHart Reservoir)	60	60	60	60	120
Free Chlorine Residual (Distribution System)	1,070	1,070	2,010	1,080	1,080
Free Chlorine Residual (Finished Water)	4,465	4,470	4,490	4,490	4,490
Total Chlorine Residual (Finished Water)	782	790	810	800	800
Total Chlorine Residual (Distribution Water)	520	535	585	545	545
Volatile Organic Chemicals	1	1	1	1	1
Radionuclides (Finished Water) ^a	1	1	1	N/A	N/A
pH (Finished Water)	4,380	4,380	4,500	4,450	4,450
pH (Raw Water)	1,460	1,460	1,470	1,650	1,650
pH (Distribution System)	540	520	560	545	545
Fluoride (Finished Water)	730	730	730	730	730
Total Trihalomethanes (Distribution System)	16	16	16	16	32
Iron (Raw Water) 2 x day	730	730	730	730	730
Iron (Finished Water) 2 x day	730	730	730	730	730
Iron (Distribution Water)	634	640	645	645	650
Manganese (Raw Water)	12	N/A	N/A	N/A	N/A
Manganese (Finished Water)	12	N/A	N/A	N/A	N/A
Manganese (Distribution System)	120	N/A	N/A	N/A	N/A
Total Dissolved Solids (Raw Water) 2 x day	730	730	730	730	730
Total Dissolved Solids (Finished Water) 2 x day	730	730	730	730	730
Total Dissolved Solids (Distribution System)	520	520	530	530	550
Lead (Distribution System) ^b	N/A ^c	N/A ^c	30	N/A ^c	N/A ^c
Copper (Distribution System) ^b	N/A ^c	N/A ^c	30	N/A ^c	N/A ^c
Turbidity (Finished Water)	4,380	4,380	4,410	4,380	4,380
Turbidity (Raw Water)	1,460	1,460	1,500	1,460	1,460
Water Quality Investigations (Dist. System)	45	33	35	26	30
Algae & Organics (Raw Water)	N/A	12	12	6	30 ^d
Synthetic Organic Chemicals (Finished Water)	4	N/A	4	N/A	N/A
Aluminum analysis (Finished Water)	730	730	730	730	730
Nitrate analysis (Finished Water)	1	1	1	1	2
Hardness (Raw Water)	730	730	730	730	730
Hardness (Finished Water)	730	730	730	730	730
Hardness (Distribution System)	520	520	520	520	535
Temperature (Raw Water)	730	730	730	730	730
Temperature (Finished Water)	730	730	730	730	730
Temperature (Distribution Water)	520	520	520	520	520
Orthophosphate (Finished Water)	730	730	730	730	730
Orthophosphate (Distribution System)	520	520	520	520	520
Zinc (Finished Water)	12	12	N/A	N/A	N/A
Zinc (Distribution System)	120	120	N/A	N/A	N/A
Alkalinity (Raw Water)	730	730	730	730	750
Alkalinity (Finished Water)	730	730	730	730	730
Bacteriological Suitability Test	1	1	1	1	1
Jar Tests	208	208	208	228	228

Notes:

- a Monitoring required every 4 years.
- b Follow-up monitoring as per the Lead and Copper Rule.
- c Monitoring reduced to once every three years.
- d New testing regimen being implemented in 2006 to evaluate the condition of the DeHart Reservoir.

BUREAU OF WATER
DISTRIBUTION DIVISION

The Distribution Division is responsible for monitoring and maintaining over 250 miles of water transmission and distribution piping, which involve the repair and replacement of water mains, valves, fire hydrants, water meters, and appurtenances. The division also completes all Pennsylvania One-Calls for water and sewer locations, and is responsible for reading all meters within the system. This division initiated the Enhanced Metering Program, which enables all meters within the system to be read on a monthly basis. This division is also responsible for maintaining records on meters and service lines within the system; performing all taps; leak detection; responding to and investigating customer billing disputes and enforcing applicable sections of the Codified Ordinances of the City of Harrisburg, and the rules and regulations of The Harrisburg Authority.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund				0220 Distribution
Allocation Plan				Position Control
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	57,024	Distribution Superintendent	1	57,024
Salaries-BU	417,115			
Overtime	19,544	Total Management	1	57,024
Fringe Benefits	163,880			
TOTAL	657,563	Service Person IV	3	125,434
		Service Person III	4	154,731
		Water Meter Reader II	1	36,873
OPERATING EXPENSES		Secretary II	1	34,687
		Laborer III	2	65,390
Communications	1,450			
Professional Services	0	Total Bargaining Unit	11	417,115
Utilities	0			
Insurance	0			
Rentals	1,500	Overtime		19,544
Maintenance & Repairs	16,250			
Contracted Services	454,217	FICA		37,767
Supplies	104,650	Healthcare Benefits - Active		126,113
Minor Capital Equipment	0	Healthcare Benefits - Retirees		0
TOTAL	578,067	Total Fringe Benefits		163,880
CAPITAL OUTLAY	0			
		TOTAL	12	657,563
NON-EXPENDITURE ITEMS	0			
TOTAL APPROPRIATION	1,235,630			

BUREAU OF WATER

PROGRAM: Distribution/Metering Division - Maintenance

OBJECTIVE: To monitor water delivery to the Distribution System and to manage the Metering Program by which customers' water consumption is quantified. Clean tuberculated water mains to enhance water quality and fire flow.

2004 ACCOMPLISHMENTS:

Efforts continued to reconcile customer meter information and the Bureau of Water continued the data entry function necessary to keep current the meter data records. A major focus on gaining meter readings continued with the installation of the Enhanced Metering Program. As a result, undocumented meters were located and non-registering meters were identified. Revenue billings for water have reflected this effort.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Locates - New Meters	3,975	0 ^a	0	0	0
Meters - Missing ^b	10	4	15	16	16
Leaking Meters - Replaced	115	52	120	128	130
Non-Registering Meters - Replaced	130	182	243	204	205
Remote Meters - Repaired	228	249	427	408	410
Calibrated Meters	0	2	2	5	5
New Services ^c	12	13	21	5	5
Water Shutoffs - Vacant Building Leaking	43	119	211	102	105
Water Shutoffs - Leaking Services	21	13	24	36	40
Water Shutoffs - Shutoff Program ^d	622	1,008	1,157	2,070	2,100
Water Shutoffs - Vacant Coded Program	134	193	250	126	130
Water Turn On	479	720	1,140	1,434	1,450
Water Tap - Inspected	38	20	50	22	25
Water Tap - Cleaned	30	22	21	26	30
Water Tap - Installed	33	74	63	104	110
Hydrant Flow Tests	90	66	80	30	30
Reported Leak Investigations	442	373	329	104	110
Leak Notices Served	45	41	26	44	50
Final Leak Notices Served	29	21	12	30	40
Meter Readings - Attempted	211,141	242,470	250,665	304,562	305,000
Meter Readings - Obtained	205,333	236,794	244,276	293,064	294,000
Main Breaks - Repaired	23	27	13	22	25
Hydrants - Replaced	4	7	33	12	20
Hydrants - Repaired	40	49	139	240	250
Valves - Replaced	4	0	2	5	5
Valves - Repaired	6	9	8	5	5
Locates - Completed	6,876	5,360	7,271	9,010	9,050
Valve Box - Repairs	24	33	20	90	100
Distribution Line Managed (miles) ^e	250	250	250	250	250
Hydrants Flushed	1,600	1,600	1,600	1,600	1,600
Hydrants Painted	25	25	25	25	25
Water Main Replaced/Installed (feet) ^e	50	25	20	25	25

Notes:

- a Now considered with PA - 1 calls and combined under Locates completed.
- b Meters found to be missing from residential and commercial properties.
- c Related to new construction.
- d Includes water shut off program, vacant properties, leaks, and demolitions.
- e The Bureau of Water and The Harrisburg Authority continue with construction projects.

BUREAU OF WATER
OPERATIONS/MAINTENANCE DIVISION

The Operations/Maintenance Division operates the DeHart Dam facilities, Susquehanna River Intake and Pump Station, Dr. Robert E. Young Water Services Center, Finished Water Storage Facilities, Pumping Station at Reservoir Park and Union Square Booster Station. This division patrols the DeHart watershed, monitors water quality in Clarks Creek and DeHart Reservoir, and is responsible for the maintenance and upkeep of all bureau facilities and appurtenances.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
Utility Fund		0230 Operations/Maintenance		
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	93,141	Oper. /Maint. Superintendent	1	47,901
Salaries-BU	680,680	Operations Supervisor	1	45,240
Overtime	64,740			
Fringe Benefits	263,831	Total Management	<u>2</u>	<u>93,141</u>
TOTAL	<u>1,102,392</u>			
		Electronics Technician	1	41,778
		Electrician III	1	41,828
OPERATING EXPENSES		Maintenance Specialist IV	3	125,334
		Operator IV	7	289,297
Communications	1,650	Maintenance Specialist III	1	39,277
Professional Services	8,000	Operator III	1	38,299
Utilities	712,500	Operator I	3	104,867
Insurance	0			
Rentals	500	Total Bargaining Unit	<u>17</u>	<u>680,680</u>
Maintenance & Repairs	31,000			
Contracted Services	1,073,922	Overtime		<u>64,740</u>
Supplies	200,700	FICA		64,150
Minor Capital Equipment	0	Healthcare Benefits - Active		199,681
TOTAL	<u>2,028,272</u>	Healthcare Benefits - Retirees		0
CAPITAL OUTLAY	0	Total Fringe Benefits		<u>263,831</u>
TOTAL APPROPRIATION	<u><u>3,130,664</u></u>	TOTAL	<u><u>19</u></u>	<u><u>1,102,392</u></u>

BUREAU OF WATER

PROGRAM: Operations/Maintenance Division - Water Filtration

OBJECTIVE: To provide and treat an average quantity of nine million gallons of water daily and to ensure the water supplied is a high quality, low cost drinking water, meeting or exceeding all United States Environmental Protection Agency (EPA) requirements under the Safe Drinking Water Act.

2004 ACCOMPLISHMENTS:

Operated the water treatment facility to meet all system demands on a day-to-day basis in accordance with Pennsylvania Department of Environmental Protection (DEP) requirements.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Hydrated Lime used for pH control (tons)	62.7	68.4	71.0	63.1	65.0
Caustic Soda used for pH control (tons)	0.6	0.4	7.7	7.8	8.0
Sodium Silicofluoride for control of dental disease (tons)	16.1	15.5	14.4	14.4	15.0
Alum used for coagulation (tons)	147	148	256	228	230
Polyphosphate used for corrosion control (tons)	50.7	59.2	51.4	49.5	54.7
Soda Ash used for pH control (tons)	157.4	180.7	170.0	147.8	165.0
Chlorine for Disinfection (tons)	44.4	48.3	42.5	33.7	36.5
Millions of gallons of water purified and processed for distribution	3,171	3,120	2,690	2,310	3,358
Water withdrawn from DeHart Reservoir (millions of gallons)	3,257	3,228	3,113	3,133	3,433

PROGRAM: Operations/Maintenance Division - DeHart

OBJECTIVE: To maintain the six billion gallon DeHart Dam Reservoir and Watershed area; providing an average of nine million gallons of water per day to the Treatment Plant. In addition, to monitor DeHart Reservoir and Clarks Creek in an effort to predict water quality.

2004 ACCOMPLISHMENTS:

The operation of DeHart Dam has been focused on the preparation of a Watershed and Reservoir Management Plan to provide source water protection. The preparation of this plan has been proceeding by the continuance of a stream and reservoir-monitoring program, with samples analyzed routinely at the DeHart Control Building Laboratory. The plan also incorporates a Timber Management Plan that will assess the watershed area's forest resources and coordinate a schedule for timber harvest sales.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Samples of unfiltered surface water monitored (pH)	466	466	234	228	450
Reservoir shoreline managed (linear miles)	9	9	9	9	9
Feeder streams flowing into watershed	23	23	23	23	23
Weir Readings, U.S.G.S. in number of days	365	365	365	365	365
Reservoir Monitoring Stations	4	4	4	4	4
Stream Monitoring Stations	8	8	8	8	8
Toe drain weir measurements	52	52	51	45	52
Bypass weir measurements	365	365	365	365	365
Clarks Creek flow studies	41	52	0 ^a	13 ^a	52
Days DeHart Dam height is recorded	365	365	365	365	365

Notes:

^a No flow studies were done in 2004 due to a lack of trained personnel in the procedure. Training occurred in 2005 and tests resumed.

Sanitation Utility Fund

Bureau of Neighborhood Services - Sanitation



Deputy Director of Public Works and Assistant Director

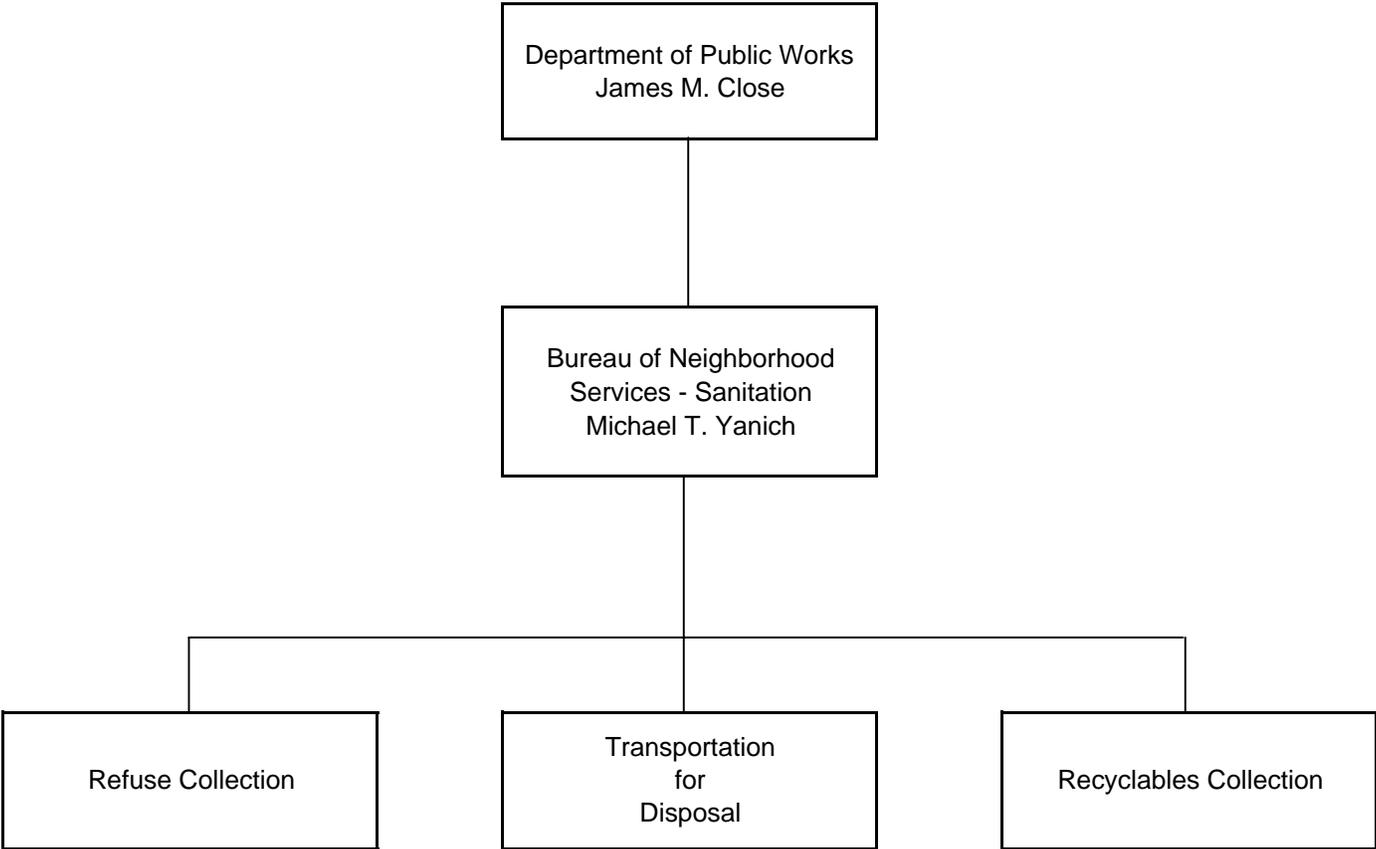


Recycle



Refuse collection

BUREAU OF NEIGHBORHOOD SERVICES - SANITATION



SANITATION UTILITY FUND
2006 BUDGET

RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	23,150	BUREAU OF NEIGHBORHOOD SERVICES - SANITATION	4,238,790
GARBAGE/REFUSE COLLECTION	4,056,689		
STATE GRANTS	95,000		
OTHER REVENUE	800		
FUND BALANCE APPROPRIATION	63,151		
TOTAL RESOURCES	<u>4,238,790</u>	TOTAL APPROPRIATION	<u>4,238,790</u>

SANITATION UTILITY FUND
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
REVENUE ANALYSIS SUMMARY						
Investment Income	5,655	2,912	5,684	3,150	6,400	23,150
Garbage/Refuse Collection	3,809,358	3,790,773	3,827,419	3,878,875	3,878,875	4,056,689
State Grants	76,610	0	101,955	95,000	95,000	95,000
Other Revenue	895	31,351	23,573	800	650	800
TOTAL REVENUE	<u>3,892,518</u>	<u>3,825,036</u>	<u>3,958,631</u>	<u>3,977,825</u>	<u>3,980,925</u>	<u>4,175,639</u>
Fund Balance Appropriation	165,446	25,337	279,306	203,000	203,000	63,151
TOTAL RESOURCES	<u>4,057,964</u>	<u>3,850,373</u>	<u>4,237,937</u>	<u>4,180,825</u>	<u>4,183,925</u>	<u>4,238,790</u>

REVENUE ANALYSIS DETAIL						
Interest-Savings Account	5,366	2,731	5,496	3,000	6,000	3,000
Interest-Other	289	181	188	150	400	150
Gain on Sale of Assets	0	0	0	0	0	20,000
Garbage/Refuse Collection	3,742,909	3,716,064	3,748,521	3,700,000	3,700,000	4,040,489
Other Operational Revenue	895	31,251	700	800	650	800
Sanitation Liens-Principal	60,785	63,708	67,746	165,375	165,375	13,500
Sanitation Liens-Interest	5,664	11,001	11,152	13,500	13,500	2,700
Refund of Expenditures	0	100	22,873	0	0	0
State Grants	76,610	0	101,955	95,000	95,000	95,000
TOTAL REVENUE	<u>3,892,518</u>	<u>3,825,036</u>	<u>3,958,631</u>	<u>3,977,825</u>	<u>3,980,925</u>	<u>4,175,639</u>
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TOTAL RESOURCES	<u>4,057,964</u>	<u>3,850,373</u>	<u>4,237,937</u>	<u>4,180,825</u>	<u>4,183,925</u>	<u>4,238,790</u>

EXPENDITURE ANALYSIS SUMMARY						
Personnel Services	1,562,192	1,518,112	1,274,839	1,313,164	1,311,546	1,395,577
Operating Expenses	1,267,236	1,311,841	1,275,161	1,351,894	1,438,301	1,367,386
Capital Outlay	64,496	58,175	46,451	203,000	93,060	226,703
Debt Service	21,197	17,139	17,139	0	0	0
Grants	41,148	0	0	0	0	0
Transfers	934,364	540,468	1,167,222	1,312,767	1,312,767	1,249,124
TOTAL EXPENDITURES	<u>3,890,633</u>	<u>3,445,735</u>	<u>3,780,812</u>	<u>4,180,825</u>	<u>4,155,674</u>	<u>4,238,790</u>

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
SANITATION UTILITY FUND						
Neighborhood Services -Sanitation	32.00	32.50	30.50	26.50	26.50	27.50
TOTAL POSITIONS	<u>32.00</u>	<u>32.50</u>	<u>30.50</u>	<u>26.50</u>	<u>26.50</u>	<u>27.50</u>

In 2003, the Bureaus of Sanitation and City Services were merged into the Bureau of Neighborhood Services. In addition, 50% of the Deputy Director of Public Works' salary was moved from the Bureau of Neighborhood Services - City Services to the Bureau of Neighborhood Services - Sanitation and the Director of Sanitation position was reclassified to the Assistant Director of Sanitation. In 2004, two vacant Laborer positions were eliminated. The 2005 Approved Budget eliminated two vacant Motor Equipment Operator positions as well as two vacant Laborer positions. The 2006 Approved Budget creates an additional Laborer position.

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BUREAU OF NEIGHBORHOOD SERVICES - SANITATION

The Bureau of Neighborhood Services - Sanitation is responsible for weekly refuse collection, recyclables collection, and transportation of both to the Harrisburg Resources Recovery Facility. Residential customers are provided weekly service while commercial accounts are collected up to seven times weekly. In addition, the Bureau empties 250 sidewalk receptacles weekly. Special collections and neighborhood non-bulk collections are provided on a call-in basis in addition to regular weekly services.

EXPENDITURE ANALYSIS DETAIL				
2006 BUDGET				
Utility Fund		2710 Neighborhood Services - Sanitation		
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	70,975	Deputy Director	0.50	28,669
Salaries-BU	791,711	Assistant Director	1	42,306
Salaries-Part-Time	15,600			
Overtime	29,462	Total Management	1.50	70,975
Fringe Benefits	377,329			
Miscellaneous	110,500			
TOTAL	<u>1,395,577</u>	Motor Equipment Operator	12	391,788
		Laborer III	13	399,923
		Total Bargaining Unit	25	791,711
OPERATING EXPENSES				
Communications	2,850	Clerk Typist/ Data Entry	1	15,600
Professional Services	3,744			
Utilities	41,000	Total Part-Time	1	15,600
Insurance	76,640			
Rentals	2,000			
Maintenance & Repairs	81,590	Overtime		29,462
Contracted Services	984,170			
Supplies	175,392	FICA		69,703
Minor Capital Equipment	0	Healthcare Benefits - Active		278,496
TOTAL	<u>1,367,386</u>	Healthcare Benefits - Retirees		29,130
		Total Fringe Benefits		377,329
CAPITAL OUTLAY	226,703			
DEBT SERVICE	0	Sick Leave Buy-Back		400
		Severance Pay		3,000
GRANTS	0	Unemployment Compensation		8,000
		Workers' Compensation		4,100
TRANSFERS	1,249,124	Loss/Time Medical		86,900
		State Fees		6,000
		Excess Policy & Bond		2,100
		Non-Uniformed Pension		0
TOTAL APPROPRIATION	<u><u>4,238,790</u></u>	Total Miscellaneous		110,500
		TOTAL	<u>27.50</u>	<u>1,395,577</u>

BUREAU OF NEIGHBORHOOD SERVICES - SANITATION

PROGRAM: Bureau of Neighborhood Services - Sanitation

OBJECTIVE: To collect and dispose of trash for residential and commercial customers, including the collection and separation of recyclable goods.

2004 ACCOMPLISHMENTS:

The Bureau operated 13 trash collection routes removing 32,838 tons of refuse. Also, two recycling crews collected 1,736 tons of recyclable material. Assistance was provided to various neighborhood watch groups for neighborhood clean-ups.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Trash collected (tons)	31,063	33,212	32,838	34,000	34,500
Recyclable items collected (tons)	1,370	1,656	1,736	1,800	1,800

Landfill/Incinerator Utility Fund

Department of Incineration and Steam Generation

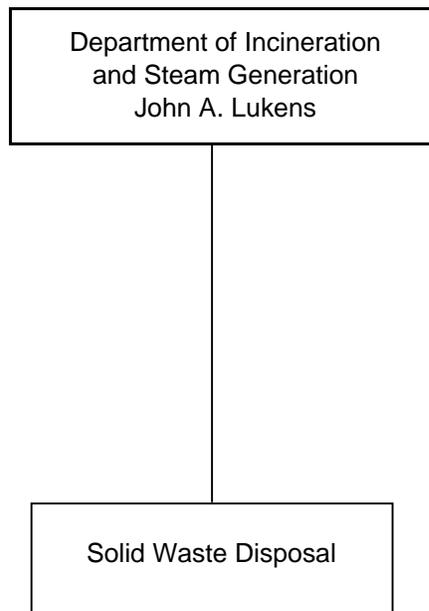


Trucks preparing to enter the City's transfer station



Computer simulation of Incinerator Facility after completion of retrofit

DEPARTMENT OF INCINERATION AND STEAM GENERATION



DEPARTMENT OF INCINERATION AND STEAM GENERATION

The Department of Incineration and Steam Generation is responsible for receiving and managing municipal solid waste (MSW) from the City, other local municipalities, and independent trash haulers. Prior to June 18, 2003, the MSW was incinerated in two municipal waste combustion units with resource recovery boilers, where energy in the form of steam was generated. Some of the steam produced was used for heating and generating electricity for the entire Public Works Center Complex. The rest of the electricity was sold to Pennsylvania Power and Light Company while the rest of the steam was sold to the Bethlehem Steel Corporation and NRG Harrisburg. The Harrisburg Resource Recovery Facility (HRRF) eliminated the need to haul trash to distant, privately owned landfills and reduced the amount of landfill space necessary for the disposal of this trash.

On June 18, 2003, pursuant to the respective consent agreements with the Pennsylvania Department of Environmental Protection (DEP) and the United States Environmental Protection Agency (EPA), the Department ceased operation of the existing incinerators.

Regarding the long-term future of the HRRF, the City received the necessary "Air Quality Plan Approval" and "Solid Waste Permit Modernization" from the DEP February 9, 2004 and June 20, 2005 respectively. The HRRF modernization will include such improvements as (1) replacement of the existing furnace/boiler resource recovery systems, (2) replacement of existing air pollution control equipment with best available technology air pollution control equipment designed to meet and exceed the air quality limits established in the Federal Clean Air Act Amendments for existing resource recovery facilities, (3) the replacement of the turbine/generator to increase the total electricity generation capacity to 24 megawatts. The Harrisburg Authority (THA) acquired the HRRF on December 23, 1993, with the City continuing to operate the facility through a formal management agreement with THA. On November 5, 2003, Harrisburg City Council approved the financing for these improvements and on December 30, 2003 THA closed on such financing. Modernization construction commenced in June of 2004, with startup scheduled to begin the latter part of 2005 and commercial operation slated to commence in March 2006.

The combustion units at the modernized HRRF are designed to process an aggregate of 800 tons of municipal solid waste per day. Major revenue sources for this department are generated through a fee for trash disposal, ready-to-serve charges and corresponding utility liens, steam sales and electricity sales.

The City has adopted a Recycling and Waste Reduction Plan. Pursuant to this plan, recyclable items (glass, metals, and certain plastics) are collected at curbside by the City's Bureau of Neighborhood Services - Sanitation and taken to the HRRF's Recycling Drop-Off Center, where they are loaded and hauled to a recycling company. In addition, the City had for many years provided a program whereby residents of the city and certain local municipalities are able to dispose of bulky trash, e.g., washing machines, dryers, refrigerators, freezers, water heaters, furniture, etc, at the HRRF for a minimal fee. All of the metallic oversized bulky items are recycled.

The sale of steam and the generation of electricity are two of the various major projects undertaken since 1983 under the Mayor's Energy and Revenue Development Program, designed to provide new, non-tax revenues to the City while converting what had been City-subsidized utility operations into self-sufficient operations. Hence, the need to modernize the HRRF.

In July 1999, the City and The Harrisburg Authority (THA) completed construction of an on-site waste transfer station. The transfer station is permitted to transfer MSW, construction/demolition wastes (C&D), and tires on a daily basis. The transfer station is also designed to transfer MSW during the modernization construction period and periods when the HRRF may be shut down for any reason. In addition, the City and THA are planning to purchase equipment to separate and recycle C&D at the transfer station. The transfer station began accepting MSW and C&D for transfer on July 12, 1999. Until such time as the modernization of the HRRF is completed, the aforementioned wastes are being transferred to DEP approved landfills.

LANDFILL/INCINERATOR UTILITY FUND
 RESOURCE ALLOCATION
 2006 BUDGET

RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	8,000	DEPARTMENT OF INCINERATION AND STEAM GENERATION	23,064,840
INCINERATOR TIPPING FEES	11,744,813		
R-T-S DISPOSAL CHARGES	1,506,700		
STEAM SALES	4,138,826		
ELECTRICITY SALES	5,359,397		
TRANSFER STATION TIPPING FEES	267,104		
OTHER REVENUE	40,000		
TRANSFERS IN - THA	0		
TOTAL RESOURCES	<u><u>23,064,840</u></u>	TOTAL APPROPRIATION	<u><u>23,064,840</u></u>

LANDFILL/INCINERATOR UTILITY FUND
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual*	2005 Approved Budget*	2005 Projected*	2006 Approved Budget
REVENUE ANALYSIS SUMMARY						
Investment Income	9,064	2,019	2,821	1,500	1,500	8,000
Sale of Fixed Assets	0	0	0	0	0	0
Incinerator Tipping Fees	3,372,065	2,583,821	1,513,619	2,179,599	1,900,000	11,744,813
R-T-S Disposal Charges	1,507,853	1,531,080	1,541,304	1,604,025	1,604,025	1,506,700
Steam Sales	0	0	0	0	129	4,138,826
Electricity Sales	964,260	368,940	0	0	0	5,359,397
Transfer Station Tipping Fees	28,911	473	19	0	0	267,104
Other Revenue	25,484	19,886	48,241	16,500	17,550	40,000
Transfers In - THA	12,235,000	3,755,272	0	0	0	0
TOTAL REVENUE	<u>18,142,637</u>	<u>8,261,490</u>	<u>3,106,005</u>	<u>3,801,624</u>	<u>3,523,204</u>	<u>23,064,840</u>
Fund Balance Appropriation	0	0	0	0	0	0
TOTAL RESOURCES	<u>18,142,637</u>	<u>8,261,490</u>	<u>3,106,005</u>	<u>3,801,624</u>	<u>3,523,204</u>	<u>23,064,840</u>

REVENUE ANALYSIS DETAIL						
Interest-Savings Account	9,061	2,019	2,821	1,500	1,500	8,000
Interest-Other	3	0	0	0	0	0
Gain on Sale of Investments	0	0	0	0	0	0
Gain on Sale of Fixed Assets	0	0	0	0	0	0
Incinerator Sales/Tipping Fees	3,372,065	2,583,821	1,513,619	2,179,599	1,900,000	11,744,813
Permit User Fees	18,000	17,000	13,800	14,000	15,050	25,000
R-T-S Disposal Charges	1,478,638	1,500,459	1,509,539	1,500,000	1,500,000	1,500,000
Sale of Scrap & Residue	3,604	1,902	14,433	2,500	2,500	15,000
Steam Sales	0	0	0	0	129	4,138,826
Special Handling Charges	3,880	355	0	0	0	0
Other Operating Income	0	0	0	0	0	0
Sale of Electricity	964,260	368,940	0	0	0	5,359,397
Transfer Station Tipping Fees	28,911	473	19	0	0	267,104
R-T-S Disposal Liens - Principal	26,404	25,100	27,831	96,025	96,025	5,500
R-T-S Disposal Liens - Interest	2,811	5,521	3,934	8,000	8,000	1,200
Miscellaneous	0	0	0	0	0	0
Refund of Expenditures	0	630	20,008	0	0	0
State Grants	0	0	0	0	0	0
Transfers In - THA	12,235,000	3,755,272	0	0	0	0
TOTAL REVENUE	<u>18,142,637</u>	<u>8,261,490</u>	<u>3,106,005</u>	<u>3,801,624</u>	<u>3,523,204</u>	<u>23,064,840</u>
Fund Balance Appropriation	0	0	0	0	0	0
TOTAL RESOURCES	<u>18,142,637</u>	<u>8,261,490</u>	<u>3,106,005</u>	<u>3,801,624</u>	<u>3,523,204</u>	<u>23,064,840</u>

*Pursuant to the modernization bond issuance, amounts will be drawn from the working capital account held by The Harrisburg Authority to subsidize the operations of the Landfill/Incinerator Utility Fund.

