

**ACT 47**  
**RECEIVER STATUS REPORT**  
**SEPTEMBER 28, 2012**

**Section No. 11**  
**Exhibit No. 52**

C. ALAN WALKER, in his capacity as  
Secretary for the Department of Community  
and Economic Development,

Docket No. 569 MD 2011

V.

Respondent

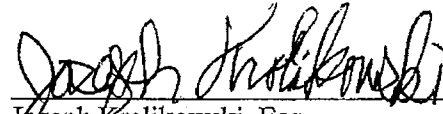
William B. Lynch, Receiver for the City of Harrisburg (the “Receiver”), by and through McKenna Long & Aldridge LLP, counsel to the Receiver, respectfully submits the following Status Report regarding the implementation of the Receiver’s Recovery Plan as confirmed by this Honorable Court on March 9, 2012.

28 SEP 2013 26

Respectfully submitted this 28th day of September, 2012.

**MCKENNA LONG & ALDRIDGE LLP**

By:



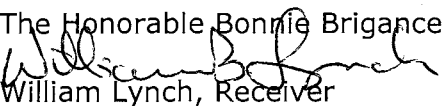
Joseph Krolikowski, Esq.  
Pennsylvania Bar No. 26300  
303 Peachtree Street, NE, Suite 5300  
Atlanta, Georgia 30308  
Tel: (404) 527-4000  
Fax: (404) 527-4198  
[jkrolikowski@mckennalong.com](mailto:jkrolikowski@mckennalong.com)

Mark S. Kaufman, Esq.  
Georgia Bar No. 409194  
Thurbert Baker, Esq.  
Georgia Bar No. 033887  
Gregory Brow, Esq.  
Georgia Bar No. 086422  
303 Peachtree Street, NE, Suite 5300  
Atlanta, Georgia 30308  
Tel: (404) 527-4000  
Fax: (404) 527-4198  
[mkaufman@mckennalong.com](mailto:mkaufman@mckennalong.com)  
[tbaker@mckennalong.com](mailto:tbaker@mckennalong.com)  
[gbrow@mckennalong.com](mailto:gbrow@mckennalong.com)

**Attorneys for the Receiver for the City of  
Harrisburg**

Date: September 27, 2012

To: The Honorable Bonnie Brigance Leadbetter

From:   
William Lynch, Receiver

Re: Update on Receiver's Plan Implementation

---

I am pleased to provide the Court with an update on the status of the implementation of the Receiver's Recovery Plan as confirmed by the Court on March 9, 2012. Since my confirmation as Receiver on May 24, 2012, I have continued to oversee and advance the implementation of the confirmed Recovery Plan

This memorandum, supported by the following attachments, provides the Court with a summary of the actions that have occurred since my appointment.

#### **Municipal Financial Recovery Advisory Committee**

Pursuant to the provisions of Section 711 of Act 47, I have convened semi-monthly meetings of the Municipal Financial Recovery Advisory Committee. Since the last status report, meetings were held on June 27, July 11 and 25, August 8 and 22, September 12 and 26. The meetings were attended by the 4 members designated in the Act: Mayor Linda Thompson; Council President Wanda Williams; David Black of the Harrisburg Regional Chamber (Governor's appointee); and Fred Lighty (Dauphin County designee for Commissioner Jeffrey Haste). At each meeting an update of the status of the implementation of the Recovery Plan was provided and questions were answered. A public comment period was also allowed. Minutes of all meetings except the September 26 meeting are attached.

The Receiver has held weekly status conference calls with the consulting team to coordinate all aspects of plan implementation. Below is a summary of key actions and issues related to the implementation of the confirmed plan.

#### **Cash Flow**

The Office of Receiver continues to closely monitor cash flow as part of the implementation of the confirmed Recovery Plan and the Emergency Action Plan. Through the end of August the City received \$32,587,361 in revenue and disbursed \$28,996,327 in expenditures. The City ended August with a cash balance of \$3,591,034. This positive balance is the result of tax revenues that have been received and the fact that the March debt service payment on certain General Obligation bonds of \$5,325,000 was not made. This positive balance is also the result of the City holding substantial payables that total approximately \$2,318,000 as of mid September. This cash balance will be drawn down in subsequent months as the bulk of the City's tax revenues have been received.