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual*	2005 Approved Budget*	2005 Projected*	2006 Approved Budget
LANDFILL/INCINERATOR UTILITY FUND						
Personnel Services	3,564,240	3,317,792	0	0	0	3,795,205
Operating Expenses	5,472,811	4,936,189	3,106,005	3,801,624	3,523,204	9,136,929
Capital Outlay	18,606	5,245	0	0	0	1,533
Debt Service	4,230,428	3,528,804	0	0	0	9,478,173
Miscellaneous	3,460,178	(50)	0	0	0	653,000
TOTAL EXPENDITURES	<u><u>16,746,263</u></u>	<u><u>11,787,980</u></u>	<u><u>3,106,005</u></u>	<u><u>3,801,624</u></u>	<u><u>3,523,204</u></u>	<u><u>23,064,840</u></u>

*Pursuant to the modernization bond issuance, amounts will be drawn from the working capital account held by The Harrisburg Authority to subsidize the operations of the Landfill/Incinerator Utility Fund.

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
LANDFILL/INCINERATOR UTILITY FUND						
Incinerator & Steam Generation	61.00	61.00	0.00	0.00	0.00	48.00
TOTAL POSITIONS	61.00	61.00	0.00	0.00	0.00	48.00

In 2002, there were no changes in the personnel compliment; nor were there changes in the personnel compliment in 2003. In 2004 and 2005, 45 positions were funded from the working capital proceeds of the 2003 Resource Revenue Bonds issued by The Harrisburg Authority to retrofit the Incinerator Facility. The Facility will become commercially operational in 2006. The 2006 Approved Budget adds back the personnel who were previous funded from the 2003 Resource Revenue Bonds. In addition, the Turbine Technician positions and the Maintenance Mechanic positions were abolished due to a personnel reclassification of these positions as of 2006 when the facility became operational.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

2810 Incinerator

Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	439,776	Director	1	77,083
Salaries-BU	1,574,556	Deputy Director for Operations	1	56,175
Overtime	855,997	Facilities Engineer	1	57,366
Fringe Benefits	799,476	Operations Supervisor	4	208,316
Miscellaneous	125,400	Administrative Supervisor	1	40,836
TOTAL	3,795,205	Total Management	8	439,776
OPERATING EXPENSES				
Communications	14,300	Control Room Operator II	8	341,062
Professional Services	679,188	Certified Welder II	1	41,778
Utilities	1,212,192	Heavy Equipment Operator/ Maintenance Technician	1	41,728
Insurance	472,696	Maintenance Mechanic III	5	209,140
Rentals	0	Maintenance Planner	1	41,828
Maintenance & Repairs	582,192	Water Quality Technician II	1	41,828
Contracted Services	4,662,130	Heavy Equipment Operator III	3	120,837
Supplies	1,514,231	Bridge Crane Operator II	4	157,108
Minor Capital Equipment	0	Heavy Equipment Operator II	1	39,177
TOTAL	9,136,929	Heavy Equipment Operator I	1	36,723
CAPITAL OUTLAY	1,533	Billing/Requisition Clerk	1	36,873
DEBT SERVICE	9,478,173	Motor Equipment Operator	4	157,420
MISCELLANEOUS	653,000	Secretary I	1	33,517
TOTAL APPROPRIATION	23,064,840	Laborer III	8	275,537
		Total Bargaining Unit	40	1,574,556
		Overtime		855,997
		FICA		219,921
		Fringe Benefits		505,135
		Healthcare Benefits - Retirees		74,420
		Total Fringe Benefits		799,476

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

2810 Incinerator

Allocation Plan	Position Control	
	continued...	
	Sick Leave Buy-Back	1,400
	Severance Pay	3,000
	Unemployment Compensation	10,000
	Workers' Compensation Fees	3,300
	Loss/Time Medical	98,500
	State Fees	4,100
	Excess Policy and Bond	5,100
	Non-Uniformed Pension	0
	Total Miscellaneous	125,400
	TOTAL	48 3,795,205

DEPARTMENT OF INCINERATION AND STEAM GENERATION

PROGRAM: Department of Incineration and Steam Generation

OBJECTIVE: To process municipal solid waste through resource recovery in an environmentally acceptable, safe, and efficient manner. To generate steam through the resource recovery process. The City utilizes a turbine/generator at the department to produce electricity for internal use and for sale to a public utility. Excess steam produced is sold to a local business for heating.

2004 ACCOMPLISHMENTS:

Environmental remediation and demolition in connection with the retrofit project were completed in June 2004, immediately followed by construction activities, which were ongoing through 2004. On February 9, 2004 the department received from the Pennsylvania Department of Environmental Protection ("DEP") Air Quality Plan Approval to retrofit the Harrisburg Materials, Energy, Recycling and Recovery Facility ("Facility"). The department received a renewal of DEP Solid Waste Permit to continue the operation of Residue Disposal Areas on March 18, 2004. The Minor Modification Application for Solid Waste Permit, to operate the post-retrofit Facility, was submitted to DEP on October 16, 2004.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Total tons of municipal waste combusted	93,121	35,189 ^a	0 ^c	7,980 ^d	218,863 ^e
Total pounds of steam produced (in millions)	527	187	0 ^c	48 ^d	1,313 ^e
Annual average boiler efficiency assuming 5,200 BTU/pound MSW	68.43%	64.08%	0.00% ^c	79.59% ^d	79.80% ^e
Percent of steam available for export actually sold (or used for in-house heat and electricity)	75.87	59.27 ^b	0.00 ^c	50.00 ^d	80.00 ^e
Kilowatt production to yield electricity for sale (in millions)	15.89	6.27	0.00 ^c	0.78 ^d	78.96 ^e

Notes:

- a Lower tonnage and boiler efficiency are due to declining condition of original boilers, which permanently ceased operation on June 18, 2003.
- b Lower steam availability and electricity sales are due to declining condition of original boilers and generator failure on April 15, 2003.
- c No waste was combusted in 2004 due to the retrofit project. Therefore, performance measures/indicators for 2004 are not applicable.
- d Startup and shake-down of the new boilers and 24 MW turbine/generator is expected to occur in late October 2005.
- e First year of commercial operation of new boilers and 24 MW turbine/generator.

Sewerage Utility Fund

Bureau of Sewerage-Advanced Wastewater Treatment Facility

Administration Division



Chief Chemist reviewing laboratory data

Operations



Computer Operator monitoring operation system

Maintenance



Maintenance shop activities

Field Maintenance

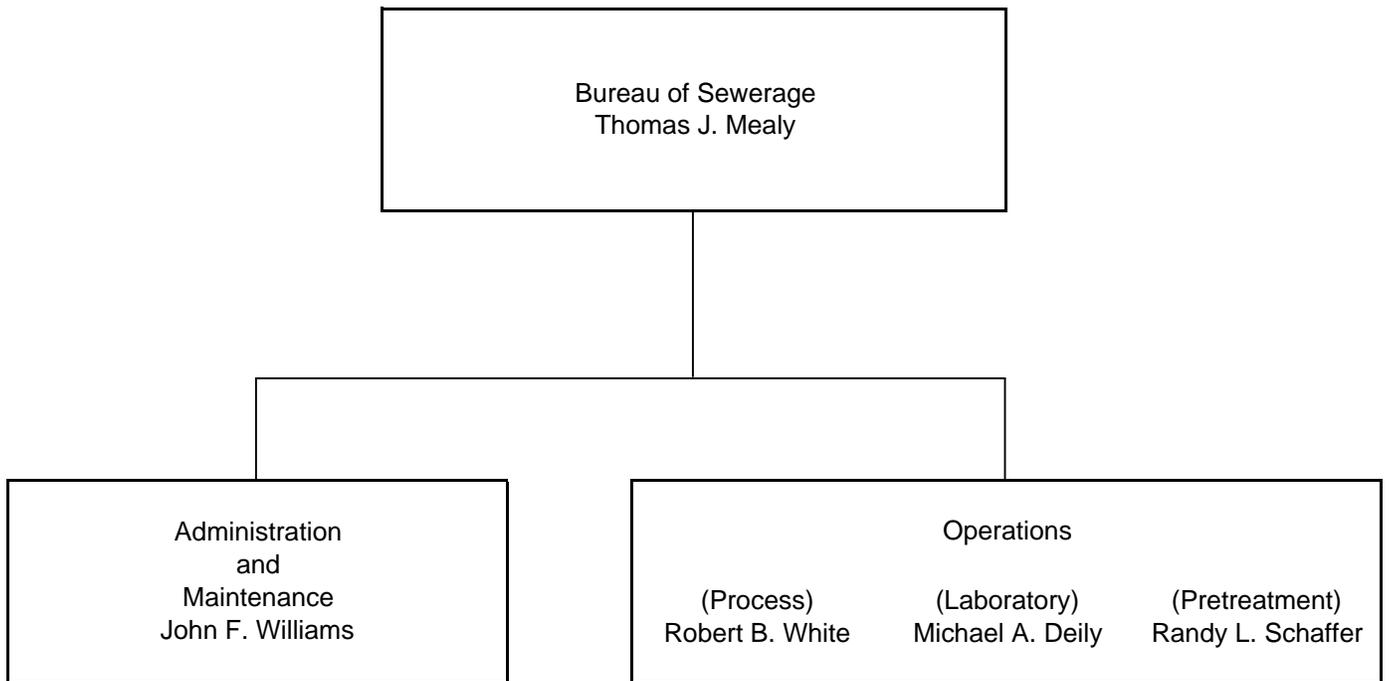


Chamber and manhole inspection



Vector truck used to clean sewerage system

BUREAU OF SEWERAGE



SEWERAGE UTILITY FUND
 RESOURCE ALLOCATION
 2006 BUDGET

RESOURCES		APPROPRIATIONS	
INVESTMENT INCOME	23,100	ADMINISTRATION	5,512,611
CONVEY./TREATMENT REVENUE	4,931,537	OPERATIONS	5,711,846
COLLECTION SYSTEM REVENUE	818,463	MAINTENANCE	1,067,676
SALES TO PUBLIC AUTHORITIES	6,745,000	FIELD MAINTENANCE	858,067
SLUDGE HANDLING CHARGES	400,000		
ELECTRICITY SALES	110,000		
STATE SUBSIDY	0		
OTHER REVENUE	122,100		
FUND BALANCE APPROPRIATION	0		
TOTAL RESOURCES	<u>13,150,200</u>	TOTAL APPROPRIATIONS	<u>13,150,200</u>

SEWERAGE UTILITY FUND
2006 BUDGET

Account Name	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
REVENUE ANALYSIS SUMMARY						
Investment Income	60,144	28,751	21,528	13,701	22,100	23,100
Conveyance/Treatment Revenue	4,495,091	4,520,690	4,451,765	5,196,397	4,500,000	4,931,537
Collection System Revenue	899,932	943,158	883,143	781,343	875,000	818,463
Sales to Public Authorities	5,106,449	5,684,380	5,986,942	6,645,278	6,503,095	6,745,000
Sludge Handling Charges	519,013	498,915	331,728	400,000	500,000	400,000
Electricity Sales	86,076	59,454	83,808	100,000	148,000	110,000
Reimb. Loss/Damage Assets	0	10,005	0	0	0	0
State Subsidy	272,593	0	0	0	0	0
Other Revenue	229,490	248,194	234,365	362,074	368,430	122,100
TOTAL REVENUE	<u>11,668,788</u>	<u>11,993,548</u>	<u>11,993,279</u>	<u>13,498,793</u>	<u>12,916,625</u>	<u>13,150,200</u>
Fund Balance Appropriation	166,964	1,752,769	0	0	537,376	0
TOTAL RESOURCES	<u>11,835,752</u>	<u>13,746,317</u>	<u>11,993,279</u>	<u>13,498,793</u>	<u>13,454,001</u>	<u>13,150,200</u>

REVENUE ANALYSIS DETAIL						
Interest-Savings-Convey./Trtmt.	23,814	21,107	17,227	10,822	17,000	18,000
Interest-Savings-Collect. System	4,997	4,115	3,323	2,129	4,000	4,000
Interest-Other-Convey./Trtmt.	26,132	2,944	816	625	900	900
Interest-Other-Collect. System	5,201	586	162	125	200	200
Gain on Sale of Fixed Assets	0	2,350	0	0	0	0
Conveyance/Treatment Revenue	4,495,091	4,520,690	4,451,765	5,196,397	4,500,000	4,931,537
Collection System Revenue	899,932	943,158	883,143	781,343	875,000	818,463
Sale of Scrap	243	5	289	500	200	500
Sales to Public Authorities	5,106,449	5,684,380	5,986,942	6,645,278	6,503,095	6,745,000
Other Operational Revenue	483	0	0	0	0	0
Sludge Handling Charges	519,013	498,915	331,728	400,000	500,000	400,000
Sale of Electricity	86,076	59,454	83,808	100,000	148,000	110,000
Lab Analysis Fees	49,078	47,871	41,355	40,000	41,500	38,000
Industrial Waste Fees	7,700	7,450	7,000	6,500	6,500	6,500
Liens-Principal-Convey./Trtmt.	93,601	92,912	103,918	194,322	194,322	19,700
Liens-Interest-Convey./Trtmt.	8,887	11,540	13,174	26,913	26,913	2,900
Liens-Principal-Collect. System	18,383	18,495	20,684	43,122	43,122	3,900
Liens-Interest-Collect. System	2,030	2,295	2,622	5,493	5,493	600
Reimburse Loss/Damage Assets	0	10,005	0	0	0	0
Refund of Expenditures	49,085	65,277	45,323	45,224	50,380	50,000
State Subsidy	272,593	0	0	0	0	0
TOTAL REVENUE	<u>11,668,788</u>	<u>11,993,548</u>	<u>11,993,279</u>	<u>13,498,793</u>	<u>12,916,625</u>	<u>13,150,200</u>
Fund Balance Appropriation	166,964	1,752,769	0	0	537,376	0
TOTAL RESOURCES	<u>11,835,752</u>	<u>13,746,317</u>	<u>11,993,279</u>	<u>13,498,793</u>	<u>13,454,001</u>	<u>13,150,200</u>

EXPENDITURE ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
SEWERAGE						
<u>2910 Administration Division</u>						
Personnel Services	439,088	502,688	506,664	516,288	487,589	555,435
Operating Expenses	4,060,699	2,765,422	2,330,315	3,045,989	3,034,476	2,724,896
Capital Outlay	1,683	0	5,523	0	0	0
Debt Service	2,518,865	2,270,478	2,250,104	2,245,426	2,263,987	2,232,280
Transfers (Non-Expenditure Items)	6,624	0	0	0	0	0
TOTALS	7,026,959	5,538,588	5,092,606	5,807,703	5,786,052	5,512,611
<u>2920 Operations Division</u>						
Personnel Services	1,280,322	1,295,639	1,139,719	1,214,217	1,152,449	1,229,072
Operating Expenses	2,113,343	4,857,557	3,910,330	4,535,190	4,554,498	4,482,774
Capital Outlay	17,713	0	0	0	0	0
Transfers (Non-Expenditure Items)	129,800	0	0	0	0	0
TOTALS	3,541,178	6,153,195	5,050,049	5,749,407	5,706,947	5,711,846
<u>2930 Maintenance Division</u>						
Personnel Services	457,584	495,141	468,350	441,934	442,219	459,671
Operating Expenses	324,776	692,309	586,519	635,804	653,425	608,005
Capital Outlay	9,685	8,294	14,772	0	0	0
TOTALS	792,045	1,195,744	1,069,641	1,077,738	1,095,644	1,067,676
<u>2940 Field Maintenance Division</u>						
Personnel Services	307,608	281,266	263,419	271,403	248,354	281,094
Operating Expenses	150,303	564,620	481,846	592,542	617,004	576,973
Capital Outlay	17,659	12,905	8,695	0	0	0
TOTALS	475,570	858,790	753,960	863,945	865,358	858,067
TOTAL SEWERAGE UTILITY FUND						
Personnel Services	2,484,603	2,574,733	2,378,152	2,443,842	2,330,611	2,525,272
Operating Expenses	6,649,121	8,879,907	7,309,010	8,809,525	8,859,403	8,392,648
Capital Outlay	46,740	21,199	28,990	0	0	0
Debt Service	2,518,865	2,270,478	2,250,104	2,245,426	2,263,987	2,232,280
Non-Expenditure Items	136,424	0	0	0	0	0
TOTAL EXPENDITURES	11,835,752	13,746,317	11,966,255	13,498,793	13,454,001	13,150,200

POSITION ANALYSIS SUMMARY
2006 BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Approved Budget	2005 Projected	2006 Approved Budget
SEWERAGE UTILITY FUND						
Administration	7.33	7.33	7.33	7.33	7.33	7.33
Distribution	24.00	24.00	21.00	20.00	20.00	19.00
Maintenance	9.00	9.00	9.00	8.00	8.00	8.00
Field Maintenance	<u>7.00</u>	<u>7.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
TOTAL POSITIONS	47.33	47.33	42.33	40.33	40.33	39.33

In 2003, there were no changes in the personnel complement. In 2004, five vacant positions were eliminated: two Shift Supervisors, one Laboratory Technician, one Motor Equipment Operator, and one Laborer. The 2005 Approved Budget eliminated two vacant positions: an Operator and a Maintenance Worker. The 2006 Approved Budget eliminates a vacant Shift Supervisor.

BUREAU OF SEWERAGE
ADMINISTRATION DIVISION

The Bureau of Sewerage, also identified as the Advanced Wastewater Treatment Facility (AWTF), through a lease agreement, operates the sewerage conveyance and treatment system for The Harrisburg Authority (THA). The management structure of this bureau consists of four divisions: Administration, Operations, Maintenance, and Field Maintenance. The Administration Division oversees the entire operation of the AWTF. The major revenue sources include metered and unmetered usage of the system, both for the City and six suburban municipalities served by the AWTF: Steelton; Paxtang and Penbrook Boroughs; and Lower Paxton, Swatara, and Susquehanna Townships; as well as corresponding utility liens. Other revenue sources are sludge handling charges, laboratory fees, industrial user charges, and sale of electricity.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

2910 Administration Division

	Allocation Plan	Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	191,314	Deputy Director	1	76,994
Salaries-BU	146,391	Current Planner	0.33	13,328
Overtime	0	Staff Attorney	0.50	22,452
Fringe Benefits	158,330	Director - Admin. & Maint.	1	54,152
Miscellaneous	59,400	Computer Programmer III	0.50	24,388
TOTAL	555,435	Total Management	3.33	191,314
OPERATING EXPENSES		Engineer's Representative III	1	41,778
Communications	21,249	Paralegal	1	36,953
Professional Services	32,441	Administrative Assistant I	2	67,660
Utilities	0			
Insurance	353,151	Total Bargaining Unit	4	146,391
Rentals	0			
Maintenance & Repairs	18,300	Overtime		0
Contracted Services	2,264,655			
Supplies	33,485	FICA		26,242
Minor Capital Equipment	1,615	Healthcare Benefits - Active		77,048
TOTAL	2,724,896	Healthcare Benefits - Retirees		55,040
CAPITAL OUTLAY	0	Total Fringe Benefits		158,330
DEBT SERVICE	2,232,280	Sick Leave Buy-Back		2,300
		Severance Pay		3,000
NON-EXPENDITURES	0	Unemployment Compensation		2,500
		Workers' Compensation Fees		1,300
		Loss Time/Medical		45,200
TOTAL APPROPRIATION	5,512,611	State Fees		1,200
		Excess Policy and Bond		3,900
		Non-Uniformed Pension		0
		Total Miscellaneous		59,400
		TOTAL	7.33	555,435

ADVANCED WASTEWATER TREATMENT FACILITY

PROGRAM: Administration Division

OBJECTIVE: To properly oversee the management of the Advanced Wastewater Treatment Facility (AWTF).

2004 ACCOMPLISHMENTS:

The treatment facility met the National Pollutant Discharge Elimination System (NPDES) requirements of 99.9% and was properly operated and maintained during 2004, protecting the quality of receiving waters.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
# of internal site inspections by the City's engineers	2	2	2	2	2
<u>Meetings required per year:</u>					
Facility staff meetings (weekly)	52	52	52	52	52
Safety meetings (quarterly)	4	4	4	4	4
Total number of meetings required per year	56	56	56	56	56

BUREAU OF SEWERAGE
OPERATIONS DIVISION

The Operations Division, the largest division in the Bureau, is responsible for the physical, biological, and chemical treatment of wastewater in conformance with federal and state regulations. The wastewater must pass through several processes to reduce pollutants. The by-product of these processes is sludge. Sludge is pumped into primary and secondary digesters causing the anaerobic bacteria in the digesters to consume organic matter in the sludge and thereby producing gas containing 60% methane. All the methane gas produced is utilized by the facility's cogeneration system to fuel two engine driven 400 kilowatt generators, which produce electricity and space heat. The space heat is an energy source used for heating the AWTF buildings and sludge digesters. The electricity is sold to PPL Corporation at the rate of \$.06 per kilowatt hour. The plant also produces pure oxygen, which is used in the activated sludge system for aeration purposes. The treated wastewater is disinfected with chlorine prior to discharge into the Susquehanna River.

Two major projects undertaken since 1985 at the AWTF under the Mayor's Energy and Revenue Development Program include the burning of methane gas to generate electricity and treatment improvements which allow the AWTF to process sludge from outside wastewater plants and private customers not on the Harrisburg sewerage system. Methane gas, previously vented into the atmosphere, now serves as the fuel for electrical energy sold for use in area homes and businesses. The added sludge processing business is accomplished with no increase in staffing and minimal additional treatment costs, thus providing new revenue, while addressing energy and pollution-control needs of the region. Over 38,122,079 kilowatts hours of electricity have been generated since 1986.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

2920 Operations Division

	Allocation Plan	Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	159,281	Operations Supervisor	1	57,700
Salaries-BU	633,277	Pretreatment Coordinator	1	49,423
Overtime	163,674	Chief Chemist	1	52,158
Fringe Benefits	272,840			
		Total Management	<u>3</u>	<u>159,281</u>
TOTAL	<u>1,229,072</u>			
OPERATING EXPENSES		Lab Technician IV	1	41,828
		Operator IV - AWTF	8	334,624
Communications	0	Operator III - AWTF	1	39,227
Professional Services	0	Operator II - AWTF	2	73,746
Utilities	1,848,141	Water Meter Reader II	1	36,873
Insurance	0	Lab Technician I	1	35,743
Rentals	1,500	Operator I - AWTF	2	71,236
Maintenance & Repairs	180,088			
Contracted Services	2,235,306	Total Bargaining Unit	<u>16</u>	<u>633,277</u>
Supplies	217,739			
Minor Capital Equipment	0	Overtime		<u>163,674</u>
TOTAL	<u>4,482,774</u>			
CAPITAL OUTLAY	0	FICA		73,154
		Healthcare Benefits - Active		199,686
		Healthcare Benefits - Retirees		0
TOTAL APPROPRIATION	<u>5,711,846</u>	Total Fringe Benefits		<u>272,840</u>
		TOTAL	<u>19</u>	<u>1,229,072</u>

ADVANCED WASTEWATER TREATMENT FACILITY

PROGRAM: Operations Division

OBJECTIVE: To manage the wastewater processing operation, which includes: preliminary, primary, and advanced secondary treatment; and cogeneration of electricity as a by-product of this operation.

2004 ACCOMPLISHMENTS:

Served an urban area of forty-three square miles, involving seven municipalities. Complied with revised effluent parameters issued with the new NPDES Permit. Accepted 7.95 million gallons of waste from other treatment plant processes.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Average daily wastewater flow (millions of gallons)	21.90 ^a	28.20 ^b	27.01	25.84	25.74
Kilowatt production to yield electricity for sale (millions)	1.78 ^a	1.23 ^a	1.66	1.43	1.53
Categories of laboratory samples for lab studies	10	10	10	10	10

Notes:

a DEP Chapter 94 Annual Report

b Increase is due to inclement weather in the winter and spring of 2003, distributing excess water throughout the distribution system

BUREAU OF SEWERAGE
MAINTENANCE DIVISION

The Maintenance Division is responsible for the maintenance and upkeep of all process equipment located at the facility and the five pump stations. To accomplish this task, mechanics monitor the equipment and instruments necessary to control, maintain, and analyze the wastewater treatment process.

EXPENDITURE ANALYSIS DETAIL 2006 BUDGET				
Utility Fund			2930 Maintenance Division	
Allocation Plan		Position Control		
PERSONNEL SERVICES		JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-Mgmt	54,787	Maintenance Supervisor	1	54,787
Salaries-BU	288,987			
Overtime	5,129	Total Management	1	54,787
Fringe Benefits	110,768			
TOTAL	459,671	Chief Electrician	1	47,227
		Maintenance Worker IV	5	209,140
OPERATING EXPENSES		Laborer III	1	32,620
Communications	0	Total Bargaining Unit	7	288,987
Professional Services	0			
Utilities	0			
Insurance	0	Overtime		5,129
Rentals	0			
Maintenance & Repairs	15,700	FICA		26,691
Contracted Services	434,205	Healthcare Benefits - Active		84,077
Supplies	158,100	Healthcare Benefits - Retirees		0
Minor Capital Equipment	0	Total Fringe Benefits		110,768
TOTAL	608,005			
CAPITAL OUTLAY	0	TOTAL	8	459,671
TOTAL APPROPRIATION	1,067,676			

ADVANCED WASTEWATER TREATMENT FACILITY

PROGRAM: Maintenance Division

OBJECTIVE: To repair and replace mechanical equipment necessary for the operations involved in wastewater treatment both at the facility and at the facility's five pump stations.

2004 ACCOMPLISHMENTS:

Mechanical problems were corrected in an acceptable amount of time. Many probable breakdowns were avoided through a preventative maintenance program and a systematic replacement policy for inventory parts.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Replacement and installation of integral parts of related AWTF equipment on an annual basis (7 day/24 hour operation) ^a	497	499	428	400 ^b	456 ^c
Total maintenance costs per year, including costs for preventive maintenance on mechanical equipment	\$374,091	\$379,445	\$389,466	\$380,585 ^b	\$380,897 ^c
Acres maintained at the Sewerage plant	8.50	8.50	8.50	8.50	8.50
Preventive maintenance checks per year ^d	52	52	52	52	52

Notes:

- a Number of incident reports requiring labor or parts
- b Year-to-date figure
- c Average of four previous years.
- d Preventative maintenance performed once per week

BUREAU OF SEWERAGE
FIELD MAINTENANCE DIVISION

The Field Maintenance Division is responsible for the underground conveyance system which transports wastewater to the AWTF. The crew cleans numerous regulators and chambers. This process involves cleaning the equipment with forced water pressure to remove grit and residue. The Division also monitors the flow in six interceptors to determine if the sewer line is operating properly. Corrective action requires dislodging any impediments from the sewer line to allow for the proper flow of the sewerage through the pipeline.

The Operations, Maintenance, and Field Maintenance Divisions assist in landscaping and maintenance at the AWTF and five field pump stations.

EXPENDITURE ANALYSIS DETAIL
2006 BUDGET

Utility Fund

2940 Field Maintenance Division

Allocation Plan

Position Control

PERSONNEL SERVICES	JOB CLASSIFICATION	2006 BUDGET	ALLOCATION
Salaries-BU	197,044	Field Maintenance Specialist II	3 125,484
Overtime	15,262	Field Maintenance Worker II	1 36,873
Fringe Benefits	68,788	Field Maintenance Worker I	1 34,687
TOTAL	<u>281,094</u>	Total Bargaining Unit	<u>5 197,044</u>
OPERATING EXPENSES			
		Overtime	<u>15,262</u>
Communications	0	FICA	16,243
Professional Services	0	Healthcare Benefits - Active	52,545
Utilities	226,509	Healthcare Benefits - Retirees	0
Insurance	0	Total Fringe Benefits	<u>68,788</u>
Rentals	0		
Maintenance & Repairs	9,000	TOTAL	<u><u>5 281,094</u></u>
Contracted Services	335,814		
Supplies	5,650		
Minor Capital Equipment	0		
TOTAL	<u>576,973</u>		
CAPITAL OUTLAY	0		
TOTAL APPROPRIATION	<u><u>858,067</u></u>		

ADVANCED WASTEWATER TREATMENT FACILITY

PROGRAM: Field Maintenance Division

OBJECTIVE: To maintain the wastewater flow through monitoring various segments of the collection system.

2004 ACCOMPLISHMENTS:

Maintained the integrity of the conveyance system and minimized combined sewer overflows. Regularly attended to pump stations, routine maintenance, and debris clearance from waterways.

MEASURES/INDICATORS:

	ACTUALS			EST.	PROJ.
	FY2002	FY2003	FY2004	FY2005	FY2006
Flood chambers cleaned per week ^a	92	92	92	92	92
Times per week the outfalls (wastewater discharge point to a receiving stream) are monitored ^b	12	12	12	12	12
Flow meters maintained	17	17	17	17	17

Notes:

a (46 Flood Chambers) x (twice per week) = 92

b (Monitored once per day) x (two days - Saturday and Sunday) = 2
 (Monitored twice per day) x (five days - Monday through Friday) = 10



CAPITAL IMPROVEMENT PLAN

OVERVIEW

The Capital Improvement Plan (CIP) is vital to our City because it provides for equipment acquisition, enables new construction or upgrades of public facilities and infrastructure, and has a positive impact on the local economy. Recognition of this importance prompted the Administration to propose additions to, and finance the continuation of, the existing CIP. During 2001, 2002, 2003 and 2004, six funding sources were approved by City Council and financed to continue projects undertaken in prior years as well as new projects. City Council approved one additional action related to same in 2005. The City anticipates several new projects for consideration during 2006.

FINANCING THE CIP

City Council agreed to guarantee the issuance of Harrisburg Redevelopment Authority (HRA) Guarantee Revenue Bonds, Series A-1 of 2004 and A-2 of 2005. Proceeds from both \$9,000,000 issues were appropriated for the following: the renovation and upgrade of the Commerce Bank Park stadium facility, which is home to the Harrisburg Senators, a Class AA baseball team of Major League Baseball; funding reserves and capitalized interest under the Indenture; and paying financing costs of the borrowing.

HRA's debt service requirements for these issues are to be funded from stadium naming rights and lease proceeds.

THE 2006 CIP

The Capital Improvement Plan for 2006 calls for anticipated expenditures totaling \$10,586,900. The expenditures planned for the year address facility and infrastructure improvements for Public Works, Parks and Recreation, and General Projects. Projects included in the 2006 CIP are listed by capital program on page 211.

Facility and infrastructure improvements related to the water and sewer systems and the Harrisburg Resource Recovery Facility (HRRF) are financed and undertaken by THA and therefore are not included as part of the City's CIP. However, the debt undertaken by THA and related debt service requirements are presented for information purposes in the Debt Service Fund section. The City operates and maintains both systems and the HRRF for THA and does budget for minor capital outlay from operational revenues when needed.

CAPITAL BUDGET PROCESS

The Capital Budget Process follows the same preparation schedule as the Operating Budget Process. This process begins as the department directors evaluate capital expenditure needs and identify priorities for mayoral review. The Mayor evaluates these requests and determines which capital expenditure projects should be undertaken. These capital projects are then presented to City Council along with a capital financing strategy for review and approval. The Budget and Finance Committee of City Council evaluates this request and recommends action to the full City Council. If Council approves the action presented, then it is legally enacted through the passage of an ordinance.

RELATIONSHIP BETWEEN OPERATING AND CAPITAL BUDGETS

The operating budget includes expenditures that generally recur annually and are appropriated for a single year. These include personnel, utilities, contracted services, maintenance, and supplies costs. It provides for all city services, but does not result in major physical assets in the City. Major resources to fund the operating budget are generated from taxes, departmental revenues, user fees, fines, intergovernmental payments, interfund transfers, and appropriations of undesignated fund balance.

The capital budget, in contrast, usually includes one-time costs for projects that may last more than one year. The result of these projects are physical assets in the City. Wide fluctuations are expected in the capital budget from year to year depending on the phasing of projects and resources available to fund the projects. Resources for the capital budget generally come from the issuance of bonds or notes, grants, or other one-time sources such as proceeds from the sale of assets.

In spite of these differences, the operating and capital budget are closely linked, with the capital budget having a direct impact on the operating budget. The operating budget assumes the cost of maintaining and operating new or renovated facilities that involved capital investment. In many instances, such as the construction of new roads, the operating costs (such as future surface maintenance, street cleaning, signage for traffic control and lighting) would have to be budgeted on an ongoing basis. Some capital improvements will actually decrease maintenance costs though the replacement or improvement of older, less efficient facilities or equipment. The impacts of current capital projects on the City's operating budget are noted on the following page.

The operating budget also includes debt service appropriations for the payment of long-term debt principal, interest and related costs. The greatest part of the City's capital improvement costs has been funded through the issuance of tax supported general obligation bonds and notes, and user fee supported revenue bonds (for the enterprise programs such as water, sewer, and resource recovery), which generally are repaid over the useful life of the improvement being financed.

CAPITAL IMPROVEMENT PLAN SUMMARY

Project Description	First Yr. Approved/ Funded	Est. Yr. of Acquis./ Compl.	Total Est. Cost of Project	Est. Expend. to Date	Est. Expend. After 2006	2006 Planned Expend.	Funding Source
<u>OFFICE OF CITY ENGINEER/DEPARTMENT OF PUBLIC WORKS</u>							
7th Street Widening	2001	2008	4,010,000	387,924	3,122,076	500,000	Federal Highway, County
Southern Gateway (3rd Street Extension)	2001	2006	110,000,000	1,583,278	108,166,722	250,000	Federal City Funds
Mulberry Street Bridge	2002	2006	2,603,292	2,603,292	0	0	State Bridge, CAPS
City Corridor Lights	2003	2007	3,969,624	1,974,724	0	1,994,900	Federal Highway
Central Business District Streetscape	2003	2010	20,000,000	1,025,616	16,367,384	2,607,000	State Grants, Federal Highway
City Engineer/Public Works Subtotal			140,582,916	7,574,834	127,656,182	5,351,900	

Impact on Operating Budget: Some of these projects will cause minor recurring costs for utilities, maintenance, and supplies in the General Fund for city streets, traffic, and pedestrian signals and other related operations.

<u>DEPARTMENT OF PARKS AND RECREATION</u>							
Capital Area Greenbelt	2005	2006	500,000	0	500,000	0	State Grants
City Island Boat Ramp	2006	2006	135,000	0	0	135,000	State Grants, City Funds
Parks and Recreation Subtotal			635,000	0	500,000	135,000	

Impact on Operating Budget: Approximately \$20,000 per year for general upkeep of trail and surrounding areas. The boat ramp is expected to require \$10,000 per year in maintenance.

<u>GENERAL PROJECTS</u>							
National Sports Hall of Fame Construction Project	2004	2008	34,000,000	122,290	32,877,710	1,000,000	State Grants, Private Funds
National African American Cultural Center (NAACC)	2005	2009	18,000,000	0	17,900,000	100,000	State Grants, Private Funds
Commerce Bank Park Stadium Improvements	2004	2008	36,000,000	2,380,000	29,620,000	4,000,000	State Grants, Private Funds
General Projects Subtotal			88,000,000	2,502,290	80,397,710	5,100,000	

Impact on Operating Budget: While the City expects to guarantee any debt issued to complete these projects, the City will not be operating these facilities; therefore, no expenditure impact. However, all of these projects are expected to generate mercantile taxes and other fee revenue for the City's General Fund beginning in 2008.

GRAND TOTAL CAPITAL PROJECTS	229,217,916	10,077,124	208,553,892	10,586,900
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COMMUNITY PROFILE

REDISCOVER HARRISBURG – AN ALL-AMERICA CITY



MARKET SQUARE is Harrisburg's traditional retail and commercial center. This historical center of downtown has undergone an extensive transformation through the construction of four new plazas, one on each corner of the square. It is graced by a fourteen foot Victorian clock replica in the southeastern quadrant, new traffic signals, a kiosk, park benches, urban gardens, and antique-styled streetlights; making Market Square a symbol of the City's resurgence. Nearly all buildings on Market Square have been either newly built or completely historically rehabilitated during the past nineteen years as part of the City's economic development efforts.

RIVERFRONT PARK stretches 4.5 miles along the eastern bank of the Susquehanna River in Harrisburg. Famous concrete steps define the river's edge, running the length of the park. Riverfront Park is known for its statuary, monuments, gardens, public art, and trails for jogging, bicycling, and walking. This greenbelt, along with City Island and other waterfront improvements, creates one of the most scenic inland waterfronts in the nation (See "Recreational Attractions" section).



HISTORIC DISTRICTS are included in the City's historic preservation program. Seven historic districts and numerous sites have been designated for inclusion on the National Register of Historic Places. The City's National and Municipal Historic Districts include Old Downtown Harrisburg Commercial, Shipoke, Historic Harrisburg, Old Midtown, Fox Ridge, Mount Pleasant, and Old Uptown. The preservation and restoration of the City's building art and architectural design reflective of every era of the nation's development are a part of the overall advancement and promotion of the arts and culture by the City of Harrisburg and a key element in the City's economic development initiative (See "Cultural Attractions" section).

REDISCOVER OUR PARKS AND WATERFRONT



RESERVOIR PARK's 90 acres are situated on the highest point in the City. The primary focus of improvements at the site is on the arts and cultural life of the City. Recently completed improvements include the National Civil War Museum, the restored 1898 mansion and gardens, antique-styled streetlights, repaved roadways, the Village at Reservoir Park (5-building arts colony), walkways, an extensive lighting system, restored bandshell and pavilion, granite fountain with plaza, large sculptures, drift garden, three-tier French garden, new entrance, parking lot, landscaping, and an upgraded electrical system at the bandshell. Additional improvements included expanded parking, new entrance, landscaping and renovation of the Brownstone Building into an arts and education facility (See "Recreational Attractions" section). The 1933 bandshell was rehabilitated in 2003 by a private donor with weekly events conducted 3-4 nights per week from June through August.

HARBORTOWN, a miniature nautical village, is located on City Island. This playground setting is perfect for parents to enjoy the view of the waterfront while watching their children play. Other amenities on City Island include a miniature train, horse-drawn carriage rides, Skyline Sports Complex, Beach House, Carousel Pavilion, John Harris Trading Post replica, RiverView Pavilion, Water Golf, marinas, RiverSide Village Park, Walnut Street Station, the Pride of the Susquehanna Riverboat, Commerce Bank Park, batting cages, arcade, and the recently built South Pointe Marina which can accommodate more than 100 pleasure crafts (See "Recreational Attractions" section).



KUNKEL MEMORIAL PLAZA, located in Riverfront Park, features a grand overlook of the Susquehanna River, benches, gardens, antique-styled lighting and statuary. The plaza can hold more than 200 persons and provides an open-air classical setting for public relaxation and recreation. This location serves as a host site to live entertainment during the Patriot News ArtFest, the American MusicFest (July 4th), and the Kipona (Labor Day) Celebration.

RECREATIONAL ACTIVITIES



ITALIAN LAKE, located in the City's Uptown area, has been restored to include walkways, antique-styled streetlights, gardens, signage, and wild ducks and geese habitats. The restoration maintained the original shorelines and provided for the construction of retaining walls along the northern half of the lake. The southern half, split from the northern half by a picturesque Japanese Bridge, was maintained by preserving the originally constructed retaining walls. Italian Lake hosts a splendid summertime concert series.

The City of Harrisburg today has the most extensive special events schedule of any municipality in the Midstate's history, attracting over two million people per year to a range of events sponsored by or involving the City. Many of the events are conducted through the City's Special Events Office, created in 1983 by Executive Order of the Mayor. A number of the special events are held at the Riverfront Park facilities, including the Independence Weekend (American Musicfest) and the summer's end Kipona Celebration. The City also sponsors or co-sponsors over 200 other special events each year, which include Martin L. King Jr. Essay Contest; Arbor Day; Earth Day; Greater Harrisburg Arts Festival; New Year's Eve Celebration; Italian Lake, Reservoir Park, and Riverfront Park concerts; and the annual Harrisburg Holiday Parade.

Harrisburg today also has the most extensive municipal parks system in Central Pennsylvania with 27 facilities throughout the City and is the only municipal parks system in this region which plays a regional role, as evidenced by the extensive use of city parks, programs, and special events by non-city residents. In contrast, some nearby communities ban non-residents from physical presence within any of their municipal park space.

The center for some of the recreational activity is the City's beautiful waterfront. Situated along the Susquehanna River, the riverfront offers picturesque scenery accented by the Harrisburg skyline. Riverfront Park is a 4.5 mile greenbelt containing park benches, gardens, a telescopic outlook, Swenson Plaza, the Kunkel Memorial Plaza, monuments, and public art, which enhance its attractiveness while providing for an enjoyable walk, jog, or bicycle ride. Sunken Gardens is located in the Midtown area of Riverfront Park, offering gardens and walkways bordered by lighted monuments. The gardens have been renovated to include an irrigation system, antique-styled streetlights, brick walkways, new flowerbeds and new signage. In addition, the Riverfront Peoples Park Association, a separate citizen/community organization, added to the extensive renovations by donating a gazebo which serves as the centerpiece in the garden. Public art was added to the Peace Garden, located in Riverfront Park, which was created and dedicated in an effort to promote world peace and for the preservation of our earth by the Physicians for Social Responsibility. Swenson Plaza, located at Front and Walnut Streets, was dedicated in late 1999, and is named after the late Mayor Harold Swenson, who was instrumental in Harrisburg's recovery after the Agnes flood of 1972.

Reservoir Park is the oldest municipal park in South-Central Pennsylvania and the largest park, containing 90 acres, situated on the highest point in the City. Phase I of upgrading at Reservoir Park, completed in 1992, included the historic rehabilitation of the mansion and pavilion; the creation of The Village at Reservoir Park; the restoration of the bandshell; and placement of antique-styled streetlights, new walkways, gardens, plazas, and repaved roads. Reservoir Park has new and restored facilities built with a particular emphasis on artistic, cultural, historic, environmental education and conservation themes. Phase I-A, the Garden Expansion project, was completed in June 1993 and includes formal French gardens, drift gardens, lighted walkways, a new boulevard entranceway, parking lot, public art, and outdoor seating. Phase II of Reservoir Park was completed in May of 1995 and includes additional gardens, walkways, outdoor lighting, expanded children's playground, restoration of the Brownstone Building as an arts and crafts center, complete reconstruction of the basketball and tennis court area, along with a new entranceway at 18th and Walnut Streets, and construction of a Park

Ranger Station. Phase III was completed in February 2001, with the opening of the National Civil War Museum. In 2003, the Department of Parks and Recreation secured \$250,000 in funding from the Mortimer Levitt Foundation for the renovation and upgrade of the City's Historic Bandshell in Reservoir Park. Once completed, the facility was renamed and is now known as the Levitt Pavilion for the Performing Arts, offering three to four nights of free entertainment commencing in June and concluding in late August. In 2004, a brick walkway was constructed to link the lower parking lot to the seating area around the pavilion. Engraved bricks were sold to assist with the cost of this project and additional phases will occur as funding permits.

City Island is the hallmark of Harrisburg's aggressive waterfront development plan and is but one of 21 sites created or upgraded through the first major citywide parks improvement program in more than 60 years. City Island, a long unused and blighted 63-acre landmass until 1987, today hosts such activities as professional minor league baseball, historical displays, and numerous recreational activities. City Island facilities include, but are not limited to, the following: RiverSide Village Park, offering great food which can be enjoyed while dining alfresco at the RiverView Pavilion or at the River Terrace and Docks; John Harris Trading Post, a replica which depicts life from the early 18th Century; HarborTown, a miniature 1840's canal village serving as a playground for children; Harrisburg Riverboat (the Pride of the Susquehanna), a paddleboat which can accommodate 149 people on cruises, dinner charters, or scenic river excursions; Harrisburg Marina I and II, providing boat owners with docks, ramps, gazebo, picnic areas, and parking; Walnut Street Station, a Victorian-Styled railway station that hosts the City Island Railroad and offers a splendid vantage point from which to view the many activities along the waterfront; miniature golf opened in 1990, this 18-hole course offers scenic greenery with waterfalls, a bridge and a concession stand; Beach House, a restored historic structure which houses showers, a concession stand, lavatories, the lifeguard office, changing areas for the swimmers at City Island beach, and shuffle board courts built near the entranceway of the building; Island Breeze, offering lessons on the art of kiting; Commerce Bank Park, formally known as RiverSide Stadium, home of championship Class AA minor league baseball; Skyline Sports Complex, a multi-purpose facility built to minor league professional football standards which hosts soccer, softball, volleyball, football, lacrosse, and a myriad of other events and activities; Harrisburg Carriage House, which offers the touring of historic Harrisburg and its beautiful Riverfront by horse-drawn carriage in addition to supplying pony rides for children; Bus Trolley Services, providing transportation to and from downtown; a full-size antique Mengels kiddie carousel; batting cage; arcade; and the latest attraction, RiverSide and SouthPointe Marinas are located on the south end of City Island. City Island accommodates a great variety of activities on the island in addition to boating, sculling, fishing, and swimming around the island.

The Harrisburg Senators, a Class AA professional baseball team, is based at the recently built and already expanded RiverSide Stadium. Their 2005 season marked twelve out of the nineteen years that Class AA minor league baseball has been in Harrisburg for which the team has been in the post-season playoff competition. Attendance for the Senators is ranked in the top third in the Eastern League. The team won the Championship in their first year, 1987, as well as in 1993, 1996, 1997, 1998, and 1999. The Central Pennsylvania Piranha, the 2005 national champion semi-professional football team, uses the Skyline Sports Complex as their home field. In 2004, the City Islanders, professional Soccer team made Skyline Sports Complex their home, making City Island an athletic haven for many sports enthusiasts.

Other parks which have been considerably upgraded in the past fifteen years include Italian Lake, where new walkways, antique-styled streetlights, retaining walls, new gardens, signage and park benches are among the amenities in place. Extensive renovations to Sunshine Park were completed in 1993 and the park was renamed in 2002 to the Clarence C. Morrison Park. This park has multi-purpose facilities to host competitions in football, soccer, softball, tennis, basketball, volleyball, and handball, in addition to picnics and other activities. The 7th and Radnor Streets Field was rehabilitated in 1993 with new field lighting, bleacher seating, and a walking track. The 14th and Shoop Streets Playground was reopened in 1993 after a seven-year closure, with new children's play apparatus, grassy areas (that replaced removed asphalt), lighting, fencing, outdoor seating, and landscaping. Other sites which have been improved since 1982, include the Mt. Pleasant Hispanic American Center, Pools 1 and 2, and the following playgrounds: Reservoir Park, Norwood, 4th and Dauphin Streets, Cloverly Heights, Braxton, Summit Terrace, South 17th Street, Pleasantview, Lottsville, 4th and Emerald, Wilson Park, and Gorgas. In 1996, the City rehabilitated the 4th and Dauphin Streets Playground, which now offers shuffleboard, bocce ball, horseshoe pits, a basketball court, a two-tier playground, seating areas, landscaping, signage, court lighting, and water fountains. Other projects were completed between 1999

and 2001. They include the complete rehabilitation of Norwood, Wilson, and Shipoke Playgrounds; construction of Swenson Plaza at Front and Walnut Streets; construction of the Reverend Clyde Roach Memorial Garden at the north end of Italian Lake; and the upgrade and rehabilitation of the Capital Area Greenbelt. In 2002, the Penn and Dauphin Playground was rehabilitated and is now referred to as the Benjamin and Gloria Olewine Playground. In 2003, the Braxton Playground located at 7th and Maclay Streets, and the Vernon Street Playground located at 15th and Vernon Streets were rehabilitated with financial assistance provided by Harrisburg Parks Partnership and the U.S. Department of Interior. In 2005, Penn National Insurance Company paid for the rehabilitation of Pool #2's playground and the site was renamed and is now known as the Penn National Insurance Company swimming pool and playground and it is located on South 18th Street at the dead end. Upgrades to additional sites will continue as funding becomes available with fundraising occurring in 2006.

More than twenty-two park areas have been extensively restored or created under the City's parks improvement efforts set by the Mayor's Parks Improvement Program, established in 1983. In excess of \$29 million has been spent in Harrisburg's park system, excluding the National Civil War Museum, since 1983. Harrisburg's parks system today plays host to more than 2 million residents, tourists, and visitors each year. City-wide programs at park sites (including playgrounds) include multicultural art, environmental education, arts and cultural programs, camping, reading, storytelling, and organized sports, such as biddy basketball, soccer, tennis, volleyball, T-ball and golf. In addition, Harrisburg created a Park Ranger Corps in 1990. The Park Rangers conduct year-round patrol, traffic control and public informational duties in the major City parks, especially City Island, Reservoir Park, Italian Lake, and Riverfront Park.

Harrisburg has been awarded the Tree City USA designation for the past eighteen consecutive years. This award, conferred by the National Arbor Day Foundation, is for Harrisburg's environmental policies, particularly those related to tree plantings and parks maintenance activities. In addition, the City of Harrisburg, through its Department of Parks and Recreation, won multiple awards from the International Festival & Events Association, as well as national, state, and two local awards. This award winning park system serves as the crowning jewel of Harrisburg's renaissance. In an effort to promote Harrisburg's parks, the City has clearly become the region's hub for public events which give life to the multi-county area and is yet another example of Harrisburg's role and contribution to the region.

CULTURAL ATTRACTIONS

The cultural arts in Harrisburg have a long tradition of enhancing the quality of life. The City is the only municipality in the region to directly support the arts and today has a variety of cultural activities that include all aspects of the arts.

MUSICAL GROUPS

The Harrisburg Symphony Orchestra, founded in 1931, has grown in national stature and reputation as a metropolitan musical organization, offering a variety of music composed by legendary classical artists and also featuring a pops repertoire. The Forum, in downtown Harrisburg, a classic 1,763-seat amphitheater styled hall, is home to The Harrisburg Symphony. Other musical performing arts organizations include the Central Pennsylvania Friends of Jazz, Harrisburg Civic Opera, Harrisburg Choral Society, Opera Outreach, Harrisburg Singers, Chamber Singers of Harrisburg, Market Square Concert Series, Susquehanna Folk Music, and other groups, showing that music combined with song produces a great array of melodies in Harrisburg.

ARTS SUPPORTERS

Jump Street is a private, nonprofit, community based arts incubator, with expertise in providing arts based program development, consulting to artists and arts organizations, and community arts development. Jump Street, by supporting community and economic development through art, has successfully employed art in a way that makes it tangible and while providing a safe and encouraging atmosphere for young artists. The Allied Arts Fund raises both dollars and awareness for local arts and culture. The Fund conducts an annual campaign on behalf of the region's most established cultural providers, and raises dollars for new and emerging, culturally diverse arts organizations through the Allied Arts Venture Fund. In its 20-year history, the Allied Arts Fund has invested over \$13 million in the arts of Central Pennsylvania. Historic Harrisburg Association annually conducts a Candlelight House Tour of the interior and exterior of finely restored historic homes and buildings in the City. The Susquehanna Art Museum preserves and stimulates the creation of the fine arts for public exhibition. The Harrisburg Downtown Improvement District (DID) promotes the economic and cultural vitality of the central business district. The Mayor's Public Arts Advisory Board, created by Executive Order in 1984, encourages developers and property owners to create public arts, reviews responses and the actual placement of public art for any requesting entity, and preserves existing public art and monuments in the City.

PERFORMING ARTS

The Harrisburg Ballet Company was formed in 1990. At the same time, the initial plans for a downtown arts center were created. The Whitaker Center for Science and the Arts is the region's first ever science and arts center after receiving a \$21 million state grant funding commitment, \$23.2 million in private endowments, pledges and donations, and more than \$1 million worth of contributed services; in addition to the \$6 million that the City had previously dedicated. This center consists of a versatile multipurpose set of buildings designed to provide and integrate cultural facilities, such as a 660-seat Sunoco Performance Theater, 200-seat Select Medical IMAX Theater, HARSCO Science Center, and a variety of educational and support operations. In addition to contributing to its financing, the City directly assisted in the planning for this downtown center. Property acquisition was completed in early 1996. Demolition and site clearing was completed in 1997. The grand opening was September 1999.

The City also takes pride in The Harrisburg Community Theatre, now Theatre of Harrisburg, which was founded in 1925, and is one of the oldest continuously operated community theatre organizations in the country. Its production schedule offers a variety of entertainment including comedy, tragedy, and the classics. In September 1999, the Theatre Harrisburg moved its performance to the 660-seat performing arts theatre of the Whitaker Center for Science and the Arts. Other performing arts groups include the Central Pennsylvania Youth Ballet and the Metropolitan Repertory Company. In addition, Open Stage of Harrisburg was moved downtown to its own theatre, representing the first permanent center city performing arts facility in over 25 years. The Open Stage theatre includes set design, construction and storage areas, a ticket booth, offices, dressing rooms, and a lobby and concession area. The Capital Dinner Theater of Mishar Productions opened a new state-of-the-art facility in November 2000 featuring a "main stage" lineup and an "Encore Series". The long awaited Midtown Cinema opened in November 2001. The cinema features three separate theatres seating 152, 78, and 68 respectively, and it runs both first-run independent and foreign films.



THE JOHN HARRIS MANSION, an example of a permanent City cultural facility, exhibits historical archives, art, and antiques reflective of the past 275 years' history. Its earliest part was built before 1740 by John Harris, Sr., whose son, John Harris, Jr., became the founder of Harrisburg. It was later renovated and "Victorianized" in the late 19th century by Simon Cameron, President Lincoln's Secretary of War during part of the Civil War and later a U.S. Senator.

VISUAL AND DESIGN ARTS

The City has dozens of locations where public art exhibits and performances are routinely held. In addition, the Gallery Walk is held yearly as a promotional event for the community's fine arts centers attesting to the fact that original art of all styles and media is available in the City, year-round. The permanent facilities and galleries in the City include: The Art Association of Harrisburg, which is the oldest arts organization in the region; Doshi Center for Contemporary Art, a privately-owned art gallery located at the City's restored Transportation Center; Tangerine Fine Arts, which is highlighted by local artists' exhibits; and the Susquehanna Art Museum, located downtown in the historic Kunkel Building. HARSCO Science Center, a hands-on physical science museum with many interactive learning exhibits, is located in Whitaker Center for Science and the Arts. In addition to a variety of smaller galleries, Harrisburg is home to the Pennsylvania State Museum and Archives, the flagship of the state museum system. This six-story circular depository of Pennsylvania's most valued historic documents and artifacts features a fine art gallery; planetarium; natural history exhibition; and the grand Memorial Hall, containing a statue of the Commonwealth's founder William Penn.

CHURCHES AND SYNAGOGUES

The City's cultural activities are complemented with an array of choir concerts and lectures offered by area churches and synagogues. In addition to these facilities hosting artistic and cultural events, the sanctuaries of some of these historic downtown Harrisburg Churches are architectural edifices of interest. Market Square Presbyterian Church, erected in 1860, contains a fine Romanesque styled sanctuary, all in white. The Salem Reformed Church, built in 1822, is the oldest church standing in the City. Saint Lawrence Catholic Church's sanctuary is French Gothic, culminated by a lavishly executed stained-glass rose window. The First Church of God was erected in 1854 for this denomination which was founded in Harrisburg in 1827. Other churches and synagogues of interest within the City are the Zion Lutheran Church, Pine Street Presbyterian Church, Grace Methodist Church, Saint Patrick Cathedral, Saint Stephen's Cathedral, Saint Michael's Lutheran Church and the Temple Ohev Shalom.

HISTORIC PRESERVATION

The history of Harrisburg's physical environment spans a 200-year period and represents a fine cross-section in the evolution of architecture. Harrisburg has seven National Historic Districts, six of which were designated through City efforts since 1983, under the Mayor's historic preservation program. Prior to then, only one area of the City had achieved such designation. The City's National and Municipal Historic Districts include building art and architectural design reflective of every era of the nation's development, from the 18th Century to present day. These districts include: Old Downtown Harrisburg Commercial National Register Historic District and the Fox Ridge Nationally Certified Municipal Historic District, as well as Shipoke, Historic Harrisburg, Old Midtown, Mount Pleasant, and Old Uptown National Register and Municipal Historic District. Additionally, numerous individual buildings have been named to the National Register of Historic Sites. Harrisburg, now in the top percentile of cities in the nation successfully engaged in local historic preservation, has achieved national recognition for its overall economic development resurgence. Historic preservation and rehabilitation have proven to be integral to this success and long-term growth, while preserving the City's priceless architectural heritage and promoting the arts and culture. The City's Historic Architectural Review Board, appointed by the Mayor and confirmed by City Council, reviews exterior building renovations and new construction in the Municipal Historic Districts to assure design and material integrity are consistent with historic design standards. Harrisburg is one of only several municipalities in Pennsylvania to be a Certified Local Government in its historic preservation work, by the state Historic and Museum Commission. Harrisburg is second only to Philadelphia in the dollar amount of certified historic rehabilitation in Pennsylvania.

EDUCATION

The Pennsylvania State System of Higher Education (PASSHE)'S Dixon University Center, located in uptown Harrisburg, is the home of the Office of the Chancellor, the central headquarters for the PASSHE. This campus of six buildings not only houses the System's central headquarter administrative offices, but offers five undergraduate and ten graduate degree programs on-site by a consortium of System universities and affiliate members for adult students in the evenings and on weekends. In addition, the center sponsors public policy seminars and is the site of numerous conferences.



Harrisburg University of Science and Technology (HU) is a non-traditional independent university in downtown Harrisburg fulfilling a "niche mission" of addressing region-specific needs not currently served by existing colleges and universities. HU provides certificate programs, and associate, undergraduate, and graduate degree programs. This new institution will work cooperatively with business, government, and other colleges and universities to foster regional workforce development and continuing professional development. It will also offer an environment for applied research and development. This will substantially enhance the area's ability to attract and retain national-class employers, and for the City, will provide a new aspect to economic development, job creation, and neighborhood stabilization. HU admitted its first class of students in the fall of 2005.

Temple University Harrisburg (TUH)'s downtown center also marks the permanent presence of facilities for higher education in the Central Business District. TUH enrolls 378 students and offers 60 classes per semester. In July 2000, TUH relocated downtown to an area that doubled the university's presence in the area. This allows the university to provide graduate and certificate programs, as well as professional development courses in educational administration, elementary and special education, community and regional planning, business administration, and social administration.

Harrisburg Area Community College (HACC) offers two-year and certificate programs in the City's uptown area. HACC was the first community college created in Pennsylvania. Its splendid campus is built on land donated by the City of Harrisburg at no cost to more than twenty suburban school districts whose students use the facilities. Current enrollment at HACC is 16,464 students with 9,193 enrolled at the Harrisburg campus. In January 2002, HACC opened its Community Center for Technology and Arts. This center offers classes for several academic programs; adult basic education and developmental studies; and non-credit courses.

The Penn State Harrisburg Eastgate Center is located within blocks of the Central Business District. The Eastgate Center offers traditional and continuing education course throughout the year. Management development and leadership programs are conducted on a contract basis in the facility's two classrooms and computer lab.

Messiah College recently established an Institute for Community Research and Collaborative Partnerships, known as the Harrisburg Institute, to offer students a significant urban experimental learning opportunity. The Institute houses offices, conference and lecture space, and residential facilities for 45 students.

In addition to the institutions for higher education located within the city limits, the Harrisburg/Lebanon/Carlisle Metropolitan Statistical Area (MSA) has numerous institutions of higher learning. Penn State Harrisburg offers 27 baccalaureate and 22 graduate degree programs. Enrollment at the campus, located in Middletown, is 3,736. Dickinson College, located in Carlisle, is the third oldest college in Pennsylvania and one of the original 15 Colonial colleges in America. The enrollment at this coeducational liberal arts college is 2,292. The Dickinson School of Law, also located in Carlisle, founded in 1834 as an independent law school, is now part of Pennsylvania State University. Present enrollment is 592. The Widener University School of Law-Harrisburg Campus' current enrollment is approximately 500 students on a campus three miles outside the city limits. Additional institutions within the MSA include: Pennsylvania State University's Hershey Medical Center and College of Medicine, Shippensburg University, Lebanon Valley College, Thompson Institute - Harrisburg, and Central Pennsylvania College.

TRANSPORTATION



Harrisburg Transportation Center, formerly the Old Pennsylvania Railroad Station, has undergone major restoration which has won the nation's top historic preservation award. Major interstate bus service is based at the Center, providing bus passenger and freight service throughout the nation. The Center is anticipating, in the near future, undergoing additional renovations to increase its use for AMTRAK and the planned regional rail transit system.

Harrisburg is serviced by four interstate highways including: Interstate 81 - the major eastern U.S. interstate running from New York State to Alabama; Interstate 78 - splitting from I-81 northeast of Harrisburg and linking the City to Allentown, Bethlehem, northern New Jersey, and New York City; Interstate 83 - linking Harrisburg to York

and Baltimore to the south. Additionally, the Pennsylvania Turnpike serves as the principal connector to Philadelphia and Pittsburgh. Harrisburg is also serviced by two Susquehanna river routes: US 22/322 and US 11/15. US 11 and 15 merge briefly in the Harrisburg area. US 15 links Harrisburg to Gettysburg, Frederick, MD and later, via I-270, to Washington, DC in the south; the same highway runs north through the center of the state to ultimately Rochester, NY. US 11 runs from the border with Canada in northern New York to New Orleans, LA. US 22/322 links Harrisburg to Lewistown and then splits into two separate highways. US 22 continues west into Pittsburgh and ultimately into Ohio. US 322 follows a northwestern pattern and runs through State College eventually running into Ohio.