Further the City's bi-weekly payroll averages \$1 million and it processes payables on a bi-weekly basis. A second major debt payment of \$3,400,000 on General Obligation bonds was due on September 15 and upon my decision was not made due to the precarious cash flow position.

A review of the City's cash position following the second bi-weekly payable run and their payroll this week shows that the City will have approximately \$350,000 remaining. This balance is extremely low, however the City should receive a substantial 3<sup>rd</sup> quarter earned income tax distribution and its state aid for pensions in October. We now project that the City will experience a \$11,990,000 structural deficit for FY 12 and a cumulative deficit of \$14,821,000.

Efforts continue to monitor City expenditures including the review of payables on a bi-weekly basis prior to City disbursements and the review of all position vacancies. The largest outstanding payables are for medical insurance to Highmark and I have advised the City to maintain communication with Highmark to apprise them of the City's cash flow status and avert a termination of coverage. Requests to fill vacancies are submitted to the Office of the Receiver and approval is required by the Receiver prior to positions being filled. To date only limited requests have been approved when properly supported as critical to providing necessary and vital services. I have further advised the City to continue to follow the provisions of the Emergency Action Plan and the confirmed plan in funding only those activities that are essential to maintaining "vital and necessary services" and provide for the health, safety and welfare of City residents. The latest actual and projected cash flow along with a revenue/expenditure report thru September 25 is attached.

### **Operational Issues**

The Receiver previously engaged the Novak Consulting Group to assist with both the development and implementation of the Recovery Plan. The Office of the Receiver has continued to work with the Novak Consulting Group to further implementation efforts. Implementation efforts have focused on key priorities that are the most time sensitive.

The appointment of a Ricardo Mendez- Saldivia as Chief Operating Officer has greatly strengthened the City's administrative capacity. Since starting on April 23, Mr. Mendez-Saldivia has taken an active role in administering day to day City operations. I have met with him on multiple occasions to review the confirmed Recovery Plan and he has demonstrated his full support in working aggressively on its implementation. To that end Mr. Mendez-Saldivia lead the City's effort in working with the City's appointed auditor to complete the 2009 audit in July, to engage with state assistance outside accounting assistance to complete by early September the preparation work for the 2010 audit and to then engage the City's appointed auditor to begin work on the 2010 audit which is to be completed by mid-November. The City's intention now is to focus on preparation work for the 2011 audit and to have this audit completed by January 31, 2013.

With the assistance of the Novak Team, the City is integrating a management system within City operations that will more clearly define goals and objectives. The Team has also looked at restructuring the City's finance department and provided recommendations that the City is implementing to strengthen capacity in this critical area. A review of the City's fleet operations is underway with the goal of exploring consolidation and efficiency with fleet operations. Work is also underway on the development of the RFP's for outsourcing the sanitation operation and for insurance coverage again with the goal of effecting further cost containment within City operations.

Since plan confirmation, the Novak Consulting Group has continued to meet regularly with directors of all City departments to review priorities and provide further guidance on implementation activities. A matrix documenting the status of implementation initiatives is attached.

### **Collective Bargaining**

The Office of the Receiver's Act 47 Team has developed the maximum costs and expenses for each of the bargaining units consistent with the recent changes in the Act 47 legislation as a result of Act 133 of 2012. Based on these maximum costs and the updated financial projections Labor Counsel for the Receiver has developed negotiation proposals and is in the process of scheduling negotiations with all three unions - the FOP, the IAFF and AFSCME. It is the hope that agreements will be reached with each of the unions to be effective on or before January 1, 2013. It is critical that significant cost containment of labor contracts be achieved as early as possible as labor represents almost 70% of the City's operating budget.