Harrisburg International Airport (HIA) is located eight miles south of center city. The airport was acquired by the Susquehanna Area Regional Airport Authority (SARAA) in 1998. The Authority has made dramatic facility improvements, property acquisitions and instituted a land use plan. All to better serve the community and promote regional economic development. Prior to the change in ownership, this international port had been expanded with a terminal building, air traffic control center, and parking facilities. The airport has a 10,000 ft. runway and can handle the nation's largest military and commercial aircrafts.

Capital Area Transit Authority (CAT) operates public bus service throughout Dauphin and Cumberland counties and has its headquarters and main bus transfer center in Harrisburg. Harrisburg is the only municipality to subsidize the mass transit system in the region. Trolley buses, motorized replicas of yesteryear's trolley transportation, are operated by CAT throughout downtown and City Island to supplement the City's bus routes.

The City remains in full support of the regional rail program, also known as Corridor One. The regional rail system is anticipating having the first segment operational by 2006. Corridor One will not only link Harrisburg to Lancaster, but also to Mechanicsburg, Carlisle, Hershey, and other major destinations. This system will encourage new developments in proximity to its routes, and will provide a much-needed alternative to single car occupancy.

Harrisburg is situated geographically central to major urban hubs of the Mid-Atlantic Seaboard. These cities, as listed below, are within hours of Harrisburg whether traveling by car, bus or train via any of the transportation infrastructures.

DISTANCE FROM HARRISBURG TO THESE CITIES:

CITY	MILES	CITY	MILES
Philadelphia	107	Baltimore	79
New York	166	Washington, DC	121
Atlantic City	168	Pittsburgh	204

Source: Google Maps (<http://maps.google.com>)

NATIONAL AND STATE RECOGNITIONS OF CITY ACHIEVEMENTS

THE CITY OF HARRISBURG IS:

- The only local government in Pennsylvania (municipal, county, or school district) to ever win all of the top national awards for community progress, with all awards having been achieved or re-achieved in the 1989-2004 period as a direct result of the City's success in economic development, parks improvement, and city government reform.
- The only municipality in the Northeastern United States to be selected for All-America City designation in 1990 - 1991.
- The only local government in Central Pennsylvania to ever win both top national financial management awards.

NATIONAL MUNICIPAL AWARDS AND RECOGNITIONS

In 2005, the Harrisburg's WHBG Cable Channel 20 was awarded the Award of Distinction by the International Communicator Awards - 2004 Video Competition. The Harrisburg Broadcast Network received this honor for a telemarketing fraud episode of the City produced, "The Smart Consumer".

In 2005, the City of Harrisburg was named one of 100 Best Communities for Young People, from the America's Promise - the Alliance for Youth. The City received this honor in part because its service system that offers support for each of its children as they develop. The City provides health centers onsite at elementary schools, low-income dental services for children, and free inoculation programs as well as full-day kindergarten, after-school programs, summer camps, youth councils, peer education programs, and leadership programs.

The City of Harrisburg was awarded the Distinguished Budget Presentation Award from Government Finance Officers Association for the United States and Canada (GFOA) for the fifteenth consecutive year, including 2005, for its annual Budget document. This is the highest form of recognition in the nation for governmental budgeting.

In 2005, The Harrisburg Police Bureau achieved national accreditation as well as designated as a Flagship Agency. This recognition has been conferred by the Commission on Accreditation on Law Enforcement. The City first won this prestigious award in 1989, 2002, and 2003. Of over 21,000 law enforcement agencies in the United States, less than 650 achieved and retained accreditation and only 12 have been designated in the elite category of Flagship Agency.

For the eighteenth consecutive year, including 2004, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting by GFOA for its Comprehensive Annual Financial Report. This is the highest form of recognition for governmental accounting and financial reporting in the nation.

In 2005, The City of Harrisburg's Vehicle Purchasing Program was recognized as a best practice by the American Public Works Association. Since its implementation, this program has saved its participants over \$10 million.

In 2005, the Bureau of Water received the Director's Award from the Partnership for Safe Water for providing quality water to its community and the continued effort to achieve less than .01 NTU year round.

In 2004, Sperling's Best Places named the Harrisburg-Lebanon-Carlisle metropolitan statistical area as the second least stressful city (area) in the nation, based upon low unemployment rates, shorter commute times, and low crime rates.

In 2002, George L. Schwarz, Director of Harrisburg's Vehicle Management Center, was awarded the National Association of Fleet Administrator's 2002 Larry Goill Award for an innovative idea that eliminated the need for the public sector to separately bid for vehicles and other equipment each time new vehicles were needed. This new process has saved the City, the Commonwealth, and other participating municipalities time and money.

In 2001, the National Association of Housing and Redevelopment Officials (NAHRO) presented the City of Harrisburg Department of Building and Housing Development the Award of Excellence for the Bureau of Housing's Homeownership Opportunities Program (HOP) and the Homeownership Impact Loan Program (HIL) that make financing for City homes available to low and moderate income buyers.

In 2001, the Mid-Atlantic Regional Conference NAHRO (MARC-NAHRO) presented the City of Harrisburg, Bureau of Housing and Building Development its Award of Excellence for the bureau's Homeownership Opportunities Program (HOP) and the Homeownership Impact Loan Program (HIL).

In 2000, the City was awarded the Best Practices Simply the Best award, from the U.S. Department of Housing and Urban Development (HUD) for its Lead Based Paint Hazard Control Program.

Harrisburg was selected, in 1994, as one of 65 Empowerment Communities by the United States Department of Housing and Urban Development.

In 1993, for the first time, the City received the Award of Recognition from the National Federation of Municipal Analysts for its comprehensive financial management/reporting system.

The City's aggressive flood control and emergency management system, named as a model by the Pennsylvania Emergency Management Agency, resulted in Harrisburg being the only community in the state to be upgraded in 1991, 1992, and 1993 by the Federal Emergency Management Agency, thus producing an overall 15% reduction in base flood insurance premiums for all city-based property owners annually.

For 1990-91 and 1984-85, the City was chosen as an All-America City, the nation's highest community award, by the National Civic League, Inc. The City's selection from among a large number of nominees was due to its demonstrated ability to reverse three decades of previous decline with highly successful economic development and to solve local problems through effective governmental and community partnership and leadership. The judging took special note of the development of programs by the City and various groups, including non-profit organizations, churches, historic associations, and the Harrisburg Redevelopment Authority, to deal with a substandard and inadequate housing supply.

The Harrisburg Advance Wastewater Treatment Facility (AWTF) received the United States Environmental Protection Agency's 1991 National Pretreatment Program Excellence Award. The Award is given in four categories based on the actual daily flow of the publicly owned treatment works. Harrisburg's AWTF won first place in the nation in the "over 20 million gallons per day" category. This is the top award in the nation and recognizes Harrisburg as implementing effective and innovative environmental protection and pollution control programs and acknowledges the municipality's commitment to the protection and improvement of the nation's waters through the operation of exemplary pretreatment programs. The AWTF also won first place in the 1992, 1993, 1995, 1996, 1997, 1998, 1999, 2000, and 2001 Pennsylvania Operations Challenge and continued to the national competition where they improved their 16th place finish in 1992 to place 10th place in 1993, 13th in 1995, 4th place in 1996, 8th place in 1997, 6th place in 1999, 8th in 2000, and 12th in 2001. These awards illustrate Harrisburg's AWTF as one of the nation's top sewerage facilities in overall operation and compliance. In addition, the superintendent of the City's AWTF was named the state's Operator of the Year for 1993.

STATE AWARDS AND RECOGNITIONS

In 2003, the Skyline Sports Complex field earned the coveted Field of Distinction Award from the Keystone Athletic Field Managers Organization.

In July 2003, the Harrisburg Police Bureau achieved state accreditation. The Bureau is one of three law enforcement agencies in the state of Pennsylvania to hold dual-accredited status.

In 2003, the City of Harrisburg was awarded the Cecil C. Furer, Friend of Rural Water Award by the Pennsylvania Rural Water Association. This was presented to the City for its ability to help smaller water systems in their times of difficulty.

For 2002, the Harrisburg Department of Parks and Recreation won one state award from Pennsylvania Recreation & Park Society (PRPS) for Excellence in programming for the City Fishing Derby held at Pool #1.

In 2002, the Pennsylvania Section - American Water Works Association and the nationally based Partnership for Safe Water presented the Harrisburg Bureau of Water with the prestigious 2002 Partnership for Safe Water Achievement Award, the highest honor for water system operations in the state and nation.

For 2001, the Harrisburg Department of Parks and Recreation won two awards from the Pennsylvania Recreation & Park Society (PRPS) for Excellence in Programming for the City's Easter Egg Hunt/Youth Health Fair, the American Musicfest/Kipona and the Countdown Programs.

In 2001, the Pennsylvania Department of Community and Economic Development (DCED), Center for Community Building presented the Department of Building and Housing Development an Award of Recognition for their community building efforts and participation in the Pennsylvania Community Building Conference.

In 2001, the Harrisburg Police Bureau's Traffic Safety Unit received the top state Traffic Law Enforcement Award from the Governor's Highway Safety Council for the thirteenth year.

For 1999, the Harrisburg Department of Parks and Recreation won three state awards from the Pennsylvania Recreation and Park Society (PRPS), which were presented in March 2000. These awards were for Excellence in Programming for the Black History Showcase, the Senior Citizens Computer Program in the Brownstone Building at Reservoir Park, and the Junior Golf Program.

In 1999 and 1996, the City's Alternative Revenue and Energy Program received the state's highest recognition, the Governor's Award for Environmental Excellence for Achievement in Technological Innovation.

In 1998, Mayor Stephen R. Reed was presented with the Distinguished Leader Award by the Pennsylvania Planning Association. Mayor Reed was cited for his "creativity and entrepreneurial initiatives that have helped Harrisburg become a thriving, vibrant community."

In 1993, the City of Harrisburg received the Community Service Award from the Central Pennsylvania Chapter of the Public Relations Society of America. This first time award was received for quality public information services, practices and policies.

In 1991, the Pennsylvania Department of Conservation and Natural Resources Bureau of Forestry (formerly under the Department of Environmental Resources) presented the Samuel J. Cobb Award of Excellence for Urban and Community Forestry to the City. This is the highest conservation award in the state and was awarded to the City for its outstanding parks system, which has since benefited from further enhancements.

Harrisburg was selected as the 1990 Outstanding Community of Pennsylvania by the Pennsylvania Chamber of Business and Industry, the highest community recognition in the state. The Mayor was separately named by the Chamber as the 1990 Outstanding Government Leader of Pennsylvania.

Harrisburg's park system won two ASLA Centennial Medallion Awards from the American Society of Landscape Architects for both Riverfront Park and Reservoir Park.

ADDITIONAL AWARDS AND RECOGNITIONS

For the eighteenth consecutive year, the National Arbor Day Foundation designated Harrisburg as a Tree City USA in 2005.

In 2004, the Pennsylvania League of Cities and Municipalities awarded the City of Harrisburg with the Inter-governmental Cooperation award.

In 2004, Mayor Stephen R. Reed was presented with the Paul Harris fellow award, an award given to exceptional leaders. Reed was cited for "giving back and making things happen for kids".

In 2003, the International Festival and Events Association honored Harrisburg with seven awards for its special events programs and promotions.

In 2003, Mayor Stephen R. Reed was presented the Community Builder of the Year by the Tri-County United Way of Pennsylvania.

In 2003, the American Cancer Society presented Mayor Stephen R. Reed the 2003 John H. Baum Humanitarian Award for his personal commitment to the community. This award was presented in memory of the late Patriot-News publisher and community leader.

In 2003, the City of Harrisburg was awarded the Good Neighbor award by Mission of Mercy, a non-profit organization that offers free medical and dental services to the uninsured, working poor, and homeless individuals. The City of Harrisburg was presented this award due to its continued efforts to promote the program's free medical services.

In 2002, the International Festival and Events Association honored Harrisburg with four awards for its special events programs and promotions.

In 2001, the International Festival and Events Association honored Harrisburg with two awards for its special events programs and promotions.

In 2000, the International Festival and Events Association honored Harrisburg with four top international awards for its special events programs and promotions.

In 2000, the City of Harrisburg was the only municipality in North America to receive the International Paradigm Award for its cutting-edge use of technology.

Preservation Pennsylvania, a state historic preservation advocacy organization, gave the City of Harrisburg its 1996 Local Government Initiative-Historic Preservation Award for the rehabilitation of the former Reily Fire Station. The building now houses the Greater Harrisburg Fire Museum.

In 1994, the City of Harrisburg's Capital Area Greenbelt Project won, for the second time, the Chesapeake Bay Local Government Advisory Committee's Award for Local Innovation. Harrisburg originally won this award in 1992 and was one of six programs selected and the only local government in the state to receive this award.

After thorough assessment, the City of Harrisburg received an upgraded credit rating of "A" by Standard and Poor's and an "A-" by Fitch Investors Services, Inc., both in 1992. This achievement was monumental considering that 11 years earlier Harrisburg could not achieve any credit rating. The City continues to maintain these ratings.

In 1992, an independent awards jury named Mayor Stephen R. Reed as the Entrepreneur of the Year in Central Pennsylvania, in the category of Supporter of Entrepreneurs, for leadership in fostering business development and growth. It was the first time a public official received this private sector recognition.

In late 1992, the City and the Capital Health System jointly received the top state award from the Hospital Association of Pennsylvania for the creation of the Total Mend Program, a pioneering effort administered by the City's Office of Insurance and Risk Management to control health care costs in the workers' compensation program.

The Capital Region Fair Housing Council presented Mayor Stephen R. Reed with an Award of Recognition for his personal support of housing programs in the Capital Region on the occasion of their 26th Anniversary Celebration.

PERIODICAL REVIEWS AND RANKINGS

In 2003, the City of Harrisburg was declared by *Inc. Magazine* as one of the best 20 medium-sized cities in America in which to do business and the second least stressful city in the Nation.

In 2003, the *Harrisburg Magazine's* reader poll listed the Kipona Festival as the best event in the region.

For 2001, ReliaStar Financial listed the Harrisburg Metropolitan Statistical Area as 11th best out of the 125 largest metropolitan areas of the United States to earn and save money.

In its 1998 quality of life ratings, *Money* magazine listed the Harrisburg Metropolitan Statistical Area as the best medium-sized Pennsylvania region in which to live and fifth best in the Eastern United States. Just several years earlier, *Money* magazine listed Harrisburg as one of the top 20 places for the start-up, success, and expansion of small business in its ranking of cities across the nation, regardless of size.

The Harrisburg area ranked #1 amongst regions of similar population in Pennsylvania, according to *Places Rated Almanac for 1997*. Additionally, the Harrisburg area ranked #1 amongst regions of similar population in the United States. The Harrisburg area placed in the top 20% when compared to all regions regardless of regional population.

According to a national study of residential building permits by *Cahners Economics*, of Newton, MA, the Harrisburg area was the second fastest growing metropolitan area in the United States from 1996-1997.

Baseball America named RiverSide Stadium on City Island as the best site in the country for minor league professional baseball in 1996. RiverSide Stadium was also named by *Disney Family Fun Program* as one of the top 10 baseball facilities in the nation.

Results of the National Association of Home Builders' survey of nearly 200 markets, published in 1994, ranked Harrisburg 25th when it came to affordable housing.

Nationwide, the Harrisburg area was the 15th most popular place to move during 1993 among communities with fewer than 100,000 residents, according to a nationwide study done by Ryder Truck Rentals. The nation's largest truck-rental and leasing company published results that said there were 125 household moves into the Harrisburg area for every 1,000 household moves out of the area. Harrisburg's inbound-outbound ratio would have placed 6th among larger communities with more than 100,000 residents.

The February 14, 1992, issue of the *Tri-State Real Estate Journal* published an article detailing Harrisburg's progress over the past several years, despite the recession which had hit the Northeast and Mid-Atlantic states. The headlines read: "Harrisburg emerges as the bright spot in the Northeast."

The October 1990 edition of *Kiplinger* magazine identified Harrisburg as one of the few cities in the nation which could weather a national recession with no significant downturn, while *Newsweek*, *Parade* and other publications reported on a separate national survey which had listed Harrisburg eighth of the ten most desirable cities in America.

A SAMPLING OF CURRENT MAJOR DEVELOPMENT PROJECTS

By 1981, Harrisburg was considered the second most distressed city in the nation under federal distress criteria. City government was on the verge of financial collapse, having amassed millions of dollars in unpaid bills, two pension funds near liquidating their last assets, a loss of credit rating, and the shut down of all federal funds due to municipal mismanagement.

Harrisburg has since undertaken an economic development resurgence and city governmental reform which re-establishes Harrisburg as a progressive metropolitan city. During the past 23 years, especially the last seventeen years, the City has witnessed numerous public and private construction projects totaling over \$3.8 billion in new investment through the fourth quarter of 2004. There have been major net gains in the number of businesses, private sector jobs and livable homes, reversing nearly three decades of decline. Some of the more recent development endeavors include:

OFFICE/COMMERCIAL/RETAIL/INDUSTRIAL:

COMMONWEALTH KEYSTONE BUILDING, New

Cost: \$120,000,000 Square Feet: 828,000 Completion: 2000

STATE FARM SHOW COMPLEX, New Construction/Expansion

Cost: \$76,000,000 Square Feet: 171,000 Completion: 2003

PENNSYLVANIA JUDICIAL CENTER, New Construction

Cost: \$93,000,000 Square Feet: 330,000 Completion: 2007

WHITAKER CENTER FOR SCIENCE AND THE ARTS, New regional arts and science center with a 660-seat performance theater, an IMAX theater and a science center.

Cost: \$45,000,000 Square Feet: 200,000 Completion: 1999

NATIONAL CIVIL WAR MUSEUM, New Construction/Artifacts

Cost: \$32,242,000 Square Feet: 60,000 Completion: 2001

PENNSYLVANIA SPORTS HALL OF FAME, New Construction

Cost: \$28,900,000 Square Feet: 63,000 Completion: to be determined

MARKET SQUARE PLAZA, New Construction

Cost: \$26,000,000 Square Feet: 311,276 Completion: 2005

MARSHALL & MELROSE, Elementary School Renovation/Expansion

Cost: \$15,864,000 Square Feet: 129,350 Completion: 2002

BEN FRANKLIN & FOOSE, Elementary School Renovation/Expansion

Cost: \$14,286,000 Square Feet: 183,200 Completion: 2001

PINNACLE HEALTH SYSTEM (HARRISBURG HOSPITAL), Laboratory

Cost: \$8,998,000 Square feet: 31,490 Completion: 2005

PINNACLE HEALTH SYSTEM (HARRISBURG HOSPITAL), Renovation/Expansion

Cost: \$8,825,000 Square Feet: 126,000 Completion: 2000

HACC, SELECT MEDICAL HEALTH EDUCATION PAVILION, New Construction/Classroom Expansion

Cost: \$8,750,000 Square Feet: 51,000 Completion: 2005

PHFA HEADQUARTERS, New Construction

Cost: \$8,000,000 Square Feet: 100,381 Parking Spaces: 159 Completion: 2004

GIANT FOOD STORE, New Construction

Cost: \$5,079,000 Square Feet: 65,300 Parking Spaces: 848 Completion: 2000

INTERNATIONAL PLACE, Student housing and restaurant for training

Cost: \$4,100,000 Square feet: 31,473 34 units Completion: 2005

1633 NORTH SIXTH STREET - OFFICE BUILDING, New Construction

Cost: \$4,000,000 Square feet: 120,000 Parking Space: 134 Completion: to be determined

CITY ISLAND GRILL, New Construction of Restaurant/Banquet Facility

Cost: \$2,700,000 Square feet: 25,900 Completion: 2006

HACC, EARLY CHILDHOOD EDUCATION AND DAYCARE FACILITY, New Construction

Cost: \$2,000,000 Square Feet: 12,000 Completion: 2005

MT. PLEASANT PLAZA, New Construction/Expansion

Cost: \$1,814,000 Square Feet: 14,356 Parking Spaces: 18 Completion: 2003

1521 NORTH SIXTH STREET-OFFICE BUILDING, New Construction

Cost: \$1,500,000 Square Feet: 85,000 Parking Spaces: 70 Completion: 2002

OLEWINE LIBRARY (DAUPHIN COUNTY LIBRARY SYSTEM), New Construction

Cost: \$1,300,000 Square feet: 6,400 Completion: 2006

RESIDENTIAL:

CAPITOL HEIGHTS DEVELOPMENT (LOTTSVILLE)

Cost: \$27,616,000 Units: 170 Completion: 2007

Phase I Units: 30 Completion: 2000

Phase II Units: 58 Completion: 2005

Phase III Units: 7 Completion: 2005

Phase IV Units: 58 Completion: 2007

PENNSYLVANIA PLACE (CITY TOWERS), (including 5 levels of commercial space and a 3-level parking garage)

Cost: \$9,000,000 Units: 292 Completion: 1999

ALLISON HILL SOUTH PROJECT, Rehabilitation and construction of rental units

Cost: \$8,860,000 Units: 56

Phase I Units: 27 Completion: 1994

Phase II Units: 29 Completion: 2000

MARKET PLACE TOWNHOMES

Cost: \$7,737,000 Units: 98

Phase I Units: 26 Completion: 1992

Phase II Units: 12 Completion: 1995

Phase III Units: 60 Completion: 2007

SUMMIT TERRACE TOWNHOMES PROJECT

Cost: \$4,182,000 Units: 60

Phase I Units: 12 Completion: 1995

Phase II Units: 7 Completion: 1997

Phase III Units: 7 Completion: 2000

MARKET COURT APARTMENTS

Cost: \$1,524,000 Units: 12 Completion: 2000

MELROSE GARDENS, New Construction

Cost: \$1,049,083 Units: 8 Completion: 2002

RESIDENCES AT GOVERNOR'S SQUARE (formerly MACLAY APARTMENT REDEVELOPMENT)

Cost: \$21,677,000 Units: 222 Completion: 2005

TOWNS AT GOVERNOR'S SQUARE (formerly MACLAY HOME DEVELOPMENT)

Cost: \$8,900,000 Units: 71 Completion: 2008

COMMONS AT BARKLEY LANE, 16 New Townhouses

Cost: \$2,500,000 Completion: 2005

OTHER:

RIVER STREET GARAGE, New Construction

Cost: \$13,742,601 Square Feet: 16,168 Parking Spaces: 850 Completion: 2001

CITYWIDE STREET REPAVING/RECONSTRUCTION PROJECTS

Cost: \$9,864,565

Phase I	# of streets: 129	Completion: 1990
Phase II	# of streets: 57	Completion: 1991
Phase III	# of streets: 51	Completion: 1992
Phase IV	# of streets: 51	Completion: 1993
Phase V	# of streets: 45	Completion: 1995
Phase VI	# of streets: 83	Completion: 1998
Phase VII	# of streets: 90	Completion: 2000

CBD STREETLIGHTS AND STREETScape, Streetscape and Improvements

Cost: \$21,000,000 Completion: 2010

CITY ISLAND GARAGE, New Construction

Cost: \$6,169,799 Square Feet: 12,748 Parking Spaces: 484 Completion: 2002

CAPITAL CORRIDORS, Streetlights, Trees, and Sidewalks

Cost: \$4,584,687 Completion: 2002

PENNDOT SERVER FARM FACILITY, 1400 North Cameron Street, New Construction

Cost: \$4,343,032 Square Feet: 23,500 Parking Spaces: 73 Completion: 2003

TRAFFIC SIGNALS UPGRADES, Replace Signals

Cost: \$4,005,000 Completion: 2003-2007

REPLACE/LINE VARIOUS COMBINED SEWERS

Cost: \$3,800,000 Completion: 1999

7TH STREET WIDENING, New Construction/Expansion

Cost: \$3,729,000 Completion: 2008

HRA TRANSPORTATION CENTER, Renovation

Cost: \$3,500,000 Completion: 2006

STATE STREET STREETScape, 100 & 200 Blocks

Cost: \$2,260,000 Completion: 2006

SOUTHERN GATEWAY, Extension of South 3rd Street to I-83 to improve traffic circulation in Central Business District.

Cost: \$5,000,000 (Design) Completion: 2008

Cost: \$75,000,000 (Estimated Construction) Completion: 2012

SOUTH FRONT STREET CONNECTOR, Connecting Front Street with industrial park site (including environmental assessment, design, construction, and construction management)

Cost: \$2,500,000

Completion: 2001

MARKET STREET BRIDGE LIGHTING, Replace lighting, landscaping, and stone payers on eastside

Cost: \$1,193,005

Completion: 2003

STATE STREET INTERSECTION, Renovation

Cost: \$495,500

Completion: 2004

MULBERRY STREET BRIDGE RAMP REHABILITATION, Renovation

Cost: \$3,870,000

Completion: 2006

WIDEN MARKET STREET BRIDGE UNDERPASS ON CITY ISLAND, Improvements (including design, utility relocation and construction)

Cost: \$3,500,000

Completion: 2006

Sources: Mayor's Office of Economic Development, Department of Building & Housing Development, and Office of City Engineer

HARRISBURG COMMUNITY DEVELOPMENT PROJECTS: A Sampling of New Building Construction



The Residences At Governor's Square: Construction began in the spring of 2004 on 222 rental units and 65 affordable homes on the site of the former Maclay Street Apartments. The rental rehabilitation is underwritten by CDBG funds, grants and other investments totaling over \$17.5 million. 35 of these have been completed with 22 already occupied as of November 30, 2004. Construction is well under way at two other locations. The Land Development/Subdivision Plans for the 73 new homes for sale, called 'The Towns at Governor's Square', received approvals and construction for these new units is expected to begin in Spring 2006. Investment for new homes totals over \$8.1 million.



Market Square Plaza: A former surface parking lot located downtown at 17 North Second Street gave rise to an 18-floor office building. Demolition of structures adjacent to the Walnut Street Parking Garage was completed in July 2003. Construction began shortly thereafter. Completed in 2005, this 246-foot high building has first floor restaurant and professional service space, provides second floor convention and meeting space connected to the Hilton Harrisburg & Towers, and premium office space and parking on the upper floors. The new building is also linked, via elevated walkway, to the Whitaker Center, the Walnut Street Parking Garage, and Strawberry Square.



Pinnacle Health Expansion: Pinnacle Health completed construction on a new laboratory building that covers a former surface parking lot at the corner of Chestnut and 2nd Street. The laboratory consolidates a variety of laboratory related services into one building, and houses the first fully automated robotic laboratory system of any hospital in the region. The 31,490 square foot building rises to a height of 36.5 feet and is built to allow future vertical expansion. The development of this surface level parking lot is an excellent example of sound land use practices and maximizes the utility of land in Harrisburg's central business district. This project represents a combined investment of \$8,998,000.

HARRISBURG COMMUNITY DEVELOPMENT PROJECTS: A Sampling of New Building Construction

Capitol Heights: A major residential development project in an eight square block area in the City's Uptown neighborhood. Struever Rouse Homes began construction of Phase I in 2000. Home prices for this market rate development range from \$95,720 to \$192,915 with all the modern amenities, including off street parking. Buyers can purchase a home with as little as \$1,000 total cash. Other incentives include 10-year property tax abatement and mortgage tax credit certificates. The City supported the privately financed housing development with land acquisition, demolition of 50 structures, and other infrastructure improvements, including installation of water and sewer lines, sidewalks, antique style street lamps, and trees. The City's multi-year commitment exceeds \$6.79 million.



Mount Pleasant Plaza: An important community revival project in the South Allison Hill neighborhood. A partnership between the City, M&T Bank, Suk Pak, and the Community Action Commission (CAC) resulted in the development of an exciting commercial and community hub at 13th and Derry Streets. The project represents a combined investment of \$1,814,000. Grocery store owner Suk Pak, who has been in business at this location since the mid-1990s, invested over \$833,000 to upgrade and expand his store. Completed in 2004, the renovation of existing structures and new construction resulted in the creation of 14 new low-income housing units and additional retail space for Jackson Hewitt Tax Service and a Laundromat, also operated by Pak and his wife. The parking area has been redesigned to accommodate a new bus kiosk and a public activity area.

SciTech High: The \$20 million renovation of the vacant YWCA building on Market Street was completed. The Harrisburg University of Science and Technology, known as SciTech High opened in fall of 2004. Approximately 170 high school students are receiving advanced instruction in mathematics, science, and information technology. The development of this property will serve not only to educate but to also keep young people in the city and lure high-tech firms to the area. Funding for the project has come from a variety of sources including \$20 million in government grants.



ADDITIONAL SAMPLING OF HARRISBURG'S FUTURE BUSINESS

PENNSYLVANIA JUDICIAL CENTER, work has begun on the first-ever State Judicial Center that will be 12 stories and 330,000 square feet. This center will service as the administrative center for Pennsylvania's Unified Judicial System. It will contain office space for more than 500 employees, three Commonwealth Court courtrooms, and a conference and training center. The construction of this project is expected to begin in 2006 with an anticipated completion in 2008. Total cost of the project is estimated to be \$93 million.



THE NATIONAL AFRICAN AMERICAN CULTURAL CENTER, this center will highlight the rich and illustrious heritage and contributions of African Americans to Harrisburg, Pennsylvania and the United States. The Museum will cover the entire African American experience, from its origins in Mother Africa to the forced exodus of slavery, the American Civil War, the Civil Rights Movement, and the many contributions of African Americans to the growth of our nation and its economic might over the past two centuries.



CITY ISLAND RESTAURANT AND MEETING CENTER, a restaurant and banquet facility to be developed on City Island will comprise 28,000 square feet on three stories and accommodate over 600 guests. The new facility will offer year-round dining and entertainment and provide additional accommodations to meet the ever-increasing demand for banquet and convention space in the City. The restaurant is slated to be open in the fall of 2006.

THE PENNSYLVANIA SPORTS HALL OF FAME will present a tribute to the sports figures and legends from the past and present who have played important roles in shaping Pennsylvania's unique sports history. The twenty-eight local chapters of the Pennsylvania Sports Hall of Fame from all over the Commonwealth have inducted 483 great sports figures since the organization was created in 1963. The museum will honor these individuals and the sports in which they participated. This two level 60,000 square foot building will be located on City Island, and it will overlook the Susquehanna River and downtown Harrisburg. The building will include galleries to exhibit an extensive collection of sports memorabilia, exhibit storage and preparation areas, a theatre, conference center, preview arena gift shop, cafe, and offices. Construction of the facility is estimated to be completed in late 2007, at an approximate cost of \$19.5 million, funded by a \$9.5 million grant awarded through the Redevelopment Assistance Capital Program, as well as funds raised in a capital campaign and other public funding sources.

ADDITIONAL SAMPLING OF HARRISBURG'S FUTURE BUSINESS



ADVANCED COMMUNICATIONS will construct a new, state-of-the-art 300,000 square foot printing and paper recycling facility at the long-vacant and blighted former industrial site at the intersection of Cameron and Herr Streets. The project's \$28 million cost is being financed with a combination of private and public sources including \$3.5 million in grants from the U.S. Department of Housing and Urban Development. The

project will generate substantial new real estate tax revenues for the City, School District, and Dauphin County, and result in the creation of over one hundred new full-time jobs at the site. The project is expected to be completed in the fall of 2007.

SOUTHERN GATEWAY PROJECT would extend South Third Street to Paxton Street, to alleviate the gridlock near Interstate 83 and Cameron Street and creates a completely new matrix of streets and overpasses. This project would have the capacity for 3.1 million square feet of new office space, 2.5 million square feet of commercial space, 500,000 square feet of residential area, at least 4,000 parking spaces, over 6,500 jobs and in excess of \$1 billion in new construction.

HARRISBURG UNIVERSITY OF SCIENCE AND TECHNOLOGY 22-STORY TOWER, recently unveiled and pictured at the right, would have college classrooms, eleven levels of parking spaces for as many as 507 cars, retail businesses and a hallway to Strawberry Square, an auditorium, residential quarters for students and a rooftop garden and courtyard. This project is estimated to cost approximately \$75 million to design, build, and furnish. The ground breaking is expected to be in October 2006 and completion in 2008.



HARRISBURG AREA COMMUNITY COLLEGE (HACC) MIDTOWN CAMPUS is planning to expand its presence in the midtown area with the renovation of the former Evangelical Press Building at 3rd and Reily Streets. Also included in the \$14 million expansion are plans to renovate and expand the Community Center for Technology and Art Building, the creation of 700 new surface parking spaces, and the construction of an "urban meadow" to serve as a living ecological laboratory and tie the campus buildings together. This project is the initial phase of HACC's expansion into midtown Harrisburg.

BUILDING PERMIT SUMMARY

The residential, industrial and commercial new construction and repairs and alterations building permit fees and actual number of permits issued are represented in the following data:

<u>YEAR</u>	<u>BUILDING PERMIT FEES</u>	<u>NUMBER OF PERMITS ISSUED</u>
1980	\$ 47,953	1,081
1981	151,920	982
1982	80,995	770
1983	136,096	796
1984	375,616	1,095
1985	117,427	996
1986	174,372	1,066
1987	265,369	1,013
1988	291,757	954
1989	414,360	1,002
1990	328,731	1,213
1991	189,345	1,324
1992	254,922	1,385
1993	202,903	1,306
1994	276,078	1,534
1995	469,311	1,675
1996	413,575	1,843
1997	718,531	1,914
1998	544,182	2,064
1999	478,793	1,899
2000	707,817	1,882
2001	522,996	1,449
2002	737,848	1,567
2003	402,508	1,763
2004	1,503,027 ^a	1,866
2005	400,173	1,870

NOTES:

City building permit data includes only construction and certain alteration costs; building permit data does not include project costs for acquisition, replacement of existing components, furnishings, fixtures, inventory, non-fixed assets, legal, architectural, and engineering fees and other invested monies.

^a Building permit fees were extraordinarily high in 2004 due to a several large projects, including the Incinerator Retrofit and the construction of Market Square Plaza.

Source: City's Building Permit Database

TAX INCENTIVE PROGRAMS

Since the early 1980s, the City has enacted various tax abatement and tax credit programs designed to promote economic development and to encourage the rehabilitation and reuse of older City properties. These programs include: tax abatement on improvements to residential and business properties outside the Central Business District at 20% per year for five years and tax abatement on new residential construction at 100% for three years; a split valuation of land and improvements for tax levy purposes, with the tax rate on buildings/improvements being one-sixth the rate charged to land; and the issuance of mortgage and investment tax credits.

Approximately 90% of all projects valued at \$200,000 or more, undertaken since 1982, have relied upon tax abatement as an incentive to undertake building construction and improvements within Harrisburg City limits. As these properties near the end of their abatement period, the City's real estate taxes increase accordingly. The tax abatement program has appeared to be successful as illustrated by the nearly tenfold increase in new construction since 1980. Tax abatement is one of numerous incentives for encouraging economic development in the City. This program has produced a resurgence in the City's business district and neighborhoods through job creation, retail sales growth, and growth in the number of occupied homes and apartments.

The City utilizes a two-tier property tax rate, which promotes economic development and rehabilitation by charging a tax millage on buildings one-sixth the rate on land. New construction and the improvement of existing buildings are less expensive and hence more profitable for investors and homeowners. In addition, a higher tax on land helps deter land speculation and promotes the highest and best use of land. Out of over 2,500 municipalities, 14 other municipalities in Pennsylvania now utilize this taxing methodology to produce many of the same desired economic development results. The two-tier property tax rate system has meant lower taxes to most property owners over the single rate system used in most places.

Tax credit programs also encourage economic growth. During 1985, Harrisburg became the first community in the Nation to establish a Mortgage Tax Credit Certificate Program. Tax credits can be issued to first-time homebuyers and, in certain circumstances, previous homeowners who buy and/or rehabilitate a home as their principal residence within the corporate limits of the City and meet certain other requirements. A tax credit works simply: the home buyer receives a Mortgage Tax Credit Certificate that allows 40% or 45% of all interest paid on a new mortgage to be taken as a credit against federal income taxes. The tax credit lasts the life of the new mortgage. The rest of the interest remains tax deductible.

A tax credit is not a tax deduction - it has a direct cash value. Dollar for dollar, it reduces the amount of federal income tax the homebuyer would normally pay the U.S. Government. After subtracting the tax credit, the homebuyer still gets to use the rest of the interest paid as the usual itemized tax deduction. The Administration is continuing its efforts in promoting tax credit programs such as Mortgage Tax Credit Certificates and Investment Tax Credits.

Investment Tax Credits have been integral to stimulating the rehabilitation of the City's older building stock. Following the 1980 Census, Harrisburg was determined to have the highest rate of vacant property of any city in the state, with more than one of every seven structures vacant, including over half of the downtown. Many of these vacancies had existed for long periods of time. By 1982, the number of vacant buildings was over 4,000, which has since been reduced to less than 1,900. Designating seven areas of the City as National Historic Districts and numerous sites to the National Register of Historic Places has allowed 20% Investment Tax Credits to investors/developers for funds expended on certified rehabilitation of income-providing structures.

Other City economic development incentives include: several less-than-market-interest-rate financing programs, site improvement programs, infrastructure programs, donation of partial or full value of publicly-owned real estate, job training/retraining funds, marketing assistance, business training seminars, sites inventory, export assistance and technical assistance.

HARRISBURG – A METROPOLITAN CENTER



Harrisburg has been the capital of the Commonwealth of Pennsylvania since 1812, as well as the County Seat of Dauphin County since the County's creation in 1785. It is the geographic and urban center of the Harrisburg - Lebanon - Carlisle Metropolitan Statistical Area (MSA), which comprises the four counties of Dauphin, Cumberland, Lebanon, and Perry in central Pennsylvania. From 1990 to 2000, this MSA grew at rate twice that of the Commonwealth, as a whole. The MSA containing Harrisburg has consistently had the lowest unemployment rate in Pennsylvania.

The City of Harrisburg has a vast network of highway, air, and rail transportation arteries that link to the markets of the East, Midwest, and the South, in addition to being the major distribution center for the Northeast because of its close proximity to other major cities. Harrisburg has become the region's center for commerce, transportation, finance, special events, public recreation, the arts, and government. The progress of the City's resurgence has produced a renaissance that has reversed nearly three decades of previous decline. Harrisburg has a vitality that can be seen in the spirit, amenity, and growth spreading throughout this metropolitan center in central Pennsylvania.

City of Harrisburg Facts:		Location:	East bank of Susquehanna River Dauphin County South Central Pennsylvania
Settled: By Native Americans – by 6,000 B.C. Europeans approx. 1710			
Incorporated: As a Borough – 1791; As a City – 1860			
Population: 48,950 (2000 Census)		Climate:	Average High: 61.0° F
Total Number of Housing Units: 24,314 (2000 Census)			Average Low: 42.6° F
2005 Assessed Taxable Property Value: \$1,614,795,500			Annual High Extreme: 93.0° F
2005 Assessed Non-Taxable Property Value: \$1,461,714,700			Annual Low Extreme: 2.0° F
Total New Economic Development Investment: \$3,981,000,000			

Metropolitan Statistical Area (MSA) Facts:	
Population: 643,820 (2005 US Census)	Number of Households: 255,000 (2003 Survey)
Total Retail Sales: \$9,325,631,000 (2003 Survey)	Average Number of Persons Per Household: 2.32 (2000 Census)
Retail Sales Per Household: \$36,571 (2003 Survey)	Median Household Effective Buying Income: \$38,522 (2003 Survey)
Median Household Income: \$41,990 (2003 Survey)	Total Effective Buying Income: \$11,895,408,000 (2003 Survey)

Source: Bureau of Information Technology, "2003 Survey of Buying Power", *Sales and Marketing Management Magazine*, and US Census.

A SNAPSHOT OF HARRISBURG'S RESURGENCE: A Comparative Report

Determined under federal distress criteria as the second most distressed city in the United States in 1980-81, the City of Harrisburg then was suffering from very serious decline which began in the mid-1950s. City government, with massive deficits, had lost its credit rating while federal funds had been shut off due to municipal mismanagement. Two of the six city pension systems were nearing the liquidation of their last investment assets. As state capital and county seats, and long a focal point for the massing of the region's social service facilities and public housing, half of city-based real estate was exempt from any form of taxation under state law, an enormous fiscal constraint. The costs of local government were increasing unchecked and unmanaged while federal and state funds, long a source of annual operating monies, were being phased out. With the highest rate of vacant property in the state and steadily declining property values, Harrisburg was considered "written off" in conventional private sector and lender wisdom. Citizen confidence and spirit were nearly nonexistent.

Fundamental city governmental reform and the start of what has been an ongoing primary emphasis on economic development, both simultaneously started in 1982, were augmented by a third parallel pursuit of the development of alternative, non-tax revenues for the City, an initiative also begun in 1982. The success of these endeavors since has resulted in Harrisburg's achieving top national and state awards and recognitions, detailed elsewhere in this section, and a major turnaround in the city's present and future economic condition. City services have been expanded, as resources have allowed, over the past twenty-three years, particularly in the areas of new equipment, vehicles and facilities having been acquired. As with every urban community; however, there remain many challenges and needs for 2006 and beyond.

A comparison of the City's condition over a 23-year period includes:

	<u>December, 1981</u>	<u>December, 2004</u>
<u>Number of Businesses on City Business/Mercantile Taxrolls:</u>	1,908	5,537
<u>Assessed Value of Taxable Real Estate *:</u>	\$212,484,102	\$1,620,732,700
<u>Number of Living Units on Utility Register:</u>	14,903	20,904
<u>Number of Vacant Structures:</u>	over 4,000**	1,908
<u>Mercantile/Business Tax Revenues:</u> (tax rates have remained the same)	\$565,611	\$2,976,493
 <u>Employment Data for the City of Harrisburg:</u>		
Workforce	23,300	23,300
Employed	21,200	21,700
Unemployed	2,100	1,600
Unemployment Rate	9.20%	6.80%

Crime Rate: From 1981 through 2004, the City has experienced a 58.0% reduction in the number of Part I Felony Crimes.

Fire Rate: From 1982 through 2004, the City has experienced a 75.7% reduction in the number of fires.

Sources: City's 2004 Comprehensive Annual Financial Reports, Office of Tax Enforcement within Bureau of Operations and Revenue, Bureau of Information Technology, Bureau of Codes within Department of Building and Housing, PA Dept. Of Labor & Industry, Center for Workforce Information Analysis (variances due to rounding)

* Dauphin County reassessed all real property effective January 1, 2002, which increased taxable and non-taxable property values nearly 100%.

** Year 1982 Data

MAJOR EMPLOYERS IN THE HARRISBURG MSA

The Harrisburg Labor Market Area has a diverse economic base. The annual 2005 Current Employment Statistics (CES) data showed that 21.0% of the labor force was employed in the wholesale and retail trades, 19.3% in government, 13.5% in education and health services, 11.4% in professional and business services, 8.4% in leisure and hospitality services, 7.7% in manufacturing, 7.6% in financial activities, 5.2 in other services, 3.9% in construction, and 1.9% in information.

For the MSA as a whole, the trend has been a shift from good producing to service providing jobs, with overall job growth.

Most jobs held by the City residents are located either within the City or within a 20-minute driving distance of the City. Major employers in the area are as follows:

<u>Ranking</u>	<u>Company/Organization</u>	<u>Industry/Service</u>	<u>Number of Employees</u>
1.	Commonwealth of Pennsylvania	State Government	24,269
2.	U.S. Government	Federal Government	16,733
3.	Hershey Foods Corporation	Food, Food Processing	8,400
4.	Penn State Milton S. Hershey Medical Center	Hospital	7,606
5.	Highmark, Inc.	Health Insurer	5,100
6.	Pinnacle Health System	Hospital	4,012
7.	Giant Food Stores	Grocery Retailer	3,600
8.	Holy Spirit Hospital	Hospital	2,840
9.	Dauphin County	County Government	2,500
10.	Capital Blue Cross	Health Insurer	2,093
11.	Harrisburg Area Community College	College	2,072
12.	Hershey Entertainment & Resorts, Inc.	Hospitality	1,700
13.	Central Dauphin School District	Public School	1,487
14.	Electronic Data Systems Corp.	Information Technology	1,400
15.	SHS Staffing Solutions	Temp. Employment/Placement	1,260
16.	Fry Communications	Publication Manufacturer	1,216
17.	West Shore School District	Public School	1,115
18.	Gannett Fleming, Inc.	Consulting Engineering	1,086
19.	Farmers Pride, Inc.	Food, Food Processing	1,050
20.	HealthAmerica/HealthAssurance PA	Health Insurer	925

<u>DISTRIBUTION OF EMPLOYMENT (2005)</u>			
SERVICE PROVIDING		GOODS PRODUCING	
Trade	68,300	Construction	12,600
Information	6,100	Manufacturing	25,100
Financial Activities	24,700	Total	37,700
Professional and Business Services	37,000		
Education and Health Services	43,800		
Leisure and Hospitality	27,300		
Other Services	17,000		
Government	62,600		
Total	286,800	TOTAL EMPLOYMENT	324,500

Source: Central Pennsylvania Business Journal's Book of Lists, 2006 Edition; PA Department of Labor and Industry, Bureau of Research and

EMPLOYMENT / LABOR FORCE

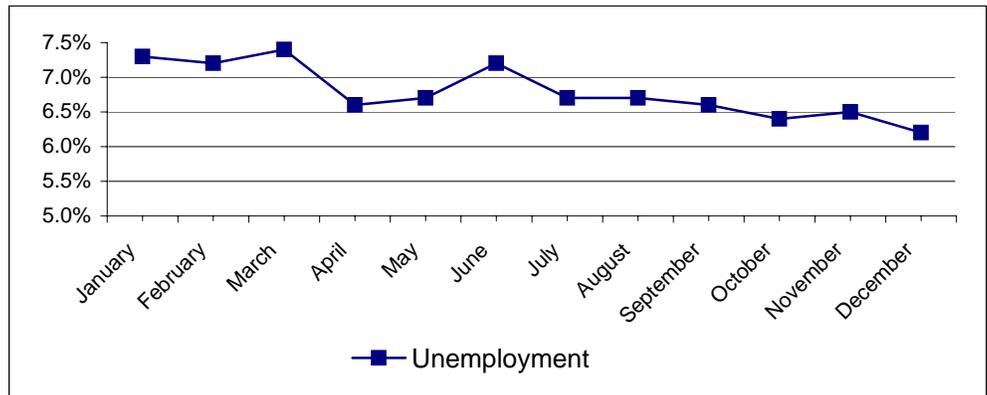
Civilian Labor Force, Employment, Unemployment in the City of Harrisburg.

<u>YEAR</u>	<u>CIVILIAN LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>RATE</u>
1982	23,000	20,800	2,200	9.6%
1983	22,900	20,700	2,200	9.7%
1984	23,000	21,200	1,800	7.8%
1985	23,700	21,800	1,800	7.8%
1986	24,000	22,300	1,700	7.2%
1987	24,200	22,700	1,500	6.3%
1988	24,500	23,100	1,500	6.0%
1989	25,200	23,900	1,300	5.0%
1990	26,000	24,600	1,500	5.6%
1991	26,500	24,700	1,900	7.0%
1992	26,900	24,800	2,100	7.7%
1993	25,700	24,000	1,700	6.5%
1994	26,100	24,200	1,900	7.4%
1995	26,000	24,600	1,400	5.5%
1996	26,700	25,300	1,300	4.8%
1997	27,300	25,900	1,300	4.9%
1998	25,400	24,300	1,200	4.5%
1999	24,400	23,200	1,300	4.8%
2000	23,800	22,700	1,100	4.7%
2001	24,300	22,900	1,300	5.5%
2002	25,400	23,700	1,700	6.6%
2003	24,900	23,600	1,300	5.2%
2004	23,300	21,700	1,600	6.8%

SIGNIFICANT CONCLUSIONS: The unemployment rate of Harrisburg residents has declined during the post-1982 period of city economic development efforts and progress. Further, there is today a larger number of city residents available for the civilian workforce than 20 or more years ago. Perhaps most significantly, the number of city residents employed full-time has shown a slight increase from 1982 through 2004; an increase of 900 persons, or 4.3%, since 1982.

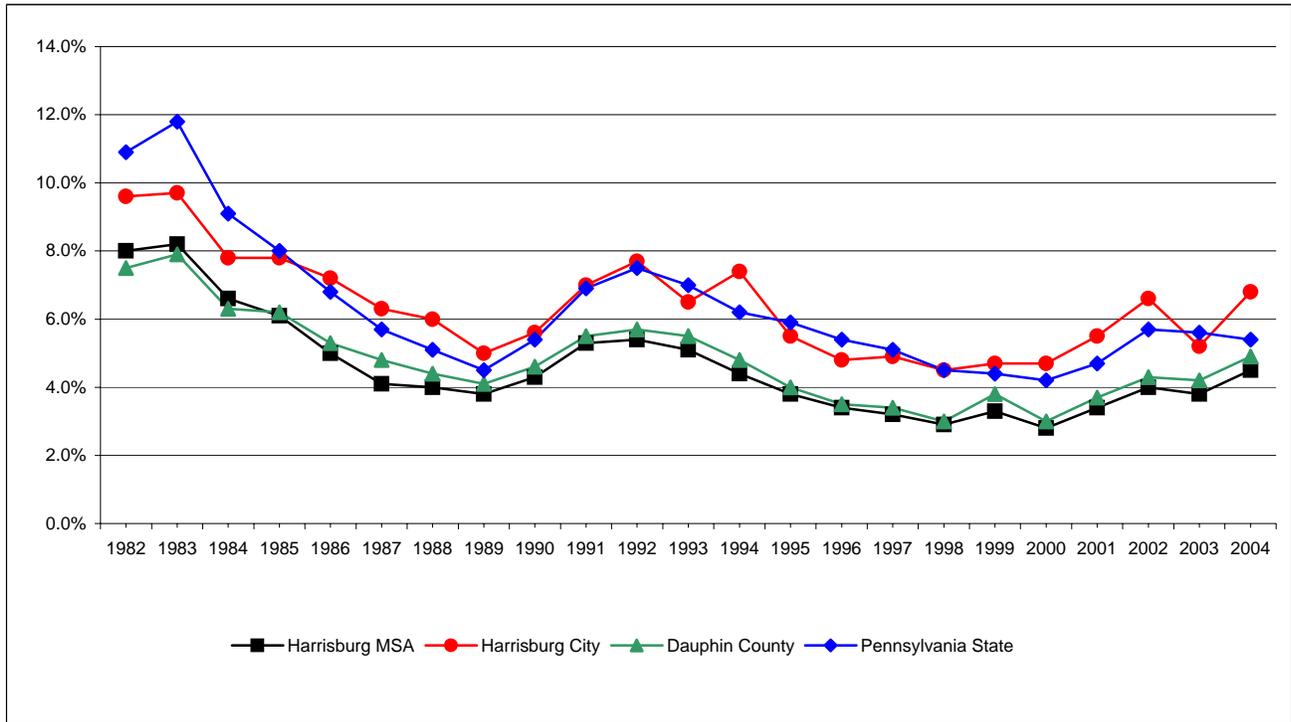
UNEMPLOYMENT RATE - CITY OF HARRISBURG, 2004

January	7.3%
February	7.2%
March	7.4%
April	6.6%
May	6.7%
June	7.2%
July	6.7%
August	6.7%
September	6.6%
October	6.4%
November	6.5%
December	6.2%



Source: PA Department of Labor and Industry, Bureau of Workforce Information & Analysis (variance due to rounding).

UNEMPLOYMENT RATE COMPARISON



YEAR	UNEMPLOYMENT RATES			
	HARRISBURG CITY	DAUPHIN COUNTY	HARRISBURG MSA	PENNSYLVANIA STATE
1982	9.6%	7.5%	8.0%	10.9%
1983	9.7%	7.9%	8.2%	11.8%
1984	7.8%	6.3%	6.6%	9.1%
1985	7.8%	6.2%	6.1%	8.0%
1986	7.2%	5.3%	5.0%	6.8%
1987	6.3%	4.8%	4.1%	5.7%
1988	6.0%	4.4%	4.0%	5.1%
1989	5.0%	4.1%	3.8%	4.5%
1990	5.6%	4.6%	4.3%	5.4%
1991	7.0%	5.5%	5.3%	6.9%
1992	7.7%	5.7%	5.4%	7.5%
1993	6.5%	5.5%	5.1%	7.0%
1994	7.4%	4.8%	4.4%	6.2%
1995	5.5%	4.0%	3.8%	5.9%
1996	4.8%	3.5%	3.4%	5.4%
1997	4.9%	3.4%	3.2%	5.1%
1998	4.5%	3.0%	2.9%	4.5%
1999	4.7%	3.8%	3.3%	4.4%
2000	4.7%	3.0%	2.8%	4.2%
2001	5.5%	3.7%	3.4%	4.7%
2002	6.6%	4.3%	4.0%	5.7%
2003	5.2%	4.2%	3.8%	5.6%
2004	6.8%	4.9%	4.5%	5.4%

Source: PA Department of Labor and Industry, Center for Workforce Information and Analysis

BANKING INSTITUTIONS LOCATED IN THE CITY OF HARRISBURG

Since 1986, Harrisburg has experienced a renaissance as a financial center of the region. Even during recessionary times, nationally, Harrisburg has continued to grow as an attractive place for financial and banking services. In 1987, Hershey Bank opened its first non-Hershey area branch in downtown Harrisburg. This bank was later acquired by PNC Bank, who continues to operate a downtown branch, as well as a branch in Kline Village. Dauphin Deposit Bank constructed a 13 story corporate headquarters in downtown Harrisburg in 1989. Dauphin Deposit Bank was acquired in 1999 to create Allfirst Bank. M&T Bank strengthened its position in the region with its acquisition of Allfirst in 2003. Keystone Financial moved its headquarters to downtown Harrisburg in 1992. M&T Bank acquired Keystone and its subsidiaries in 2000. M&T operates offices in the former Allfirst Building downtown, as well as branches in midtown and uptown Harrisburg. Wachovia Bank, formerly known as CoreStates Bank and First Union Bank, has maintained a strong presence in Harrisburg with its downtown office and uptown branch. Citizens Bank entered the Harrisburg market in 2002 when it acquired the retail branches of Mellon Bank. Fulton Bank operates branches in downtown and midtown Harrisburg. Harris Savings Bank acquired York Federal Bank in 2000, creating Waypoint Bank. Waypoint was purchased by Sovereign Bank in 2005. Other banks recently opening offices in Harrisburg are Commerce Bank (2002), Mid Penn Bank (2003), and Community Bank (2003). In addition, Harrisburg is the home of several credit unions, most notably the Pennsylvania State Employees Credit Union, which has its 225,000 square foot headquarters and over \$2.0 billion in deposits located in the City. The retention, expansion, and addition of strong financial institutions in the city have played a significant part in Harrisburg's resurgence.

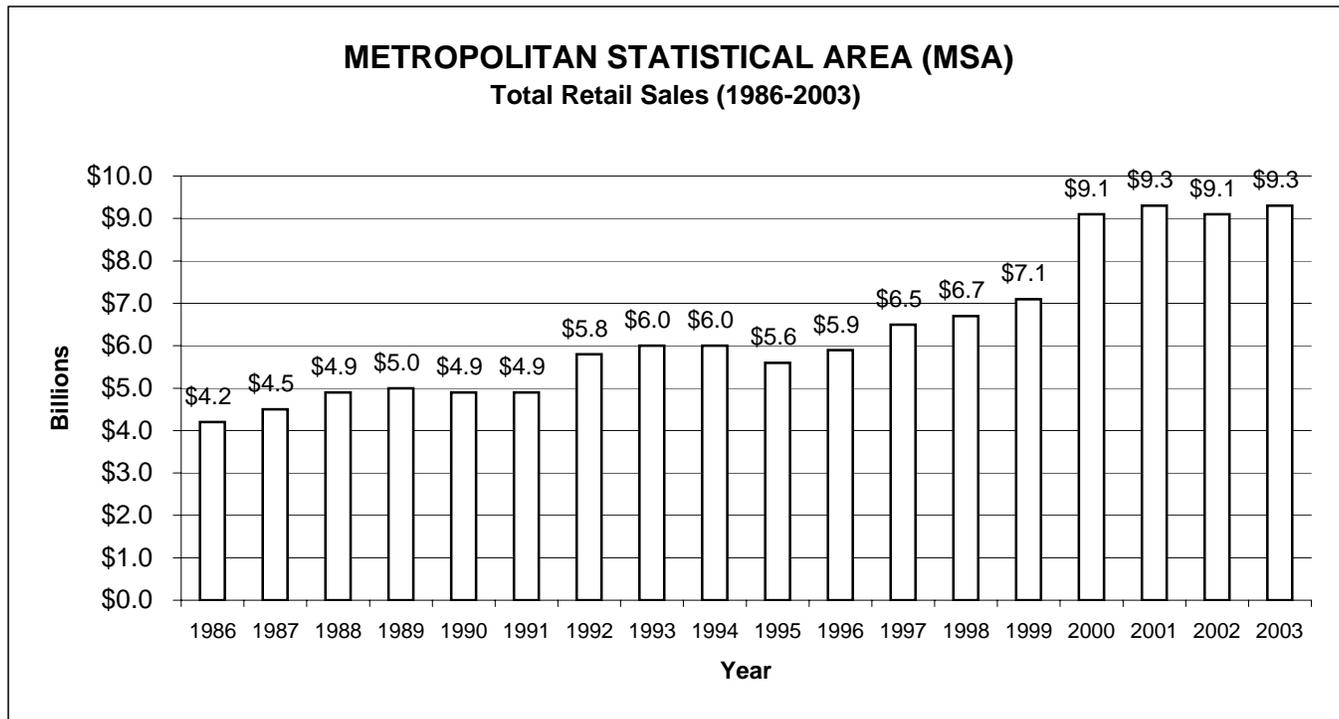
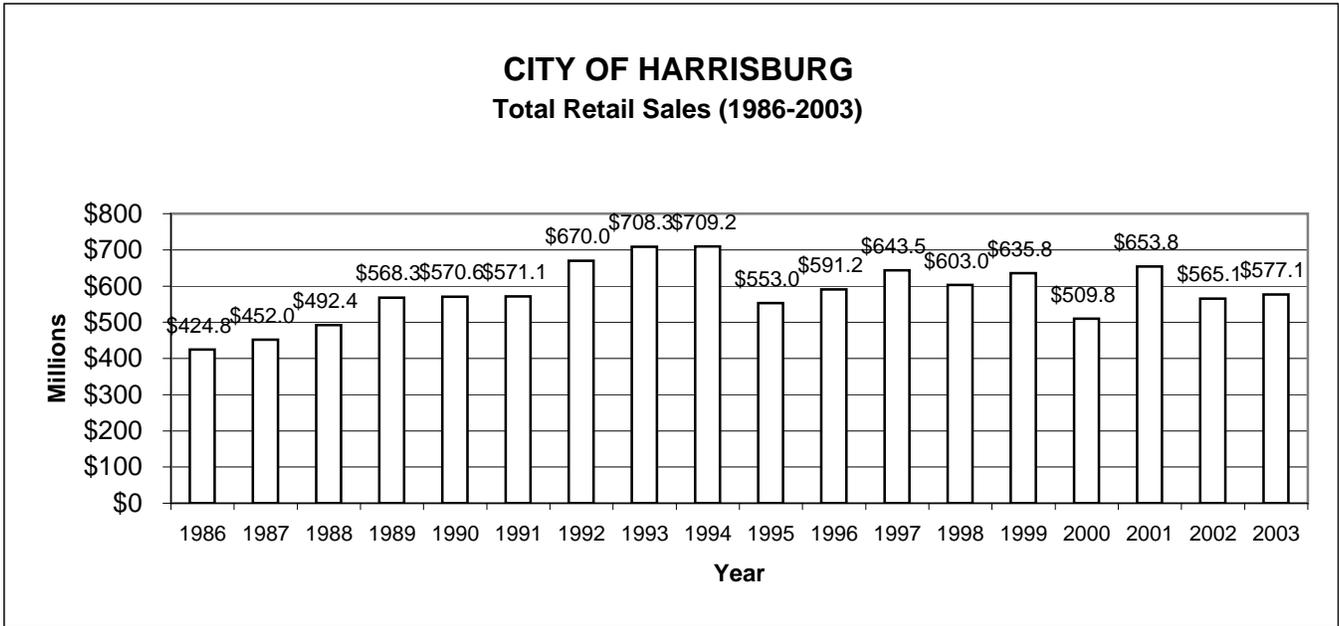
Within the corporate limits of the City of Harrisburg are 13 different banking institutions with a total of 20 offices. Although many more branch offices are located in the city's suburban areas and neighboring counties, over \$3.4 billion in total deposits are now held strictly within Harrisburg's city limits.

<u>Banking Institutions</u>	<u># of City- Based Offices</u>	<u>Total City-Based Deposits (000's)</u>
	(as of June, 2005)	
Pennsylvania State Employees Credit Union	2	\$2,058,812
Wachovia Bank, NA	2	410,699
BELCO Community Credit Union	1	203,293
Citizens Bank of PA	1	194,791
M & T Bank	3	178,583
Sovereign Bank	1	172,744
Commerce Bank Harrisburg, NA	1	100,825
Fulton Bank	2	79,327
PNC Bank, NA	2	36,455
Community Banks	1	28,169
Mid Penn Bank	2	12,343
Other Credit Unions	2	3,327
TOTAL	20	\$3,479,368

Source: PA Department of Banking

TOTAL RETAIL SALES

Business activity within the City has increased substantially in the last seventeen years as indicated by the increase in retail sales. Total retail sales have increased from \$424.8 million in 1986 to \$577.1 million in 2003 for the City of Harrisburg and from \$4.2 billion in 1986 to \$9.3 billion in 2003 for the MSA.



Source: Sales and Marketing Management Magazine, Survey of Buying power.