### **Mandamus**

On August 27, 2012, The Commonwealth Court entered an Order granting in part and denying in part a *petition for issuance of Writ of Mandamus* filed by the Receiver, following a hearing held on August 23, 2012. The Office of the Receiver, the City of Harrisburg and the Harrisburg City Council participated through their respective legal counsel. Subsequently, the parties to the hearing jointly filed an *Application for Reconsideration*, effectively staying the proceedings so the parties could pursue possible resolution of the matter. That resolution effort continues at this time.

### **Asset Monetization**

The Receiver had previously engaged the law firm of McKenna Long & Aldridge (MLA) and Public Resource Advisory Group (PRAG) to assist with the monetization of the Resource Recovery Facility, the Parking Facilities and the management of the water and sewer systems. Screening and Evaluation Teams (SET) have also been established for each of the asset monetizations. A very detailed procurement process was established for each of the assets and has been underway over the last three months. The Receiver has worked hard to establish a process that is fair and transparent, yet rigorous and protective of competitive-sensitive and propriety information. The process was designed to be open to all potential offers and to maximize the value of the assets. Each of these processes has continued to move forward and I continue to actively participate. A summary of the actions that have occurred with each of the 3 asset monetizations is attached. Prior to any final action being taken on the assets, any proposed asset sale or monetization will be brought back to the Court for confirmation or approval as the Court has directed.

As we proceed with implementation of the confirmed Recovery Plan, we will continue to keep the Court apprised of the status of the confirmed plan.



## **MINUTES**

### **MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG**

**July 11, 2012**

**8:30 a.m.**

**Council Chambers**

**Present:** William B. Lynch, Receiver

Mayor Linda Thompson

Wanda Williams, City Council President

David Black, President & CEO, Harrisburg Regional Chamber & CREDC

Fred W. Lighty, Esquire (Alternate), Dauphin County Board of Commissioners

Anne Morrow (Recording Secretary)

#### **Reports**

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:33 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the June 27, 2012 Committee meeting.

Hearing none, Mr. Lynch said the minutes stand approved and would be posted to the Receiver website. Mr. Lynch took a minute to thank Anne Morrow for her time and the work she puts into policing up the minutes for these meetings.

Mr. Lynch noted the Office of the Receiver filed a Petition of Writ of Mandamus with the Commonwealth Court on July 10, 2012 on some items in the Receiver's confirmed Plan that City Council has not approved. We are awaiting notice of the hearing from Commonwealth Court but believe it will be scheduled for July 25.

Mr. Lynch asked Mr. Reddig to provide an update on the implementation of the confirmed Recovery Plan.

#### Asset Monetization

- Mr. Reddig noted the beginning processes of negotiation regarding the incinerator continue with Lancaster County Solid Waste Municipal Authority ("LCSWMA"). There has been some follow-up discussion with LCSWMA as well with both AGM and Dauphin County in apprising them of these discussions as we work towards an ultimate resolution of debt.
- Mr. Reddig noted the parking monetization Screening and Evaluation Team ("SET") has just completed a memo of recommendation to the Office of the Receiver which is currently under review. It's anticipated this will lead to a short listing of the entities that are involved in the parking monetization.
- Mr. Reddig noted the water and sewer SET is in dialog with the vendors that are involved with the water and sewer management monetization and that the process is moving along but at a slower pace.



### Operational Issues

- Mr. Reddig noted the Receiver has approved two HUD Fund positions, ESG Project Manager and Demolition Specialist, both of which are 100% funded by the Federal Housing & Urban Development Funding. Also approved was the Assistant Deputy City Treasurer position to assist in the Treasurer's office especially during a vacation time period.
- Mr. Reddig noted The Novak Consulting Group team has been working with Mayor Thompson and the Business Administrator on the management system. They've had several meetings along with the implementation team of the various department heads to put into place a monitoring process and a good structure as we move through implementation of the various recommendations that are in the confirmed Recovery Plan. The tracking process is in place and those meeting have been very productive.
- Mr. Reddig noted the Office of the Receiver in cooperation with The Harrisburg Authority has engaged the firm of Trout, Ebersole & Groff LLP to provide accounting assistance and work with the City in doing preparation work to bring their audits up to date. They began work the beginning of July to assist with preparation for the 2010 audit.

### Cash Flow

- Mr. Reddig noted the Receiver's office reviewed last week's check-run which was about \$565,000. Three quarters of it represented medical payments that were due for the months of April and May. There was also a payment to HACC for the Fire Academy payment for training of the new class of firefighters. The City is currently holding about \$1.4M in payables. They ended after that check-run with a balance of about \$1.95M. As we move thru July we anticipate that payroll and other critical payables will be able to be met, however, as we move into the late summer early fall timeframe, at least at this point, we anticipate the City's cash balance will go negative. The latest cash flow projections remain the same at our last meeting with a deficit, assuming that all the bills would be paid, at about \$12.6M. We are currently working with the City's finance office to get the end of June numbers and would anticipate by the next meeting that we will have mid-year information to report to you.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the City.

- Mr. Mendez-Saldivia noted the administration continues to move forward and is making progress on the implementation of the Act 47 initiatives. They met with The Novak Consulting Group and addressed the implementation of a management system in order to address operational issues, employee issues, financial performance, customer service and key products. In addition to that, with the help from the Department of Community and Economic Development, they have engaged an accounting firm to start preparation for the 2010 audit. The accounting firm is beginning to work this week. They have already taken care of all the help and support of logistics for the accounting firm to start.

- Mr. Mendez-Saldivia noted the latest development with initiative REV 14, which is a Host Fee Agreement between the City and The Harrisburg Authority, was approved by City Counsel in regards to the waste disposal agreement that needed to be amended and approved in accordance with Act 47.

#### Committee Comments

Mayor Thompson reiterated that her Administration, after having a meeting about a month ago with Mr. Cluck, informed the City of an Executive Order that was put forth by former Mayor Reed which gives Tipping Fees to The Harrisburg Authority in exchange for other matters. This Executive Order could not be located so the law bureau drew up legislation to send the Tipping Fees back to the City. These funds will be put into a restrictive account like a Trust and Agency Account to be used for environmental issues. This will be added to the City's illegal bulk dump and other infrastructure matters around Public Works. Mayor Thompson noted they are pleased that City Council voted and approved this issue at their session last evening.

Mayor Thompson noted that Mr. Kroboth, over the last three months, has been restricted to working only on the 2009, 2010 and 2011 audits. A timeframe is scheduled for a 2009 audit publication by month-end with a strong focus then on the 2010 and 2011 audits.

Mayor Thompson impressed upon the Committee to pay attention to what's happening on the hill regarding Bill 405. Mayor Thompson noted Mr. Black is the Chair of the Chamber of Commerce and is pro-business and asked for Mr. Black's support on this issue. Mayor Thompson also suggested to Mr. Lynch that a joint letter be addressed to the legislator opposing Bill 405 and copying the Governor and the Secretary of DCED. If this bill passes the City will lose approximately \$1M and she noted the City cannot afford to lose that money.

Mayor Thompson noted that there's a lot of revenue the City is not collecting due to fines from traffic violations and such. When these offenders don't appear at their court hearing the fine is sent to the District Justice ("DJ") office for collection. The DJ office is then to collect these revenues for the City but Mayor Thompson is finding out they are not. Mayor Thompson is not sure how much revenue is not being collected or how far back it goes. Mayor Thompson noted she and Mr. Hess will be meeting with the Chief Judge who is responsible for the District Justice offices to find out why they aren't collecting this money. Mayor Thompson noted she has been working over the past two months with the Chief of Police and his staff on how to create a program to outsource this work to some of the constables who can help in collecting these revenues for the City.

Mayor Thompson noted she has asked Mr. Hess to file a Petition of Mandamus against Controller Miller for his failure and neglect of his duties to sign the contract for the sale of the artifacts. This petition is to be completed today and filed with the court.

Council President Williams and Mr. Lighty did not have any comment.

Mr. Black addressed some of the questions Mr. Cluck had at our last meeting.