PUBLICATIONS

- * **A Guide to Your City Government: The City of Harrisburg's Facilities and Services for City and Region**
- * **Adopt-A-Block Beautification Program** - describes the program designed to encourage community involvement in neighborhood beautification
- * **Adopt-A-Lot: Urban Gardening Program** - the procedure for individuals or groups who want to help with neighborhood beautification by volunteering to clean and landscape vacant lots
- * **After the Fire** - a helpful brochure outlining what an owner or tenant should do in the aftermath of a fire
- * **Business and Industrial Development in Harrisburg**
- * **Capital Area Greenbelt** - membership enrollment for Capital Area Greenbelt Association, Inc.
- * **Capital Corridors Project: Revitalizing Neighborhoods Along Harrisburg's Main Arteries**
- * **Center City Sights** - tourism brochure of downtown sites
- * **City of Harrisburg Statistical Profile** - a summary of 1990 U.S. Census data for the City of Harrisburg, and when possible, comparisons are shown with regional, state, and national statistics
- * **Citywide Sights** - tourism brochure of citywide sights
- * **Community Ink** - a quarterly newsletter on housing and community development activities of the Department of Housing Development
- * **Contractors Quarterly** - a quarterly newsletter for contractors who do work in the City of Harrisburg
- * **Crime Prevention Handbook** - extensive information for citizens, businesses, and neighborhoods on how to prevent crime; includes tips for victims and witnesses of crime; home and business security survey checklist
- * **Discover the Fire Museum of Greater Harrisburg** - a brochure highlighting the museum
- * **Economic Resource Profile** - an 80+ page book outlining every aspect of community life and the local economy for the interested business person and investor
- * **Fire Safety Coloring Book** - an instructional fire safety coloring book for children
- * **Flood and Floodplain Information** - a collection of flood and floodplain information brochures describing prevention and cleanup activities
- * **Flood Safety Tips**
- * **Forum 2000: People Planning and Participation: The Process for Mapping a Long-Term Course and Vision for the City of Harrisburg and the Region**
- * **Harrisburg City Council Monthly Newsletter** - Regular update of Council activities
- * **Harrisburg History Project Brochure** - Details various historic sites around the City that have pedestal mounted period photographs and descriptions
- * **Harrisburg Houses All People** - posters and brochures available in Spanish, English, and Vietnamese
- * **Harrisburg Parks Partnership** - membership enrollment brochure
- * **Harrisburg Recreational Guide (City Calendar)** - a monthly listing of programs and sites for passive and active recreational activities
- * **Harrisburg Zoning Guides** - detailed information on the regulations for residential, commercial, and industrial activity, parking, and signage throughout the City
- * **Harrisburg's Enterprise Community** - a collection of brochures describing the opportunities available within the Enterprise Community
- * **History and Heritage are Alive in Harrisburg: A Guide to the City's Historic Preservation Program**
- * **Home Improvement Program** - details grants and low interest loans available to low and moderate income homeowners for the correction of code violations and repair of major building systems

- * **Home Ownership Impact Loan Program** - requirements for participation in a program that provides forgivable loans of up to \$10,000 to help renters buy the house they currently rent
- * **Home Ownership Opportunities Program (HOP) "Affordable Homes for You"** - a color photograph of all rehabilitated HOP properties currently available for purchase
- * **Homes and Harrisburg: The Housing Renewal Initiative of Harrisburg**
- * **In the Event of a Flood** - tips to reduce loss and damage to homeowner's residence or business should flooding occur to the property
- * **Meeting the Challenges of City and Nation: The Mayor's Energy and Revenue Development Program**
- * **Momentum: Harrisburg Enterprise Community** - a quarterly newsletter reporting latest developments in Harrisburg Enterprise Community
- * **Mortgage Tax Credit Certificate Program Guide** - regulations and application guidelines for first-time home buyers
- * **New Baldwin Corridor Enterprise Zone** - brochure outlining the incentives of industrial development
- * **Police Bureau Information Guide** - a brochure outlining data on district justice duties, civil nuisance complaints, and other public safety issues
- * **Procedural Guide to Official Map Changes** - review of the procedures for vacating streets, creating easements and accomplishing assorted actions that affect or establish right-of-ways
- * **Procedural Guide to Subdivision and Land Development Ordinances** - an outline of the process for developing commercial and multi-residential projects
- * **Rescue One** - information about the specialty rescue unit and other services of the Bureau of Fire
- * **Residential Investment Opportunities RFP** - an invitation for the purchase of City-owned residential properties for rehabilitation and sale as single-family owner-occupied properties
- * **South Allison Hill Neighborhood Action Strategy** - executive summary report of the strategy that is guiding the revitalization of the South Allison Hill Neighborhood
- * **STOMP Coloring Book** - Lead educational coloring book for children
- * **Susquehanna River Trail: An Island Adventure** - brochure and map exploring the Susquehanna River Trail
- * **The Arts, Parks, and Special Events in Harrisburg: Enriching the Quality of Life in City and Region**
- * **The Levitt Series for the Performing Arts Concert Series** - Lists the dates and artists performing at the Levitt Pavilion, June through August
- * **Welcome to Harrisburg's City Island** - tourism brochure on City Island attractions

For further information please call the Mayor's Office at (717) 255-3040.

STATISTICAL SECTION

CITY OF HARRISBURG, PENNSYLVANIA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION⁽¹⁾
1995-2004

<u>General Government</u>										
<u>Year</u>	<u>City Officials</u>	<u>Admin.</u>	<u>General Expend.</u>	<u>Bldg. & Housing Dev.</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Parks & Rec.</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Totals</u>
1995	\$ 1,831,406	\$ 3,089,847	\$ 10,439,533 ⁽²⁾	\$ 5,791,915	\$ 15,475,044	\$ 4,618,905	\$ 2,351,433	\$ 23,271,734	\$ 29,272,837 ⁽³⁾	\$ 96,142,654
1996	1,979,161	3,205,345	3,749,384 ⁽²⁾	6,790,367	16,540,144	6,328,177	2,350,820	11,588,243	4,999,755	57,531,396
1997	2,268,886	3,395,707	3,476,077	8,844,613 ⁽⁴⁾	16,909,951	4,832,969	2,633,083	3,626,016	5,132,213	51,119,515
1998	3,411,931 ⁽⁵⁾	3,647,771	7,189,662	17,530,908 ⁽⁶⁾	17,889,499	3,889,347 ⁽⁵⁾	2,962,229	2,439,194	3,859,266	62,819,807
1999	3,370,378	3,881,172	3,405,094	14,031,749 ⁽⁶⁾	18,544,296	3,983,674	3,035,742	9,284,841	8,899,734 ⁽⁷⁾	68,436,680
2000	3,542,164	4,181,525	4,481,431	8,576,269	20,391,310	4,178,179	3,423,771	20,564,577 ⁽⁸⁾	8,436,891	77,776,117
2001	3,715,331	4,370,954	4,581,789	9,347,651	21,741,427	4,643,158	3,410,527	11,971,080 ⁽⁸⁾⁽⁹⁾	8,443,320	72,225,237
2002	4,536,384 ⁽¹⁰⁾	4,983,912	2,976,323 ⁽¹¹⁾	7,527,264	25,611,221 ⁽¹²⁾	4,535,518	3,709,992	5,437,874	8,727,077	68,045,565
2003	3,203,986	5,416,606	2,927,990	8,057,397	29,474,614 ⁽¹³⁾	5,176,582	4,141,567	383,478	10,332,601 ⁽¹⁴⁾	69,114,821
2004	4,612,875	4,350,524	3,380,504	6,740,051	29,115,507	5,404,400	3,651,103	665,122	16,369,865 ⁽¹⁵⁾	74,289,951

- (1) This schedule includes those expenditures recorded in the General, Special Revenue, Debt Service, and Capital Projects Funds for 1995-2002, and adds Other Governmental Funds beginning in 2003.
- (2) In 1995, \$2,717,325 was expended for Whataker Center For Science And The Arts and \$2.8 million for the Resource Recovery Facility tipping contract litigation settlement. In 1996, \$654,941 was expended for the Whitaker Center.
- (3) Includes payoff of \$25,000,000 General Obligation Note, Series of 1992.
- (4) Includes expenditures of federal and state grant funds for the Sylvan Heights Mansion rehabilitation project (the new YWCA), the Whitaker Center, the former McFarland Press Building, and completion of the Summit Terrace Townhomes project.
- (5) Includes \$1.1 million in street lighting costs in the Office of City Engineer that were expended from Public Works prior to 1998.
- (6) Includes approximately \$10.7 million and \$6.6 million in 1998 and 1999, respectively, in state grant funds, and passed through to the Whitaker Center project.
- (7) Principal retirements increased approximately \$5.2 million, primarily from increased debt service on the 1995 Unfunded Pension Liability Bonds, Series A and B, and on the 1997 G.O. Issues, Series D, E, F and G.
- (8) Includes approximately \$15.2 and \$3.9 million in 2000 and 2001, respectively, for National Civil War Museum expenditures.
- (9) Includes approximately \$3.6 million for the purchase of street lights.
- (10) Includes approximately \$500,000 in increased personnel and consulting costs and nearly \$300,000 in new lease/purchase expense resulting from the purchase of the Streetlighting System in 2001.
- (11) Personnel benefit costs such as severance pay, workers compensation, and pension plan contributions decreased over \$944,000 from 2001.
- (12) Includes approximately \$1.5 million from normal salary, benefits and inflationary increases, and \$2.4 million from Local Law Enforcement Block Grants, Metro Mobile Enhancement and Auto Theft Prevention grants for hiring police officers and related equipment costs.
- (13) Includes approximately \$1.1 million from normal salary, benefits and inflationary increases; and nearly \$603,000 for severance pay, workers compensation and pension costs expended from General Expenditures prior to 2003. Also includes \$546,655 for Department of Homeland Security, Urban Search and Rescue Grants; \$613,062 for U.S. Department of Justice, COPS Grants; \$230,422 for U.S. Department of Justice Weed and Seed Grants and \$819,527 of additional State Grants.
- (14) Beginning in 2003, debt service includes principal and interest on capital leases.
- (15) Includes principal retirements of \$6.7 million for existing capital leases which were refinanced due to favorable market rates.

Source: City's audited basic financial statements.

CITY OF HARRISBURG, PENNSYLVANIA

GENERAL GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾
1995 - 2004

<u>Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Intergovt. Revenue</u>	<u>Dept. Earnings</u>	<u>Fines & Forfeits</u>	<u>Investment Income</u>	<u>Misc.</u>	<u>Totals</u>
1995	\$ 16,662,379	\$ 301,629	\$ 7,850,856	\$ 9,836,630	\$ 1,174,610	\$ 2,094,159	\$ 1,278,948 ⁽²⁾	\$ 39,199,211
1996	16,809,841	316,315	10,574,141 ⁽³⁾	10,967,765	1,277,856	1,221,606	3,294,150 ⁽⁴⁾	44,461,674
1997	16,777,025	329,641	12,904,553 ⁽⁵⁾	14,432,201 ⁽⁶⁾	1,178,353	1,109,304	621,776	47,352,853
1998	18,664,865 ⁽⁷⁾	356,350	22,525,004 ⁽⁸⁾	11,357,621	1,176,021	979,175	3,847,531 ⁽⁹⁾	58,906,567
1999	17,725,513	392,418	17,679,420 ⁽⁸⁾	13,951,499 ⁽¹⁰⁾	1,373,780	1,182,583	3,159,906 ⁽¹¹⁾	55,465,119
2000	18,821,081 ⁽¹²⁾	415,979	26,906,417 ⁽¹³⁾	13,877,353	1,315,675	2,348,892	5,720,349 ⁽¹¹⁾⁽¹⁴⁾	69,405,746
2001	18,984,666	467,488	16,706,490 ⁽¹³⁾	16,518,832 ⁽¹⁵⁾	1,330,175	977,590	3,993,829 ⁽¹¹⁾⁽¹⁶⁾	58,979,070
2002	20,712,704 ⁽¹⁷⁾	497,777	15,299,379	17,823,989	1,448,632	197,297	2,046,823 ⁽¹⁸⁾	58,026,601
2003	21,363,287	423,696	20,170,175 ⁽¹⁹⁾	21,933,561 ⁽²⁰⁾	1,697,651	68,877	3,833,537 ⁽²¹⁾	69,490,784
2004	23,370,790 ⁽²²⁾	490,719	16,703,296	18,445,931	1,811,458	340,138	2,345,679	63,508,011

⁽¹⁾ This schedule includes those revenues recorded in the General, Special Revenue, Debt Service and Capital Projects Funds for 1995-2002, and adds Other Governmental Funds beginning in 2003.

⁽²⁾ Includes refunds from Blue Cross/Blue Shield Rate Stabilization Fund for premium overpayments totaling \$716,759.

⁽³⁾ Pension system state aid increased \$781,168, parking revenue increased \$500,000, and capital fire protection payment increased \$248,000.

⁽⁴⁾ Reimbursement from FEMA and PEMA for flood and blizzard expenditures, and approximately \$400,000 in savings from bond restructuring.

⁽⁵⁾ Includes receipt of \$1.0 million in state grants for the Whitaker Center for Science and the Arts and Science Project, as well as Enterprise Community and other state grants for building and housing projects and police equipment.

⁽⁶⁾ Includes \$2.0 million on deposit with The Harrisburg Authority. Also, administrative service chargebacks increased \$321,000.

⁽⁷⁾ Real estate tax revenue increased \$563,869 over 1997 and transfer taxes collected were \$909,980 higher primarily due to the sale of Forum Place and the PA Department of Transportation Building to the Dauphin County General Authority.

⁽⁸⁾ Includes receipt of \$10.7 million and \$6.6 million during 1998 and 1999, respectively, in state grants for the Whitaker Center project.

⁽⁹⁾ Includes a \$2.7 million reimbursement from The Harrisburg Authority for prior year expenditures.

⁽¹⁰⁾ The Special Revenue Fund experienced a \$1.8 million increase in program income that provided for the repayment of a 1990 Section 108 Note.

⁽¹¹⁾ Received a \$2,136,800 settlement from Pinnacle Health Systems in-lieu-of taxes for 1994-1999 and \$267,100 in 2000 and 2001.

⁽¹²⁾ Real estate tax revenue increased \$1.1 million due to a tax rate increase, the City's first increase since 1988.

⁽¹³⁾ Includes approximately \$15.2 and \$4.8 million in 2000 and 2001, respectively, in state grant reimbursements for the National Civil War Museum.

⁽¹⁴⁾ Includes a \$4.2 million payment from The Harrisburg Authority for the City to guarantee the Authority's Resource Recovery Notes, Series of 2000.

⁽¹⁵⁾ Administrative service chargebacks increased \$2.4 million over 2000.

⁽¹⁶⁾ Includes a \$2.5 million payment from the Harrisburg Redevelopment Authority for the City to Guarantee the Authority's \$20,170,000 Revenue Bonds, Series of 2001, as well as \$1.1 million from an interest rate swap transaction.

⁽¹⁷⁾ The \$1.7 million increase in tax revenue is primarily the result of Dauphin County's first county-wide reassessment since 1972. These new values became effective January 1, 2002, increasing the City's assessment base nearly 100%.

⁽¹⁸⁾ Includes approximately \$1.9 million in refund of expenditures from The Harrisburg Authority's Resource Recovery Fund.

⁽¹⁹⁾ Includes \$810,516 of additional pension system state aid; \$700,000 in additional Coordinated Parking Fund revenue and \$2.6 million in additional grants.

⁽²⁰⁾ Includes increases of approximately \$4.0 million in administrative service chargebacks to the Special Revenue and Enterprise Funds and \$525,000 in Grant Fund program income.

⁽²¹⁾ Includes approximately \$2.8 million in fees for the City to guarantee The Harrisburg Authority's Resource Recovery Facility Revenue Bonds and Notes, Series A-F of 2003, \$100,000 of payments in lieu of taxes and \$300,000 in contributions and refunds.

⁽²²⁾ Includes \$1.5 million in proceeds from the sale of the City's tax liens.

Source: City's audited basic financial statements.

CITY OF HARRISBURG, PENNSYLVANIA

TAX REVENUE BY SOURCE 1995 - 2004

<u>Year</u>	<u>Total Taxes</u>	<u>Property (Real Estate)</u> ⁽¹⁾	<u>Real Estate Transfer</u> ⁽²⁾	<u>Occupational Privilege</u> ⁽³⁾	<u>Earned Income</u> ⁽⁴⁾	<u>Business Privilege/Mercantile</u> ⁽⁵⁾
1995	\$ 16,662,379	\$ 11,426,765	\$ 262,074	\$ 298,198	\$ 2,470,858	\$ 2,204,484
1996	16,809,841	11,258,401	264,794	310,696	2,472,947	2,503,003
1997	16,777,025	10,954,734	394,629	324,385	2,623,607	2,479,670
1998	18,664,865	11,783,603 ⁽⁶⁾	1,304,609 ⁽⁶⁾	322,034	2,714,582	2,540,037
1999	17,725,513	11,279,490	439,203	328,014	2,895,306	2,783,500
2000	18,821,081	12,264,249 ⁽⁷⁾	372,838	343,212	3,015,003	2,825,779
2001	18,984,666	12,179,214	331,675	326,507	3,190,322	2,956,948
2002	20,712,704	13,594,940 ⁽⁸⁾	448,787	324,743	3,358,138	2,986,096
2003	21,363,287	13,618,418	850,269 ⁽⁹⁾	332,578	3,235,092	3,326,930 ⁽¹⁰⁾
2004	23,370,790	15,194,054	885,956	336,509	3,111,689	3,842,582

⁽¹⁾ The Dauphin County Board of Assessments performs property tax assessments. The City levies the tax on 100% of the value assigned by the County. The tax within the City is levied as two rates (termed "Two-Rate Property Tax"): 24.414 mills on assessed value of land and 4.069 mills on the assessed value of all buildings and improvements to the land, whether residential, commercial or otherwise, for 2003. The combined effective millage rate for 2003 was 8.52 mills.

⁽²⁾ The City imposes a Real Estate Transfer Tax of 1% of the selling price or market value of real estate transferred within the City. This tax is collected by the County for which the County is paid a 2% commission on transfer taxes collected. The City shares this tax equally with the School District.

⁽³⁾ The City levies an annual Occupational Privilege Tax of \$10.00 per person for anyone working within the City. This tax is withheld by the employer and is allocated \$5.00 to the City and \$5.00 to the School District.

⁽⁴⁾ City residents pay an Earned Income Tax (EIT) of 1%, which tax is shared equally with the School District. Non-residents who work within the City and who do not pay an earned income tax to the municipality of their residence also pay the 1% EIT. This tax is administered by the Capital Tax Collection Bureau (CTCB) for which the CTCB is paid a 2.5% commission on the EIT collected. Since the EIT is withheld by the employer, a high level of compliance exists.

⁽⁵⁾ The City levies a Business Privilege and Mercantile Tax on gross receipts. The City shares equally the Mercantile portion of this tax with the School District. Additionally, there are taxes and fees levied on mechanical devices (pinball, billiard tables, video games, etc.) Also, a 10% Amusement Tax is levied on admission prices to places of amusement, entertainment or recreation within the City. The City shares this tax equally with the School District. A parking tax of 15% is also levied on the consideration paid by patrons of the City parking garages and lots.

⁽⁶⁾ Increase over 1997 primarily due to the sale of Forum Place and the PA Department of Transportation Building to the Dauphin County General Authority.

⁽⁷⁾ Real estate tax revenue increased approximately \$1.1 million due to a tax rate increase, the City's first increase since 1988.

⁽⁸⁾ Real estate tax billing increased over \$1.3 million due to a court ordered county-wide reassessment, the first such reassessment since 1972. This action increased taxable property assessments by nearly 100%, effective January 1, 2002.

⁽⁹⁾ Many properties were transferred within the City in 2003 due to favorable mortgage rates.

⁽¹⁰⁾ The Parking Tax was increased from 10% to 15% in 2003, producing approximately \$400,000 in new revenue.

Source: City's audited basic financial statements

CITY OF HARRISBURG, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
1995 - 2004

<u>Year</u>	<u>Total Flat Billing</u>	<u>Adjusted Levy</u>	<u>Current Year Collections</u>	<u>Percent of Adjusted Levy</u>	<u>Total Collections</u>	<u>Percent of Adjusted Levy</u>	<u>Total Outstanding Delinquent Taxes</u>	<u>Percent of Adjusted Levy</u>
1995	\$ 11,537,302 ⁽¹⁾	\$ 11,585,944 ⁽¹⁾	\$ 10,090,523	87	\$ 11,568,386	100	\$ 1,689,947	15
1996	11,481,131 ⁽¹⁾	11,522,143 ⁽¹⁾	10,200,299	89	11,422,860	99	1,311,400	11
1997	11,533,210 ⁽¹⁾	11,809,887 ⁽¹⁾	10,127,851	86	11,487,492	97	1,320,533	12
1998	11,804,334 ⁽¹⁾	12,151,076 ⁽¹⁾	10,239,726	84	11,566,828	95	1,125,808	9
1999	11,910,170 ⁽¹⁾	12,009,916 ⁽¹⁾	10,015,954	83	11,207,058	93	1,474,827	12
2000	13,075,126 ⁽²⁾	13,166,873 ⁽²⁾	11,066,488 ⁽²⁾	84	12,349,427 ⁽²⁾	94	1,578,031 ⁽²⁾	12
2001	13,175,158	13,255,169	11,246,161	85	12,368,224	93	1,345,947	10
2002	14,492,959 ⁽³⁾	14,673,651 ⁽³⁾	12,099,685 ⁽³⁾	82	13,516,092 ⁽³⁾	92	1,917,015 ⁽³⁾	13
2003	14,264,738	14,422,121	12,061,330	84	13,483,593	93	1,723,704	12
2004	13,958,911	14,067,468	12,019,060	85	15,225,601 ⁽⁴⁾	108	1,606,572	11

⁽¹⁾ Net of \$949,013 billing for two City hospitals assessed as taxable entities for the first time in 1993 by the County of Dauphin. Both hospitals appealed their assessments as taxable entities before the Court of Common Pleas and on March 23, 1995, were granted their petition to remove property from the assessment rolls and to strike the tax assessment only with respect to 1993. Both hospitals merged in 1996 as part of Pinnacle Health System ("Pinnacle") and appealed with respect to 1994, 1995, 1996, 1997 and 1998 to the Commonwealth Court. The decision was upheld in January, 1998. Pinnacle appealed this ruling to the Pennsylvania State Supreme Court. Prior to resolution of this matter by the Court, but after passage by the General Assembly of a new charitable exemptions law under which the hospitals were certain to qualify, the parties reached an agreement. The terms of the agreement covered 1994-2001 and provided that the subject properties would be listed as tax exempt. In consideration for such unchallenged tax exempt status, Pinnacle was to pay the City \$1,869,700 in lump sum, for the years 1994-1998 and \$267,100, annually, for the years 1999-2001. The City received \$2,136,800 in 1999 to cover the period 1994-1999 and \$267,100 in 2000 and 2001. Because Pinnacle refused to negotiate any further payments to the City in lieu of real estate taxes after 2001, the City in January 2002 sought to have certain Pinnacle properties placed back on the tax rolls, while at the same time, Pinnacle applied to the Dauphin County Board of Assessment Appeals (the "Board") for an exemption of its real estate. After conducting hearings, the Board on May 31, 2002 denied Pinnacle's application for exemption. Pinnacle appealed the Board's decision to the Dauphin County Court of Common Pleas, which in January 2003 scheduled a hearing on Pinnacle's appeal, to be held in the Fall of 2003. Pinnacle, the City, the School District, the County and the Board entered into negotiations to settle the appeal, resulting in a postponement of the hearing. The parties executed and delivered a settlement agreement as of December 18, 2003, which settled the issues raised in Pinnacle's appeal. Under the settlement, Pinnacle agrees to make payments in lieu of taxes (PILOTs) to the City, the School District and the County, for a term of five years covering tax years 2003 through 2007. Thereafter, the agreement, including the obligation to make PILOTs, automatically renews for one-year terms, unless a party objects to any such extension. Pinnacle made PILOTs to the City of \$94,442 and 103,499 during tax years 2003 and 2004, respectively.

⁽²⁾ Real estate tax billing increased over \$1.1 million due to a tax rate increase, the first such increase since 1988.

⁽³⁾ Real estate tax billing increased over \$1.3 million due to a court ordered county-wide reassessment, the first such reassessment since 1972. This action increased taxable property assessments by nearly 100%, effective January 1, 2002.

⁽⁴⁾ Includes \$1.5 million in proceeds from the sale of the City's tax liens.

Sources: City's Bureaus of Information Technology and Financial Management

CITY OF HARRISBURG, PENNSYLVANIA

ASSESSED AND APPRAISED VALUE OF TAXABLE PROPERTY
1995 - 2004

Year	Land		Improvements	
	Assessed	Appraised	Assessed	Appraised
1995	\$ 139,992,760	\$ 139,992,760	\$ 745,166,390	\$ 745,166,390
1996	138,835,000	138,835,000	741,205,900	741,205,900
1997	138,668,200	138,668,200	747,476,200	747,476,200
1998	139,738,600	139,738,600	771,149,700	771,149,700
1999	138,857,000	138,857,000	785,465,900	785,465,900
2000 ⁽¹⁾	129,489,300	129,489,300	711,995,700	711,995,700
2001	129,004,400	129,004,400	724,820,800	724,820,800
2002 ⁽²⁾	371,924,800	371,924,800	1,330,249,300	1,330,249,300
2003	365,839,200	365,839,200	1,310,675,000	1,310,675,000
2004	360,948,300	360,948,300	1,264,860,200	1,264,860,200

⁽¹⁾ The City's trend of real estate appraisals and assessments for years 1994-2003 is shown in the table above. The County of Dauphin assesses values of properties at 100% of appraised (market) value. Also, beginning in 1993, the County assessed two City hospitals as taxable entities at values totaling \$82,830,800 - Polyclinic Medical Center (\$43,823,900) and Harrisburg Hospital (\$39,006,900). Both hospitals appealed their assessments as taxable entities before the Court of Common Pleas and on March 23, 1995, were granted their petition to remove property from the assessment rolls and to strike the tax assessment only with respect to 1993. Both hospitals merged in 1996 as part of Pinnacle Health System ("Pinnacle") and appealed with respect to 1994, 1995, 1996, 1997 and 1998 to the Commonwealth Court. The decision was upheld in January, 1998. Pinnacle appealed this ruling to the Pennsylvania State Supreme Court. Prior to resolution of this matter by the Court, but after passage by the General Assembly of a new charitable exemptions law under which the hospitals were certain to qualify, the parties reached an agreement. The terms of the agreement covered 1994-2001 and provided that the subject properties would be listed as tax exempt. In consideration for such unchallenged tax exempt status, Pinnacle was to pay the City \$1,869,700 in lump sum, for the years 1994-1998 and \$267,100, annually, for the years 1999-2001. The City received \$2,136,800 in 1999 to cover the period 1994-1999 and \$267,100 in 2000 and 2001. Because Pinnacle refused to negotiate any further payments to the City in lieu of real estate taxes after 2001, the City in January 2002 sought to have certain Pinnacle properties placed back on the tax rolls, while at the same time, Pinnacle applied to the Dauphin County Board of Assessment Appeals (the "Board") for an exemption of its real estate. After conducting hearings, the Board on May 31, 2002 denied Pinnacle's application for exemption. Pinnacle appealed the Board's decision to the Dauphin County Court of Common Pleas, which in January 2003 scheduled a hearing on Pinnacle's appeal, to be held in the Fall of 2003. Pinnacle, the City, the School District, the County and the Board entered into negotiations to settle the appeal, resulting in a postponement of the hearing. The parties executed and delivered a settlement agreement as of December 18, 2003, which settled the issues raised in Pinnacle's appeal. Under the settlement, Pinnacle agrees to make payments in lieu of taxes (PILOTS) to the City, the School District and the County, for a term of five years covering tax years 2003 through 2007. Thereafter, the agreement, including the obligation to make PILOTS, automatically renews for one-year terms, unless a party objects to any such extension. The reduction in land and improvement values shown in this table between 1999 and 2000 principally reflects the removal of these hospital properties from the tax rolls. Pinnacle made PILOTS to the City of \$94,442 and \$103,499 during tax years 2003 and 2004, respectively.

⁽²⁾ Reflects the result of a court-ordered County-wide reassessment effective January 1, 2002. This was the first such reassessment since 1972, increasing the City's taxable assessed property value base by nearly 100%.

Source: City's Bureau of Information Technology

CITY OF HARRISBURG, PENNSYLVANIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
1995 - 2004

Year	Tax Rates ⁽¹⁾				Assessed Property Values	
	City ⁽²⁾	School District	County	Total	Taxable	Non-Taxable
1995	14.42	32.82	7.05	54.29	\$ 885,159,150	\$ 636,144,170
1996	14.42	37.62	7.05	59.09	880,040,900	640,892,000
1997	14.42	39.62	8.55	62.59	886,144,400	642,751,200
1998	14.42	40.62	8.55	63.59	910,888,300	643,197,700
1999	14.42	40.62	8.55	63.59	924,322,900	596,899,700
2000	15.60	40.62	9.80	66.02	841,485,000 ⁽³⁾	683,119,000 ⁽³⁾
2001	15.60	40.62	9.80	66.02	853,825,200	681,497,800
2002	8.52 ⁽⁴⁾	21.23 ⁽⁴⁾	5.07 ⁽⁴⁾	34.82 ⁽⁴⁾	1,702,174,100 ⁽⁴⁾	1,342,511,700 ⁽⁴⁾
2003	8.52	21.23	6.13	35.88	1,676,514,200	1,373,031,801
2004	8.52	21.23	7.23	36.98	1,625,808,500	1,428,325,804

⁽¹⁾ Per \$1,000 in Assessed Valuation. Assessments equal 100% of estimated property values.

⁽²⁾ This amount represents an equivalent single tax rate. The City actually utilizes a split-rate, or two-rate, tax system whereby land is currently taxed at a rate six times greater than the tax rate on buildings and improvements.

⁽³⁾ Beginning in 1993, the County assessed two City hospitals as taxable entities at values totaling \$82,830,800 - Polyclinic Medical Center (\$43,823,900) and Harrisburg Hospital (\$39,006,900). Both hospitals appealed their assessments as taxable entities before the Court of Common Pleas and on March 23, 1995, were granted their petition to remove property from the assessment rolls and to strike the tax assessment only with respect to 1993. Both hospitals merged in 1996 as part of Pinnacle Health System ("Pinnacle") and appealed with respect to 1994, 1995, 1996, 1997 and 1998 to the Commonwealth Court. The decision was upheld in January, 1998. Pinnacle appealed this ruling to the Pennsylvania State Supreme Court. Prior to resolution of this matter by the Court, but after passage by the General Assembly of a new charitable exemptions law under which the hospitals were certain to qualify, the parties reached an agreement. The terms of the agreement covered 1994 - 2001 and provided that the subject properties would be listed as tax exempt. In consideration for such unchallenged tax exempt status, Pinnacle was to pay the City \$1,869,700 in lump sum, for the years 1994 - 1998 and \$267,100, annually, for the years 1999 - 2001. The City received \$2,136,800 in 1999 to cover the period 1994-1999 and \$267,100 in 2000 and 2001. Because Pinnacle refused to negotiate any further payments to the City in lieu of real estate taxes after 2001, the City in January 2002 sought to have certain Pinnacle properties placed back on the tax rolls, while at the same time, Pinnacle applied to the Dauphin County Board of Assessment Appeals (the "Board") for an exemption of its real estate. After conducting hearings, the Board on May 31, 2002 denied Pinnacle's application for exemption. Pinnacle appealed the Board's decision to the Dauphin County Court of Common Pleas, which in January 2003 scheduled a hearing on Pinnacle's appeal, to be held in the Fall of 2003. Pinnacle, the City, the School District, the County and the Board entered into negotiations to settle the appeal, resulting in a postponement of the hearing. The parties executed and delivered a settlement agreement as of December 18, 2003, which settled the issues raised in Pinnacle's appeal. Under the settlement, Pinnacle agrees to make payments in lieu of taxes (PILOTs) to the City, the School District and the County, for a term of five years covering tax years 2003 through 2007. Thereafter, the agreement, including the obligation to make PILOTs, automatically renews for one-year terms, unless a party objects to any such extension. Pinnacle made PILOTs to the City of \$94,442 and 103,499 during tax years 2003 and 2004, respectively.

⁽⁴⁾ Via a court order, the County of Dauphin reassessed all real property county-wide effective January 1, 2002, the first such reassessment since 1972, increasing taxable and non-taxable property values nearly 100%. By law, property tax rates within the City, School District, and County were decreased proportionately so as not to exceed a 10% maximum increase in property tax levy.

Source: City's Bureau of Information Technology

CITY OF HARRISBURG, PENNSYLVANIA

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
1995 - 2004

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Taxable Assessed Value</u>	<u>General Bonded Debt</u> ⁽²⁾	<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
1995	52,376	\$ 885,159,150	\$ 65,178,852 ⁽⁴⁾	\$ 5,392,624 ⁽⁵⁾	\$ 59,786,228	6.75	\$ 1,141.48
1996	52,376	880,040,900	70,863,868 ⁽⁶⁾	4,285,983	66,577,885	7.57	1,271.15
1997	52,376	886,144,400	91,572,155 ⁽⁷⁾	3,064,559	88,507,596	9.99	1,689.85
1998	52,376	910,888,300	81,236,493	1,778,375	79,458,118	8.72	1,517.07
1999	52,376	924,322,900	69,394,047 ⁽⁸⁾	755,826	68,638,221	7.43	1,310.49
2000	48,950	841,485,000 ⁽³⁾	100,721,763 ⁽⁹⁾	574,291	100,147,472	11.90	2,045.91
2001	48,950	853,825,200	102,072,885	457,068	101,615,817	11.90	2,075.91
2002	48,950	1,702,174,100 ⁽¹⁰⁾	120,504,853 ⁽¹¹⁾	223,925	120,280,928	7.07	2,457.22
2003	48,950	1,676,514,200	97,605,314 ⁽¹²⁾	98,229	97,507,085	5.82	1,991.97
2004	48,950	1,625,808,500	97,592,769	65,469	97,527,300	6.00	1,992.39

⁽¹⁾ 1995 through 1999 per 1990 U.S. Census Bureau Data, 2000 through 2004 per 2000 U.S. Census Bureau Data.

⁽²⁾ General Bonded Debt includes general obligation bonds, lease revenue bonds, and notes payable of the primary government, as well as debt of other entities guaranteed by the primary government. Amounts do not include Section 108 promissory notes and debt which is credited or excluded pursuant to the PA Local Government Unit Debt Act or is to be repaid with enterprise funds.

⁽³⁾ The County assessed two City hospitals as taxable entities for the first time in 1993 at values totaling \$82,830,800. However, both hospitals appealed their assessments as taxable entities and were granted an exemption for 1993 only. Refer to the prior page for the outcome of the appeals process.

⁽⁴⁾ Includes issuance of the following "new money" debt issues: \$25,000,000 G.O. Bonds, Series of 1995, to pay off \$25,000,000 G.O. Note - Series A of 1992; \$15,000,000 G.O. Note, Series A of 1995, through the Emmaus General Authority Bond Pool Program; and 1995 G.O. Bonds, Series A and B in the aggregate principal amount of \$35,734,416 to fund the City's unfunded actuarial accrued pension liability, net of \$33,394,416 excluded from debt per the Debt Act.

⁽⁵⁾ Includes \$3,541,563 transferred from undesignated Capital Projects Fund reserves to a debt service sinking fund to provide for the payment of semi-annual interest on the \$25,000,000 1995 G.O. Bonds through their maturity. Also includes \$614,218 held in escrow for costs associated with the \$35,734,416 G.O. Bond issue which closed on 12/28/95.

⁽⁶⁾ Includes issuance of \$7,200,000 General Obligation Notes, Series of 1996.

⁽⁷⁾ Includes issuance of the following "new money" debt issues: \$650,000 Lease Revenue Notes, Series A of 1997; \$24,891,772 G.O. Refunding Bonds, Series D of 1997, to ultimately retire the \$15,000,000 G.O. Note, Series A of 1995, and to provide for additional capital projects; \$26,632,303 G.O. Refunding Notes, Series F of 1997, to refund the \$25,000,000 G.O. Bonds Series of 1995, and to provide funding for additional capital projects; and \$8,000,000 G.O. Bonds, Series A1 of 1997, to retire \$7,200,000 G.O. Notes, Series of 1996.

⁽⁸⁾ HRA Series A of 1994 Bonds outstanding of \$9,330,000 and \$580,000 G.O. Notes, Series G of 1997, were retired.

⁽⁹⁾ Includes issuance of \$25,195,000 The Harrisburg Authority Guaranteed Resource Recovery Notes, Series A&B of 2000.

⁽¹⁰⁾ The \$848 million increase is primarily attributed to a court ordered county-wide reassessment which took effect January 1, 2002.

⁽¹¹⁾ Includes issuance of \$17,000,000 Guaranteed Resource Recovery Revenue Notes, Series A of 2002.

⁽¹²⁾ The Guaranteed Resource Recovery Notes, Series A&B of 2000, in the amount of \$25,190,000 at December 31, 2002, were refunded with the excludable Guaranteed Resource Recovery Bonds and Notes, Series A - F of 2003.

Sources: City's Bureau of Information Technology and audited basic financial statements

CITY OF HARRISBURG, PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
As of December 31, 2004

<u>Direct Bonded Debt</u>	Gross Bonded Debt <u>Outstanding</u> ⁽¹⁾	Credits/ <u>Exclusions</u> ⁽²⁾	Net Bonded Debt <u>Outstanding</u>
<u>Primary Government:</u>			
General Obligation Bonds, Series A & B of 1995	18,740,308	18,150,308	590,000
General Obligation Bonds, Series A1 of 1997	7,970,000	-	7,970,000
General Obligation Refunding Bonds, Series D of 1997	33,565,241	-	33,565,241
General Obligation Refunding Notes, Series F of 1997	37,896,495	-	37,896,495
Pennsylvania Infrastructure Bank Notes	571,033	-	571,033
Total Primary Government	<u>\$ 98,743,077</u>	<u>\$ 18,150,308</u>	<u>\$ 80,592,769</u>
<u>Component Units:</u>			
The Harrisburg Authority:			
Sewer Revenue Refunding Bonds, Series of 1984	\$ 2,265,000	\$ 2,265,000	\$ -
Sewer Revenue Refunding Bonds, 2 nd , & 3 rd Series of 1989	13,840,000	13,840,000	-
Sewer Revenue Refunding Bonds, Series of 1992	13,840,000	13,840,000	-
Guaranteed Sewer Revenue Notes Series A, B and C of 1998	2,561,260	2,561,260	-
Water Revenue Bonds, Series A of 2001	6,535,000	6,535,000	-
Water Revenue Bonds, Series A, B, C, and D of 2002	48,825,000	48,825,000	-
Water Revenue Bonds, Series A of 2003	56,535,000	56,535,000	-
Water Revenue Bonds, Series A of 2004	37,455,000	37,455,000	-
Guaranteed Resource Recovery Facility Revenue Bonds, Series A of 1998	11,970,000	11,970,000	-
Guaranteed Resource Recovery Facility Revenue Bonds, Series A, D, E and F of 2003	147,555,000	147,555,000	-
Guaranteed Resource Recovery Notes, Series A of 2002	17,000,000	-	17,000,000
Guaranteed Resource Recovery Notes, Series B & C of 2003	53,370,000	53,370,000	-
Less: Deferred Loss on Refunding/Unamortized Discount	(31,256,489)	(31,256,489)	-
Total The Harrisburg Authority	<u>\$ 380,494,771</u>	<u>\$ 363,494,771</u>	<u>\$ 17,000,000</u>
Harrisburg Parking Authority:			
Guaranteed Parking Revenue Bonds, Series K of 2000	\$ 11,800,000	\$ 11,800,000	\$ -
Guaranteed Parking Revenue Bonds, Series J of 2001	29,285,000	29,285,000	-
Guaranteed Parking Revenue Bonds, Series of 2001	18,605,000	18,605,000	-
Guaranteed Parking Revenue Bonds, Series N of 2003	7,420,000	7,420,000	-
Guaranteed Parking Revenue Bonds, Series O of 2003	17,045,000	17,045,000	-
Less: Deferred Loss on Refunding/Unamortized Discount	(3,075,924)	(3,075,924)	-
Total Harrisburg Parking Authority	<u>\$ 81,079,076</u>	<u>\$ 81,079,076</u>	<u>\$ -</u>
Total Component Units	<u>\$ 461,573,847</u>	<u>\$ 444,573,847</u>	<u>\$ 17,000,000</u>
<u>Potential Component Units Excluded:</u>			
Harrisburg Redevelopment Authority:			
Guaranteed Revenue Bonds, Series A and B of 1998	\$ 23,637,283	\$ 23,637,283	\$ -
Guaranteed Revenue Bonds, Series 2001	19,625,000	19,625,000	-
Guaranteed Revenue Bonds, Series 2004	2,115,000	2,115,000	-
Total Harrisburg Redevelopment Authority	<u>\$ 45,377,283</u>	<u>\$ 45,377,283</u>	<u>\$ -</u>
Harristown Development Corporation:			
Lease Revenue Bonds, Series of 1992	\$ 8,857,388	\$ 8,857,388	\$ -
Total Potential Component Units Excluded	<u>\$ 54,234,671</u>	<u>\$ 54,234,671</u>	<u>\$ -</u>
Total Direct Bonded Debt	<u>\$ 614,551,595</u>	<u>\$ 516,958,826</u>	<u>\$ 97,592,769</u>

(Continued)

CITY OF HARRISBURG, PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
As of December 31, 2004
(Continued)

<u>Overlapping Bonded Debt</u>	Gross Bonded Debt <u>Outstanding</u> ⁽¹⁾	Credits/ <u>Exclusions</u> ⁽²⁾	Net Bonded Debt <u>Outstanding</u>
Harrisburg Area Community College Bonds ⁽³⁾	\$ 605,899	\$ 302,950	\$ 302,949
Dauphin County Bonds and Notes ⁽⁴⁾	16,154,415	731,379	15,423,036
Harrisburg School District General Obligation Bonds and Notes	<u>196,995,000</u>	<u>31,032,452</u>	<u>165,962,548</u>
Total Overlapping Bonded Debt	<u>\$ 213,755,314</u>	<u>\$ 32,066,781</u>	<u>\$ 181,688,533</u>
Total Direct and Overlapping Bonded Debt	<u><u>\$ 828,306,909</u></u>	<u><u>\$ 549,025,607</u></u>	<u><u>\$ 279,281,302</u></u>

⁽¹⁾ Gross Bonded Debt Outstanding does not include \$3,645,000 Section 108 promissory notes.

⁽²⁾ Credits/Exclusions represent all bonds which are not general obligation bonds of the City and are self-liquidating under the PA Local Government Unit Debt Act, portions of general obligation and lease revenue bonds which are payable from enterprise funds

⁽³⁾ Pro Rata 6.38% of 22 school districts' share of Pennsylvania State Public School Bonds: Series of 1995 and 1998 - \$9,469,850.

⁽⁴⁾ Pro Rata 13% share of: General Authority Lease Rental Debt - 1992, 1998, 2001 2003 & 2003 - \$12,445,695; Industrial Development Authority Lease Revenue Note - \$484,621; General Obligation Bonds- \$51,750,000; General Obligation Notes- \$53,930,000; Revenue Notes- \$677,253 and Revenue Bonds- \$3,150,000.

Sources: City's audited basic financial statements and annual debt statement filings with the Commonwealth; Officials of Harrisburg Area Community College, Dauphin County, and Harrisburg School District.

CITY OF HARRISBURG, PENNSYLVANIA

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL GOVERNMENT EXPENDITURES
1995 -2004

<u>Year</u>	<u>Principal</u> ⁽¹⁾	<u>Interest</u> ⁽¹⁾	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u> ⁽²⁾	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1995	\$ 905,576	\$ 1,787,145	\$ 2,692,721	\$ 71,142,654 ⁽³⁾	3.78
1996	1,276,713	3,359,877	4,636,590	57,531,396	8.06
1997	1,630,000	3,153,176	4,783,176	51,119,515	9.36
1998	849,271	2,675,508	3,524,779	62,819,807	5.61
1999	5,263,275 ⁽⁴⁾	2,526,858	7,790,133 ⁽⁴⁾	68,436,680	11.38
2000	6,886,743	1,220,436	8,107,179	77,776,117	10.42
2001	7,192,674	854,761	8,047,435	72,225,237	11.14
2002	7,641,445	605,673	8,247,118	68,045,565	12.12
2003	7,820,630	347,008	8,167,638	69,114,821	11.82
2004	8,116,029	142,215	8,258,244	74,289,951 ⁽⁵⁾	11.12

⁽¹⁾ Amounts do not include Section 108 Loan payments.

⁽²⁾ Includes those expenditures recorded in the General, Special Revenue, Debt Service and Capital Projects Funds for 1995-2002, and adds Other Governmental Funds beginning in 2003.

⁽³⁾ Excludes payoff of \$25,000,000 General Obligation Note - Series A of 1992.

⁽⁴⁾ Principal retirements increased approximately \$2.3 million on the 1995 Unfunded Pension Liability Bonds, Series A and B, and approximately \$2.3 million on the 1997 General Obligation issues, Series D, E, F and G.

⁽⁵⁾ Includes principal retirements of \$6.7 million for existing capital leases which were refinanced due to favorable market rates.

Source: City's audited basic financial statements

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF REVENUE BOND COVERAGE - PRIMARY GOVERNMENT
LEASE REVENUE BONDS - HARRISBURG LEASING AUTHORITY
1995 - 2004

<u>Year</u>	<u>Gross Revenue</u>	<u>Expenses</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1995	\$ 387,648	\$ 22,054	\$ 365,594	\$ 225,000	\$ 67,976	\$ 292,976	1.25
1996	519,487	192,350	327,137	245,000	54,977	299,977	1.09
1997	439,548	22,893	416,655	255,000	63,179	318,179	1.31
1998	333,274	23,270	310,004	190,000	59,771	249,771	1.25
1999	344,210	22,270	321,940	200,000	70,132	270,132	1.19
2000	329,267	22,270	306,997	195,000	85,163	280,163	1.10
2001	267,130	19,997	247,133	205,000	19,796	224,796	1.10
2002	241,421	29,146	212,275	210,000	16,703	226,703	0.94
2003	110,051	5,725	104,326	100,000	8,472	108,472	0.96
2004	106,295	7,634	98,661	105,000	3,568	108,568	0.91

Note:

In 1996, amounts that were held for the Incinerator Fund's share of this debt were released to defease its portion of debt service.

Source: Harrisburg Leasing Authority audited basic financial statements

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF REVENUE BOND COVERAGE - COMPONENT UNIT
THE HARRISBURG AUTHORITY
1995 - 2004

Year	Revenue Available ⁽¹⁾	Expenses ⁽²⁾	Net Revenue Available for Debt Service ⁽³⁾	Debt Service Requirements ⁽⁴⁾			Coverage
				Principal	Interest	Total	
1995	\$ 36,843,581	\$ 19,462,926	\$ 17,380,655	\$ 3,355,000	\$ 15,432,888	\$ 18,787,888	0.93
1996	43,339,509	20,504,533	22,834,976	5,061,283	14,169,439	19,230,722	1.19
1997	42,674,245	21,852,554	20,821,691	5,741,173	14,382,871	20,124,044	1.03
1998	47,068,036	23,001,972	24,066,064	3,425,000	13,640,845	17,065,845 ⁽⁵⁾	1.41
1999	48,957,458	23,747,335	25,210,123	10,112,764	15,686,501	25,799,265 ⁽⁶⁾	0.98
2000	49,234,236	23,492,004	25,742,232	8,487,076	15,219,564	23,706,640	1.09
2001	48,793,498	23,401,729	25,391,769	6,438,770	16,493,037	22,931,807	1.11
2002	44,139,889 ⁽⁷⁾	24,992,334 ⁽⁸⁾	19,147,555	8,154,595	16,053,383	24,207,978	0.79
2003	44,302,686 ⁽⁹⁾	23,273,951 ⁽⁹⁾	21,028,735	4,165,547	14,275,532	18,441,079 ⁽¹⁰⁾	1.14
2004	40,306,465 ^{###}	21,183,073 ⁽⁹⁾	19,123,392	4,193,599	19,307,553	23,501,152 ⁽¹⁰⁾	0.81

(1) Includes total operating and nonoperating revenues. Also includes surplus carryover from prior year(s), representing beginning of year unrestricted cash and cash equivalents as revenue available for debt service, as well as current year deposits to certain debt service funds restricted for subsequent year's debt service.

(2) Includes total operating expenses excluding depreciation, and total nonoperating expenses excluding interest expense and amortization.

(3) Nonrecurring or extraordinary items of revenue or expense have not been included in determining net revenue available for debt service.

(4) Includes debt service requirements on bonds and notes outstanding. Excludes lump sum payoffs or defeasances.

(5) On August 27, 1998, the Authority issued \$55,765,000 Guaranteed Resource Recovery Facility Refunding Revenue Bonds, Series A, B, C and D of 1998, to refinance all existing resource recovery bonded debt. Therefore, no principal, and less interest, was paid during 1998 related to resource recovery bonded debt.

(6) Includes full year's debt service on the following debt issues: \$55,765,000 Guaranteed Resource Recovery Refunding Revenue Bonds, Series A, B, C and D of 1998; \$24,000,000 Office and Parking Revenue Bonds, Series A and B of 1998; and \$1,515,173 Guaranteed Sewer Revenue Notes, Series A, B, and C of 1998.

(7) Decline in revenue is primarily due to a temporary shutdown of the Resource Recovery Facility and a decline in Water and Sewer Fund revenues due to water conservation measures imposed due to drought.

(8) Expenses increased during 2002 due to unanticipated maintenance and waste hauling expenses incurred because of the required shutdown of the Resource Recovery Facility.

(9) Decline in revenues continued and expenses decreased in 2003 and 2004 due to the planned shutdown of the Resource Recovery Facility on June 18, 2003, to undertake a complete retrofit of the Facility.

(10) In July 2002, the Authority issued \$48,825,000 Water Revenue Refunding Bonds, Series A, B, C and D of 2002. A portion of this series was used to prepay the 2003 principal payments due on the Water Revenue Bonds, Series of 1994.

(11) 2004 debt service on the Guaranteed Resource Recovery Bonds and Notes, Series A of 1998, A of 2002 and A, B, C, D, E & F of 2003 paid with capitalized interest which is not includable in the definition of revenue available..

Source: City's and component unit's audited basic financial statements

CITY OF HARRISBURG PENNSYLVANIA

SCHEDULE OF REVENUE BOND COVERAGE - COMPONENT UNIT
HARRISBURG PARKING AUTHORITY AND
COORDINATED PARKING FUND
1995 - 2004

Year	Gross Revenue ⁽¹⁾	Expenses ⁽²⁾	Net Revenue Available for Debt Service ⁽³⁾	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1995	\$ 7,095,095	\$ 3,368,924	\$ 3,726,171	\$ 1,020,000	\$ 2,146,255	\$ 3,166,255	1.18
1996	7,125,398	3,789,451	3,335,947	1,075,000	2,095,520	3,170,520	1.05
1997	7,280,679	3,560,298	3,720,381	1,125,000	2,011,547	3,136,547	1.19
1998	8,110,671	3,753,569	4,357,102	1,180,000	2,210,487	3,390,487	1.29
1999	9,148,553	4,842,067	4,306,486	1,255,000	2,771,656	4,026,656	1.07
2000	9,816,581	5,442,946	4,373,635	1,325,000	2,831,111	4,156,111	1.05
2001	10,004,067	5,107,934	4,896,133	1,400,000	2,923,112	4,323,112	1.13
2002	13,381,419 ⁽⁵⁾	6,641,803 ⁽⁶⁾	6,739,616	1,475,000	4,293,067	5,768,067 ⁽⁷⁾	1.17
2003	12,957,784	7,012,669	5,945,115	2,195,000	4,292,516	6,487,516	0.92
2004	14,517,014	9,420,930	5,096,084	1,800,000	3,886,707	5,686,707	0.90

(1) Includes total operating and nonoperating revenues.

(2) Includes total operating expenses excluding depreciation, and total nonoperating expenses excluding interest expense and amortization.

(3) Nonrecurring extraordinary items of revenue or expense have not been included in determining net revenue available for debt service.

(4) Does not include \$25,535,783 deposited in escrow from proceeds of the issuance of \$26,860,000 Guaranteed Parking Revenue Bonds, Series G and H of 1994, to advance refund \$24,045,000 of outstanding Guaranteed Parking Revenue Bonds, Series C, D, and E.

(5) Includes approximately \$2.5 million in additional public parking revenue from the addition of two new garages completed in 2001 (River Street) and 2002 (City Island) and approximately \$820,000 in additional office rental revenue.

(6) Includes approximately \$338,000 in new office expense, \$452,687 in losses on the abandonment of a planned third parking garage and \$347,000 in additional distributions to the City from the Coordinated Parking Fund.

(7) Includes approximately \$1.0 million in additional interest expense from the Guaranteed Parking Revenue Bonds Series of 2001 dated December 15, 2001.

Source: City's and component unit's audited basic financial statements

CITY OF HARRISBURG, PENNSYLVANIA

DEMOGRAPHIC STATISTICS
1995 - 2004

Trends in Labor Force, Employment and Unemployment

Dauphin County

<u>Year</u>	<u>Civilian Labor Force (000)</u>	<u>Employment (000)</u>	<u>Unemployment (000)</u>	<u>Unemployment Rate (%)</u>
1995	133.9	128.6	5.3	4.0
1996	138.3	133.5	4.8	3.5
1997	140.3	135.4	4.9	3.5
1998	139.2	134.9	4.3	3.1
1999	138.8	133.6	5.2	3.8
2000	137.3	133.2	4.1	3.0
2001	139.8	134.5	5.2	3.7
2002	145.5	139.2	6.3	4.4
2003	143.7	137.7	6.0	4.2
2004	136.1	129.6	6.6	4.8

Pennsylvania

<u>Year</u>	<u>Civilian Labor Force (000)</u>	<u>Employment (000)</u>	<u>Unemployment (000)</u>	<u>Unemployment Rate (%)</u>
1995	5,838.0	5,495.0	343.0	5.9
1996	5,903.0	5,590.0	313.0	5.3
1997	5,984.0	5,673.0	311.0	5.2
1998	5,936.0	5,661.0	275.0	4.6
1999	5,969.0	5,707.0	262.0	4.4
2000	5,972.0	5,722.0	250.0	4.2
2001	6,073.0	5,786.0	287.0	4.7
2002	6,290.0	5,934.0	356.0	5.7
2003	6,170.0	5,826.0	344.0	5.6
2004	6,275.0	5,927.0	348.0	5.5

Source: PA Department of Labor and Industry, Bureau of Research and Statistics

CITY OF HARRISBURG, PENNSYLVANIA

DEMOGRAPHIC STATISTICS
1900 - 2000

Population Trends

<u>Year</u>	<u>City of Harrisburg Population</u>	<u>Percent Increase (Decrease)</u>	<u>Harrisburg MSA Population</u>	<u>Percent Increase (Decrease)</u>
1900	50,167	0.00 %	191,050	0.00 %
1910	64,186	27.94	191,050	0.00
1920	75,917	18.28	234,569	22.78
1930	80,339	5.82	250,211	6.67
1940	83,893	4.42	275,429	10.08
1950	89,544	6.74	317,023	15.10
1960	79,697	(11.00)	371,653	17.23
1970	68,061	(14.60)	410,626	10.49
1980	53,264	(21.74)	447,660	9.02
1990	52,376	(1.67)	546,814	22.15
2000	48,950	(6.54)	629,401	15.10

Note:

Harrisburg MSA - Harrisburg Metropolitan Statistical Area consists of Cumberland, Dauphin, Perry and Lebanon Counties.

Source: U.S Bureau of the Census, Decennial Census and final 2000 Census Report; Demographics USA, County Edition; PA State Center

CITY OF HARRISBURG, PENNSYLVANIA

DEMOGRAPHIC STATISTICS

2004

Police Information:

Police Bureau Complement:

Officers by Rank:	
Patrol Officers	110
Investigators	23
Corporals	12
Sergeants	9
Lieutenants	6
Captains	3
Chief of Police	1
Total Police Officers	<u>164</u>

Calls for Service 48,816

Crimes by Type:

Homicide	12
Rape	52
Robbery	369
Assault	244
Burglary	483
Theft	1431
Motor Vehicle Theft	110
Arson	<u>25</u>
Total Crimes by Type	<u>2,726</u>

Fire Information:

Fire Bureau Compliment:

Personnel by Rank:	
Firefighters	78
Master Mechanics	1
Chief Clerks	1
Fire Inspectors	1
Lieutenants	8
Captains	4
Battalion Chiefs	4
Senior Deputy Chiefs	1
Deputy Chief	1
Fire Chiefs	1
Total Fire Bureau Compliment	<u>100</u>

Calls for Service by Situation Found:

Fire, Explosion	644
Over Pressure Rupture	29
Rescue Call	628
Hazardous Condition, Standby	306
Service Calls	257
Good Intent Calls	222
False Calls	849
Other	<u>33</u>
Total Calls for Service	<u>2,968</u>

Source: City's Bureaus of Police and Fire

CITY OF HARRISBURG, PENNSYLVANIA

CONSTRUCTION AND BANK DEPOSITS
1995 - 2004

<u>Year</u>	<u>Permit Fees</u>	<u>New Construction Residential</u>		<u>New Construction Commercial</u>	
		<u>Number of Permits</u>	<u>Total Cost</u>	<u>Number of Permits</u>	<u>Total Cost</u>
1995	\$ 469,311	10	\$ 467,229	11	\$ 29,628,870
1996	413,575	10	533,846	9	6,749,479
1997	718,531	1	2,520	14	23,425,821
1998	544,182	4	133,550	9	3,737,721
1999	484,803	5	393,000	6	26,166,989
2000	712,298	34	3,270,738	8	10,163,312
2001	521,554	18	1,492,031	5	5,992,720
2002	737,848	26	1,599,120	6	17,187,309
2003	402,508	40	2,698,746	5	13,619,027
2004	1,503,027 ⁽¹⁾	49	5,172,848	12	21,396,215

⁽¹⁾ Permit fees have increased as a result of major construction projects that included Market Square Plaza, Polytechnics Institute, Capitol Complex, Pinnacle Hospital, Harrisburg Housing Authority, and upgrades to City Schools.

Source: City's Bureau of Information Technology

CITY OF HARRISBURG, PENNSYLVANIA

CONSTRUCTION AND BANK DEPOSITS

1995 - 2004

(Continued)

Year	Repairs, Alterations and Additions Residential		Repairs, Alterations and Additions Commercial		Demolition Permits	Bank Deposits
	Number of Permits	Total Cost	Number of Permits	Total Cost		
1995	1,234	\$ 9,013,494	402	\$ 31,185,786	47	\$ 2,197,548,000
1996	1,383	13,415,326	429	38,548,700	65	2,417,640,000
1997	1,441	8,800,590	415	65,683,522	72	2,566,476,000
1998	1,610	16,009,178	441	59,866,708	115	2,668,459,000
1999	1,356	9,827,585	519	52,703,797	81	2,323,328,000
2000	1,251	9,737,969	504	72,748,719	61	2,367,136,000
2001	1,041	12,722,531	373	54,933,569	76	2,595,957,000
2002	1,132	9,932,336	391	79,027,282	46	2,794,027,000
2003	1,330	10,142,106	373	100,249,490	79	3,451,705,000
2004	1,452	15,453,031	333	119,358,555	83	3,520,662,000

Sources: City's Bureau of Information Technology; bank deposits per PA Department of Commerce and Banking

CITY OF HARRISBURG, PENNSYLVANIA

PRINCIPAL REAL ESTATE TAXPAYERS ⁽¹⁾
As of December 31, 2004

<u>Taxpayer</u>	<u>Type of Real Estate</u>	<u>Assessed Value</u> ⁽²⁾	<u>Percent of Total Assessed Valuation</u>
Harristown Development Corp.	State Offices/Telephone Co.	\$ 144,208,900	8.87%
ESL Inc/Penn National Realty Trust	Commercial Business	29,685,000	1.83%
M&T Bank (formerly Allfirst Bank)	Bank/Offices	21,163,200	1.30%
Selco Service Corp.	Commercial Business	24,088,100	1.48%
Harrisburg Hotel Assoc. (Hilton Hotel)	Commercial Business	18,523,000	1.14%
CCM Harrisburg Hotel LP (Ramada Inn)	Commercial Business	18,821,600	1.16%
Strawberry Square Associates	Commercial Business	11,916,600	0.73%
Keystone Central Storage LP	Commercial Business	14,335,500	0.88%
365-369 Ocean Avenue LLC	Commercial Business	8,983,700	0.55%
Newseasons Harrisfield	Commercial Business	<u>7,990,900</u>	<u>0.49%</u>
Totals		\$ 299,716,500	18.43%

⁽²⁾ This table reflects the City's ten highest taxpayers based on the flat tax amount. This may not positively correlate to the assessed value because the City utilizes a split-rate, or two-rate, tax system whereby land is currently taxed at a rate six times greater than the tax rate on buildings and improvements.

⁽²⁾ Assessments equal 100% of estimated property values. Reflects the result of a court-ordered County-wide reassessment effective January 1, 2002.

Source: City's Bureau of Information Technology

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
St. Paul	Package Policy: Property (Building & Personal Property) including Terrorism	GP06301616	7/1/05 - 7/1/06	Blanket Real & Personal Property Loss Limit - \$185,144,523	Property -\$25,000 Each Occurrence	\$227,371
	Additional Benefits			Accounts Receivable - \$250,000 Computers - \$50,000 Demolition & Increased Construction - \$250,000 Extra Expense - \$25,000 Fine Arts - \$100,000 Fire Dept. Service Charge - \$50,000 Inventory & Appraisals - \$25,000 Money & Securities (Inside) - \$10,000 Money & Securities (Outside) - \$5,000 Newly Acquired Buildings - \$2,500,000 Newly Acquired Business Personal Property - \$1,000,000 Outdoor Property - \$50,000 Other People's Property - \$25,000 Personal Belongings - \$250,000 Pollution Clean Up & Removal - \$100,000 Property in Transit - \$100,000 Random Attack/ Computers - \$10,000 Sewer Backup - \$100,000 Temporary Location - \$50,000 Valuable Papers Research - \$250,000		

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
St. Paul (con't)	Package Policy: (con't)	GP06301616	7/1/05 - 7/1/06			
	Difference in Conditions			Catastrophe -\$1,000,000 Earthquake -\$1,000,000 Flood -\$1,000,000	Catastrophe - \$50,000 per occurrence Earthquake - \$50,000 per occurrence Flood - \$50,000 per occurrence	
	Equipment Breakdown Coverage			Expediting -\$250,000 Pollution Clean-Up & Removal -\$250,000 Spoilage -\$250,000	\$25,000	
	Accounts Receivable			All locations as per schedule -\$250,000		
	Valuable Papers			All locations as per schedule -\$250,000	\$1,000	
	Contractor's Equipment			Contractor's Per Schedule Equipment -\$2,580,470 Unscheduled Any one item -\$5,000 Policy Limit -\$25,000 Catastrophe Limit -\$2,605,470	Contractor's Per Schedule -\$5,000 Unscheduled -\$1,000	
	Fine Arts			Per Schedule -\$1,432,742	Fine Arts \$5,000 per occurrence	
	Radio & Television Stations			Per Schedule \$230,000	\$1,000	

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
St. Paul (con't)	Package Policy: (con't)	GP06301616	7/1/05 - 7/1/06			
	Computer Property			Hardware & Portable Hardware -\$3,095,170 Software & Data - \$100,000 Backup locations -\$50,000 Fire Dept & Fire Protective Equipment -\$25,000 New Locations -\$500,000 Newly Acquired - \$500,000 Property in Transit/ and Worldwide Ext. - \$25,000 Random Attack -\$10,000 Temporary Location - \$500,000	Basic Breakdown -\$5,000 Special Breakdown Deductible -\$5,000	
	General Liability Occurrence Form includes Terrorism			General Total -Limit-\$2,000,000 Each Person -Limit-\$1,000,000	General Liability -\$25,000 each event	\$266,521
	Liquor Liability			Total Limit -\$2,000,000 Each person -\$1,000,000	Liquor Liability -\$25,000	\$643
	Employee Benefit Plans - Claims Made Coverage - No retroactive date			Employee Benefit Plans - Total Limit -\$3,000,000 Each Act -\$1,000,000	Employee Benefit Plans -\$25,000	\$385
	Employment Practices Liability Claims Made - Retroactive Date: 07/01/97 includes Terrorism			Total Limit -\$1,000,000	Employment Practices Liability -\$25,000	\$74,795

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
St. Paul (con't)	Package Policy: (con't)	GP06301616	7/1/04 - 7/1/05			
	Management Liability Claims-Made Retroactive Date: 7/1/97 includes Terrorism			Management Liability Total Limit -\$1,000,000	Management Liability -\$25,000	\$36,386
	Law Enforcement Liability includes Terrorism			Law Enforcement Liability - Total Limit -\$2,000,000 Each Act -\$1,000,000	Law Enforcement -\$25,000	\$232,241
	Business Auto includes Terrorism			Business Auto Liability Limit -\$1,000,000 Personal Injury -Statutory Medical Payments Each Accident -\$5000 UM/UIM -\$1,000,000	Business Auto Physical Damage Deductibles: All Other Autos -\$1,000 Fire & Rescue -\$3,000 Liability -\$25,000	\$200,600
	Government Crime includes Terrorism			Government Crime Employee Theft -\$250,000 per loss Forgery/Alteration -\$250,000 per loss Theft of Money/ Securities Loss inside -\$500,000 Outside premises -\$100,000	Government Employee Theft -\$5,000 Forgery/Alteration -\$5,000 Theft of Money/ Securities - any occurrence inside - \$5,000 any occurrence outside - \$2,500	\$7,091
	Umbrella Excess includes Terrorism			Umbrella Excess General Total Limit -\$3,000,000 Each Event -\$3,000,000	Umbrella Excess -\$10,000 each act	\$85,486
	Excess E & O Claims Made			Excess E & O Total Limit -\$3,000,000		Included w/ Umbrella Excess

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
Greenwich	HRRF Pollution Legal Liability Retro 1/28/99	PLS1388632	1/28/05-1/28/08	Total Limit \$2,000,000	Each Incident -\$50,000	\$37,963
ACE Fire	Fine Arts includes Terrorism	IMB12058984A	7/1/05 - 7/1/06	Insured Locations: -\$25,000,000 Transit -\$2,000,000 Any un-named Locations: -\$2,000,000 Any one loss or disaster -\$25,000,000	\$1,000	\$26,910
Gemini Insurance Company	Public Officials (The Harrisburg Authority) Claims Made includes Terrorism	UGP000064-02	6/23/05 -6/23/06	Each Wrongful Act -\$1,000,000 Aggregate -\$2,000,000	\$10,000 per occurrence	\$22,269
Midwest Employers Casualty Company	Workers' Compensation Excess Coverage Employers' Liability	EWC007494	1/1/06 - 1/1/07	Each Accident Limit Workers' Comp -Statutory Employer Liability -\$1,000,000	Retention for Workers' Comp and Employer's Liability Police & Fire - \$500,000 All others -\$400,000	\$74,135
City of Harrisburg Partial Self-Insured	Workers' Compensation Self-Insured Portion		1/1/06 - 1/1/07	1/1/05 - 1/1/06 1st Yr. \$110,000 2nd Yr. \$110,000 3rd Yr. \$110,000 Comprehensive Per Accident -\$400,000 Per Occurrence -\$1,000,000	Medical -	Actual Expense Incurred

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
Highmark Casualty Insurance Company	Excess Health	400380-C	11/1/05 - 10/31/06	Max Aggregate Benefit -\$1,000,000 Specific Max Benefit -\$2,000,000 less deductible Covered Benefit Medical & Rx	\$150,000 Limit per covered person	\$23 per covered unit per month \$2 per covered unit per month
Federal Insurance Company	Police Pension Board Fiduciary Claims Made	8179-80-95	1/1/06 - 1/1/07	\$10,000,000	\$5,000 continuity date 1/1/00	\$27,500
Federal Insurance Company	Crime	8179-80-96	1/1/06 - 1/1/07	\$5,000,000	\$50,000	\$8,100
Traveler's Casualty & Surety	Hbg. Mayor's Commission on Literacy (D&O)	104178073	11/1/04-11/1/07	\$1,000,000	\$5,000	\$4,443
St. Paul Fire & Marine	HEDCO	GP09312843	8/27/05-8/27/06	General Total -\$1,000,000 Premises Damage -\$100,000		\$1,512

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
Selective	Control Building/ AWTF Flood Coverage	0000107489	5/31/05- 5/31/06	Building \$500,000 Contents \$342,200	\$1,000 per occurrence	\$ 7,668
Selective	Cogeneration Building/AWTF Flood Coverage	0000115075	11/29/05 - 11/29/06	Building \$471,600 Contents \$310,400	\$500 per occurrence	\$ 2,904
Selective	Return Sludge Pumping Station/ AWTF Flood Coverage	0000115078	11/29/05 - 11/29/06	Building \$471,600 Contents \$310,400	\$1,000 per occurrence	\$ 6,124
Selective	Settled Sewage Pumping Station/ AWTF Flood Coverage	0000107488	5/31/05 - 5/31/06	Building \$500,000 Contents \$342,200	\$1,000 per occurrence	\$ 7,668
Selective	Chemical Storage Building/AWTF Flood Coverage	0000107487	5/31/05 - 5/31/06	Building \$500,000 Contents \$342,300	\$1,000 per occurrence	\$ 6,623
Selective	Plant Drain Pumping Station/ AWTF Flood Coverage	0000107485	5/31/05 - 5/31/06	Building \$500,000 Contents \$187,000	\$1,000 per occurrence	\$ 6,116
Selective	Maintenance Building/AWTF Flood Coverage	0000115077	11/29/05 - 11/29/06	Building \$471,600 Contents \$ 41,400	\$1,000 per occurrence	\$ 4,479
Selective	Garage & Storage Building/AWTF Flood Coverage	0000115076	11/29/05 - 11/29/06	Building \$471,600 Contents \$ 62,200	\$1,000 per occurrence	\$ 3,649
Selective	Digested Sludge Pump Station AWTF Flood Coverage	0000107486	5/31/05 - 5/31/06	Building \$500,000 Contents \$ 91,200	\$500 per occurrence	\$ 2,937
Selective	Electrical Equipment & Storage/City Island Flood Coverage	0000108689	6/2/05 - 6/2/06	Building \$83,500 Contents \$700	\$1,000 per occurrence	\$ 692

Source: City's Office of Insurance and Risk Management

CITY OF HARRISBURG, PENNSYLVANIA

SCHEDULE OF INSURANCE IN FORCE

<u>Company</u>	<u>Details of Coverage</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage Limits</u>	<u>Deductibles</u>	<u>Premium</u>
Selective	Compressor Building/ AWTF Flood Coverage	0000115079	11/29/05 - 11/29/06	Building \$345,100 Contents \$171,700	\$500 per occurrence	\$ 2,325
Selective	Boiler House/ AWTF Flood Coverage	0000115074	11/29/05 - 11/29/06	Building \$345,100 Contents \$325,900	\$500 per occurrence	\$ 2,635
Selective	Market Street & Conrail Underpass Pumping Station/ AWTF Flood Coverage	0000107481	6/2/05 - 6/2/06	Building \$313,600 Contents \$208,000	\$1,000 per occurrence	\$ 4,475
Selective	Fire House/ 336 S. Front Street Flood Coverage	0000107480	6/2/05 - 6/2/06	Building \$500,000 Contents \$5,700	\$500 per occurrence	\$ 1,881
Selective	Bath House/ City Island Flood coverage	0000107482	6/4/05 - 6/4/06	Building \$500,000 Contents \$ 0	\$1,000 per occurrence	\$ 2,924
Selective	123 Walnut St. McCormick Bldg. Harrisburg, PA	0000107484	6/22/05 - 6/22/06	Building \$500,000 Contents \$195,700	\$500 per occurrence	\$ 3,715
Selective	10 N. 2nd St. Martin Luther King City Gov't Ctr. Harrisburg, PA	0000107483	6/22/05 - 6/22/06	Building \$500,000 Contents \$195,700	\$500 per occurrence	\$ 3,715
Selective	Grit Building S. Cameron & Elliot St. Swatara Township	FLD0007299	6/7/05-6/7/06	Building \$199,300 Contents \$ 0	\$500 per occurrence	\$ 960
Selective	Senator's Office Annex Catering Office City Island	FLD1109641	5/20/05-5/20/06	Building \$41,700	\$25,000 per occurrence	\$ 620
Selective	Senator's Office City Island	FLD1109640	5/20/05-5/20/06	Building \$46,800	\$25,000	\$ 691

Source: City's Office of Insurance and Risk Management

GLOSSARIES

GLOSSARY OF ABBREVIATED TERMS

- ADA - Americans with Disabilities Act
- AFSCME - American Federation of State, County, and Municipal Employees
- AID - Assistance for Impact Delegation Team
- ARB - Architectural Review Board
- AWTF - Advanced Wastewater Treatment Facility
- BTU - British Thermal Unit
- BU - Bargaining Unit
- CAC - Community Action Commission
- CAD - Computer Aided Dispatch
- CAFR - Comprehensive Annual Financial Report
- CAT - Capital Area Transit
- CBD - Central Business District
- CCU H.E.L.P. - Christian Churches United H.E.L.P.
- C/D - Construction/Demolition Wastes
- CDBG - Community Development Block Grant
- CDC - Community Development Corporation
- CED - Community & Economic Development
- CFM - Cubic Feet Per Minute
- CIP - Capital Improvement Plan
- CLG - Certified Local Government
- CREDC - Capital Region Economic Development Corporation
- DARE - Drug Abuse Resistance and Education
- DBHD - Department of Building and Housing Development
- DEP - Department of Environmental Protection
- DID - Downtown Improvement District
- DJ - District Justice
- DOA - Department of Administration
- DPW - Department of Public Works
- EIT - Earned Income Tax
- EMS - Emergency and Municipal Services Tax
- EOP - Emergency Operation Plan
- EPA - Environmental Protection Agency
- EZ COMP - Enterprise Zone Competitive Grant
- FEMA - Federal Emergency Management Agency
- FERC - Federal Energy Regulatory Commission
- FICA - Federal Insurance Contributions Act
- FMV - Fair Market Value
- FOP - Fraternal Order of Police
- FTE - Full-time Equivalent
- FY - Fiscal Year
- GAAP - Generally Accepted Accounting Principles
- GFOA - Government Finance Officers Association of the United States and Canada
- GIS - Geographic Information System
- G.O. - General Obligation
- HACC - Harrisburg Area Community College
- HAND - Housing and Neighborhood Development
- HARB - Harrisburg Architectural Review Board
- HATS - Harrisburg Area Transportation Study Group
- HBN - Harrisburg Broadcasting Network
- HCEA - Harrisburg Community Economic Affairs
- HDC - Harrisburg Development Corporation
- HHA - Harrisburg Housing Authority
- HoDAG - Housing Development Action Grant
- HOP - Home Ownership Opportunity Program

GLOSSARY OF ABBREVIATED TERMS

HPA - Harrisburg Parking Authority
HPC - Harrisburg Planning Commission
HRA - Harrisburg Redevelopment Authority
HRRF - Harrisburg Resource Recovery Facility
HU - Harrisburg University
HUD - Housing and Urban Development
IAFF - International Association of Firefighters
LED - Light Emitting Diode
LTAP - Local Transportation Assistance Program
MBE/WBE - Minority Business Enterprise/Women's Business Enterprise
MCI - Managing Criminal Investigation
MCL - Maximum Contamination Level
MGMT - Management
MOED - Mayor's Office for Economic Development and Special Projects
MSA - Metropolitan Statistical Area
MSW - Municipal Solid Waste
NMAAH - National Museum of African American History
NPDES - National Pollution Discharge Elimination System
NTU - Nephelometric Turbidity Unit
OBID - Office of Business and Industrial Development
OMBE - Office of Minority Business Enterprise
OPT - Occupational Privilege Tax
PAL - Police Athletic League
PASSHE - Pennsylvania State System of Higher Education
PA-TF1 - Pennsylvania Task Force 1
PBB - Performance-Based Budgeting
PennDOT - Pennsylvania Department of Transportation
PIB - Pennsylvania Infrastructure Bank
PIDA - Pennsylvania Industrial Development Authority
pH - Percent Hydrogen
PHEAA - Pennsylvania Higher Education Assistance Agency
PPB - Performance Program Budget
PRPS - Pennsylvania Recreation and Park Society
PSB - Public Safety Building
PSECU - Pennsylvania State Employees Credit Union
PSU - Pennsylvania State University
REDDI - Regional Economic Development District Initiatives
RTS - Ready to Serve
SARAA - Susquehanna Area Regional Airport Authority
SBF - Small Business First
SHARP - Special Hazards Advanced Rescue Personnel
T & A - Trust and Agency
TAP - Traffic Accident Prevention
THA - The Harrisburg Authority
TUH - Temple University Harrisburg
UCR - Uniform Crime Reporting
UDAG - Urban Development Action Grant
USAR - Urban Search and Rescue
USGS - United States Geological Service
VMC - Vehicle Management Center
WHBG - TV station run by Harrisburg Broadcasting Network
WPCACP - Water Pollution Control Association of Central Pennsylvania
ZHB - Zoning Hearing Board

GLOSSARY OF TERMS

A -

ACCRUAL BASIS - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods or services are received (whether or not cash disbursements are made at that time).

ACTIVITIES - Specific services performed to accomplish program objectives and goals.

AGENCY FUND - Permanently established endowments where the annual income is used at the discretion of the organization in pursuit of a particular mandate.

ALLOCATION - The assignment or distribution of available resources such as revenue, personnel, buildings, and equipment among various City departments, bureaus, divisions, or offices.

APPROPRIATION - An authorization made by City Council which permits the City to incur obligations and to make expenditures or resources.

APPROVED (ADOPTED) BUDGET - The revenue and expenditure plan for the City for the fiscal year as enacted by City Council.

ARBITRAGE - Excess investment profits earned on the investment of lower-cost, tax-exempt bond proceeds.

ASSESSED VALUATION - The value placed upon real and personal property by the County tax assessor/appraiser as the basis for levying taxes.

ASSET - Property owned by the City which has monetary value.

AUDIT - Prepared by an independent certified public accounting firm, the primary objective of an audit is to determine if the City's general purpose financial statements present fairly the City's financial position and results of operations in conformity with the generally accepted accounting principles.

B -

BALANCED BUDGET - Proposed revenues and other resources equal proposed appropriations.

BOND - A long-term promise to repay a specified amount of money (the face value amount of the bond) on a particular date (maturity date). Bonds are primarily used to finance capital projects.

BUDGET - A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures to fund City services in accordance with adopted policy.

BUDGET CALENDAR - The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT - A compilation of the spending and funding plans for the various funds, along with supporting narrative, schedules, tables, and charts which, in total, comprises the annual resource allocation plan.

BUDGET ORDINANCE - An ordinance considered and adopted by City Council to formally enact the proposed budget as amended.

BUDGET TRANSFER - Adjustment made to the budget during the fiscal year to properly account for unanticipated changes that occur in revenues and/or expenditures and for program initiatives approved during the fiscal year.

BUREAU - The largest organizational component within a department which design is tied to service output or function.

C -

CAPITAL IMPROVEMENT PLAN (CIP) - A multi-year plan to provide for equipment acquisition, improvement to public facilities, and construction of new facilities.

CAPITAL OUTLAY - Expenditures relating to the purchase of equipment, facility modifications, land, and other fixed assets.

GLOSSARY OF TERMS

CAPITAL PROJECTS FUND - A fund to account for the acquisition or construction of major capital facilities.

CASH BASIS - The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when actually paid.

CREDIT RATING - The credit worthiness of an entity, as evaluated by independent agencies such as Moody's Investors Service, Inc. and Standard and Poor's Corp.

D -

DEBT SERVICE - Payment of interest and principal on an obligation resulting from issuance of bonds and notes.

DEBT SERVICE FUND - A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

DEFICIT - An excess of liabilities and reserves of a fund over its assets.

DEPARTMENT - The largest organizational component of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

DESIGNATED FUND BALANCE - A portion of unreserved fund balance assigned by City policy for a specific future use.

DIVISION - The largest organizational component within a bureau which design is tied to a specific service output or function.

E -

ENCUMBRANCE - A reservation of funds for an anticipated expenditure prior to actual payment for an item. Funds are reserved or encumbered once a contract obligation has been signed for an item, but prior to the cash payment actually being dispersed.

ENTERPRISE FUND - A fund used to account for revenues received for goods and services provided to the general public on a continuous basis and primarily financed through user charges.

EXPENDABLE TRUST FUND - Funds whose principal and income may be expended in the course of their designated operations. These funds may also be used to account for endowments whose principal may be expended in the course of their designated operations.

EXPENDITURE - Actual outlay of money for goods or services.

EXPENSE - Expenditures and other obligations (e.g., encumbrances) to expend money for goods and services.

F -

FICA - City's portion of mandatory Social Security contribution (6.20%) and mandatory Medicare contribution (1.45%) for its employees payable to the federal government.

FISCAL YEAR (FY) - A twelve-month period designated as the operating year for an entity. The fiscal year for the City of Harrisburg is January 1 - December 31.

FIXED ASSET - Asset of a long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined fixed assets as those with an expected useful life in excess of one year and an acquisition cost in excess of \$5,000.

FRINGE BENEFITS - Health and welfare related benefits for all full-time employees, such as medical, dental, vision, and life insurance coverage, and a prescription drug plan which are included in the employee's compensation package.

FUND - An accounting entity that records all financial transactions for specified activities or government functions. The six fund types used by the City are - General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds, Propriety (Utility) Funds, and Trust and Agency Funds.

GLOSSARY OF TERMS

FUND BALANCE - A cumulative excess of revenues over expenditures segregated by fund.

G -

GENERAL OBLIGATION BOND and NOTE - Forms of borrowing (debt financing) which reflect written promises from the City to repay sums of money on specific dates at specified interest rates backed by the full faith, credit, and taxing power of the municipality.

GOVERNMENTAL FUNDS - Funds that account for the services provided to the general citizenry as opposed to a specific group. These funds focus on current financial resources, emphasizing budgetary control and available cash.

GRANT - A sum of money allotted from a specific governmental or non-profit organization to be used under certain circumstances for a designated purpose(s).

I -

INFRASTRUCTURE - The basic physical framework or foundation of the City, referring to its buildings, roads, bridges, sidewalks, water system, and sewer system.

INTERFUND TRANSFER - A transfer of money from one fund of the City to another fund of the City.

L -

LIABILITY - Debt or other legal obligations arising out of transactions in the past which must be paid, renewed, or refunded at some future date.

LINE-ITEM BUDGET - A budget that lists detailed expenditure categories such as salary, postage, and maintenance service contracts. The specific amount budgeted is also listed by category.

LONG -TERM DEBT - Debt with a maturity of more than one year after date of issuance.

M -

MILL - A taxation unit equal to one dollar of tax obligation for every \$1,000 of assessed valuation of property.

MILLAGE - The total tax obligation per \$1,000 of assessed valuation of property.

MODIFIED ACCRUAL - The method of accounting that is a mixture of both cash and accrual bases concepts. Revenues are recorded when they are both measurable and available to meet current liabilities. Expenditures are recorded when goods or services are received.

N -

NOTE - A short-term promise to repay a specified amount of money (the face value of the note) on a particular date (maturity date). Notes are primarily used to supplement current cash flow in anticipation of taxes and other revenues to be received, or to provide interim financing for capital projects in anticipation of the issuance of bonds.

O -

OBJECTIVE - A statement of purpose defined more specifically than a goal. (A goal may include several related objectives.) An objective normally indicates anticipated levels of achievement and is usually time limited and quantifiable.

OPERATING EXPENSES - Ongoing costs associated with sustaining City government operations such as: communications, professional fees, utilities, insurance, rentals, maintenance and repairs, contracted services, supplies, and minor capital.

ORGANIZATIONAL CHART - A chart representing the authority, responsibility, and relationships among departments, bureaus, and divisions within the City organization.

GLOSSARY OF TERMS

P -

PART I CRIME - Crimes that are classified as felonies, which are punishable by imprisonment. These crimes are more severe than a misdemeanor. These crimes consist of murder, rape, homicides, burglary, etc.

PART II CRIME - Crimes that are classified as misdemeanors, which are less offensive than felonies. These crimes consist of terroristic threats, trespassing, misconduct, theft, etc.

PART-TIME POSITION - A position regularly scheduled for no more than 25 hours per week.

PERFORMANCE-BASED BUDGETING - A method of allocating resources to achieve specific objectives based on program goals and measured results.

PERFORMANCE INDICATOR - A variable measuring the degree of goal and objective fulfillment achieved by programs.

PERSONNEL SERVICES - Expenditures relating to compensating employees of the City including wages, salaries, and special pay such as longevity, holiday, vacation, sick, personal, and bereavement; overtime and shift differential; fringe benefits such as FICA, health, and life insurances; and miscellaneous expenditures such as pension plan contributions, workers' compensation, and unemployment compensation costs.

PROGRAM - An organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities.

PROPOSED BUDGET - The City's resource allocation plan for the fiscal year as prepared and recommended by the Mayor for consideration by City Council.

PROPRIETARY FUND - A fund that accounts for businesslike operations that intend to recover their full cost through charges to customers and users.

R -

RESOURCE ALLOCATION PLAN - The City's revenue and expenditure plan for the fiscal year.

REVENUE - Money received or collected by the City through taxation, licenses, grants, fees, fines, forfeitures, charges, investments, and interfund transfers.

REVENUE BOND - Long-term borrowing that is backed by the revenues from a specific project such as a water or sewer system improvement.

RISK MANAGEMENT - The coordinated and continuous effort to minimize potential financial and human resource losses arising from workers' compensation, liability, and property exposures.

S -

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

T -

TAX BASE - The total value of taxable property in the City.

U -

UNIT - The smallest organizational component within a bureau which by design further delineates the distribution of workload to achieve a specific output or function.

Y -

YIELD - The rate of return earned on an investment based on the cost of the investment.

BUDGET ORDINANCES

FILE OF THE CITY COUNCIL

NO. 1 Session of **2006**

MOVED BY VERA JEAN-WHITE, JANUARY 10, 2006

SECTION 1. GENERAL FUND TOTAL **\$ 59,120,877**

Appropriations in the amount of Fifty-Nine Million, One Hundred Twenty Thousand, Eight Hundred and Seventy-Seven Dollars are hereby made to the General Fund as follows:

FOR GENERAL GOVERNMENT **\$ 4,646,956**

To City Council	\$ 476,596
To Mayor's Office	455,863
To City Controller	240,600
To City Treasurer	719,305
To City Solicitor	424,521
To Human Relations Commission	191,418
To City Engineer	1,478,949
To Mayor's Office for Economic Development And Special Projects	659,704

FOR DEPARTMENT OF ADMINISTRATION **\$ 3,939,592**

FOR DEPARTMENT OF BUILDING & HOUSING DEVELOPMENT **\$ 1,229,112**

FOR DEPARTMENT OF PUBLIC SAFETY **\$ 27,785,884**

FOR DEPARTMENT OF PUBLIC WORKS **\$ 6,345,555**

FOR DEPARTMENT OF PARKS & RECREATION **\$ 3,130,463**

FOR GENERAL EXPENSES **\$ 3,191,382**

FOR TRANSFERS TO OTHER FUNDS **\$ 8,851,933**

26 **SECTION 6. LANDFILL/INCINERATOR UTILITY FUND** **\$ 23,064,840**
 27 Appropriations in the sum of **Twenty-Three Million, Sixty-Four Thousand, Eight**
 28 **Hundred and Forty Dollars** are hereby made to the Sewerage Utility Fund as follows:

29	Operations	\$ 12,932,134
30	Capital Outlay	1,533
31	Debt Service	9,478,173
32	Miscellaneous	653,000

33 **SECTION 7. SEWERAGE UTILITY FUND** **\$ 13,150,200**

34 Appropriations in the sum of **Thirteen Million, One Hundred Fifty Thousand, Two**
 35 **Hundred Dollars** are hereby made to the Sewerage Utility Fund as follows:

36	Operations	\$ 10,917,920
37	Capital Outlay	0
38	Debt Service	2,232,280

39 **SECTION 8. ESTIMATED RESOURCES**

40 The estimated resources of the City of Harrisburg for the year 2006 are as follows:

41	GENERAL FUND	\$ 59,120,877
42	STATE LIQUID FUELS TAX FUND	856,557
43	DEBT SERVICE FUND	8,916,996
44	WATER UTILITY FUND	17,637,083
45	SANITATION UTILITY FUND	4,238,790
46	LANDFILL/INCINERATOR UTILITY FUND	23,064,840
47	SEWERAGE UTILITY FUND	13,150,200
48	<u>TOTAL 2006 PROPOSED BUDGET:</u>	<u>\$ 126,985,343</u>

49

49 **SECTION 9. DELEGATION**

50 Appropriate City officials are authorized and directed to take such actions as are
51 necessary to effectuate this ordinance.
52

53 **SECTION 10. SEVERABILITY**

54 If any provision, sentence, clause, section, or part of this ordinance or the application
55 thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or
56 invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall
57 not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this
58 ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this
59 ordinance would have been adopted had such unconstitutional, illegal or invalid provision,
60 sentence, clause, section, or part not been included herein.

61 **SECTION 11. REPEALER**

62 All ordinances or parts of ordinances in conflict herewith be and the same are hereby
63 repealed.

64 **SECTION 12. EFFECTIVE DATE**

65 This ordinance shall take effect in accordance with the provisions of the law.

66 Seconded by: Wanda R. D. Williams

67
68 PASSED by City Council on the 24th day of January 2006

69
70 SIGNED by the Mayor on January 27, 2006

71
72
73 Ord 1-2006-Budget Ordinance
74 Idrive-Bills2006
75

FILE OF THE CITY COUNCIL

NO. 2 Session of **2006**

MOVED BY VERA JEAN-WHITE, JANUARY 10, 2006

An ordinance amending Bill No. 47-2002 of the Codified Ordinances of the City of Harrisburg, Title V, Licensing and Taxation, Part V, Real Estate Taxes, Chapter 5-501, Property Tax, by establishing for the year Two Thousand Six (2006) a tax levy on land and improvements and providing for the distribution of taxes levied and assessed.

SECTION 1. TAX LEVY ON LAND, Section 5-501.1

There is hereby levied and assessed against all land within the City of Harrisburg, which is taxable for City purposes, exclusive of buildings and site improvements located thereon, if any, and upon all persons owning said land, a tax at the rate of **Twenty-Four and Four Hundred Fourteen Thousandths Mills (.024414)** per dollar for the fiscal year 2006. For purposes of computing said tax, the valuation of said land as taken from the books and records of the Dauphin County Assessor of Taxes shall be used. Said tax amounts to **Two Dollars and Forty-Four and Fourteen Hundredths Cents (\$2.4414)** on each \$100.00 of assessed value.

SECTION 2. TAX LEVY ON BUILDINGS AND IMPROVEMENTS, Section 5-501.2

There is hereby levied and assessed against all buildings and site improvements, whether residential, commercial or otherwise, within the City of Harrisburg, which are taxable for City purposes, exclusive of the land on which such buildings and site improvements are located and upon all persons owning such buildings and site improvements, a tax at the rate of **Four and Sixty-Nine Thousandths Mills (.004069)** per dollar for fiscal year 2006. For purposes of computing said tax, the valuation of said buildings and site improvements as taken from the books and records of the Dauphin County Assessor of Taxes shall be used. Said tax amounts to **Forty and Sixty-Nine Hundredths Cents (\$.4069)** on each \$100.00 of assessed value.

SECTION 3. TAX DISTRIBUTION, Section 5-501.3

The tax levied and assessed pursuant to Sections 5-501.1 and 5-501.2 is amended to read as follows:

(a) For General Revenue, **One and Forty-Five Thousandths Mills (.001045) or Ten and Forty-Five Hundredths Cents (\$.1045)** on each \$100.00 of assessed value.

(b) For payment of Debt Service, i.e., payment on bonded indebtedness, **Five and Five Hundred, Eighty-Four Thousandths Mills (.005584) or Fifty-Five and Eighty-Four Hundredths Cents (\$.5584)** on each \$100.00 of assessed value.

(c) For a contribution to the Dauphin County Library System, **Thirty-Two Thousandths of One Mill (.000032) or Thirty-Two Hundredths of One Cent (\$.0032)** on each \$100.00 of assessed value.

(d) For contribution for recreation purposes, **One and Nine Hundred, Seventy-Five Thousandths Mills (.001975) or Nineteen and Seventy-Five Hundredths Cents (\$.1975)** on each \$100.00 of assessed value.

SECTION 4. DELEGATION

Appropriate City officials are authorized and directed to take such actions as are necessary to effectuate this ordinance.

SECTION 5. SEVERABILITY

If any provision, sentence, clause, section, or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section, or part not been included herein.

SECTION 6. REPEALER

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 7. EFFECTIVE DATE

This ordinance shall take effect in accordance with the provisions of the law.

Seconded by: Wanda R. D. Williams

PASSED by City Council on the 24th day of January 2006

SIGNED by the Mayor on the 27th day of January 2006

Ord 2-2006-Tax Ordinance amended tax bill 47-2002--realestate-licensing
Bills 2006/Idrive