- The one question Mr. Cluck addressed to the Committee members had to do with the Governor's view on bankruptcy. Mr. Black noted he doesn't speak for the Governor and can only give his own opinion on it. Mr. Black stated he doesn't have a problem with the legislature extending the bankruptcy prohibition to November 30, 2012. Mr. Black said he understands Mr. Cluck's concerns for the Receiver to have bankruptcy as an option as negotiations continue with the asset

monetization and in dealing with the City's stranded debt. Mr. Black noted he wouldn't read into anything the Governor's signing the bill as it was part of the fiscal code and there were a gazillion things the Governor had to sign besides the one line involving the prohibition on bankruptcy.

- The second question Mr. Black addressed had to do with the Committee members and their opinion on the earned income tax that is being imposed on City residents. Mr. Black noted he supports the implementation of the earned income tax as it is one of the initiatives in the Receiver's Plan and feels it's pretty straight forward. Mr. Black feels that it's an unfortunate thing but it has to be done and respects the position of Council. Nobody wants to raise taxes on folks but obviously it is part of the Plan and it's integrated into the ultimate solution for what needs to be done. Mr. Black doesn't feel it's out of line with some of the suburban municipalities in the area.
- Mr. Black does see some progress and commended the Mayor for her work with the Receiver, Mr. Reddig and the rest of the team. Mr. Black noted this is a painful process for the City but there's really little choice. He feels we all need to move forward with the Receiver's Plan that has been court approved. Mr. Black noted we need some positive things to happen. We're starting to see a little momentum as with the monetization especially with the incinerator. Mr. Black noted if the City can demonstrate through the Receiver's process that we're making some positive progress, whether it's in government or private sector, then this sends a very good message to the public on what's going on and what we're doing here.

Mr. Lynch agreed with Mr. Black's statements and felt that they were well said.

#### Public Comments

Mr. Cluck, resident of Harrisburg

- Mr. Cluck noted on a positive note, he thanked Mayor Thompson and Council President Williams for their actions on the host fee and said he hopes that it can be finalized with The Harrisburg Authority on July 25, 2012.
- Mr. Cluck responded to the answers and statements Mr. Black addressed. Mr. Cluck stated he didn't have a problem conceptually in raising the earned income tax for the City residents. Mr. Cluck noted the problem he has is that the earned income tax was the first item out of the box and that everybody has talked for months and months about "shared pain" but he doesn't see the pain being shared. The burden is on property owners who now also have to pay a School District tax increase. Mr. Cluck sees no effort anywhere to hold those responsible for the incinerator's financial crisis. Mr. Cluck noted there's no investigation, there's nobody looking at this and nothing's happening. He knows what the Receiver's doing and what they're trying to do but crimes have occurred. People should be subpoenaed. Mr. Cluck feels they should be put under oath and should have to provide documents and tell the truth on what their role was and when it occurred. Mr. Cluck doesn't care if it's the U.S. Supreme Court, the Securities and Exchange Commission or legislative hearings. Mr. Cluck cannot believe that there has not been any legislative hearing. Mr. Cluck

asked do they have no interest on the hill about swap reform or the local government having no debt reform? Mr. Cluck feels this Committee should make recommendations for legislative change. What you see on the front lines is what's happening around the state.

#### Committee Comments - continued

Mayor Thompson requested to let the record reflect that The Harrisburg Authority, through their attorney Goldberg and Katzman, sent over a revised piece of legislation regarding the Tipping Fee which Mayor's office rejected. She said the revised piece of legislation was calling for the City to take the Tipping Fee money and send it back to the Authority in the form of paying for leasing the facility where the artifacts are housed and also giving the Authority a fee for some sort of energy contract that they are claiming was in place years ago. But again, Mayor Thompson noted they couldn't find such documents. Mayor Thompson noted this is why she had this piece of legislation revert the Tipping Fee back to the City of Harrisburg. Mayor Thompson noted she was quite offended by such a piece of legislation because she felt that the City has been a gracious host to the Harrisburg Authority and while the prior administration was culpable for the failure of the incinerator. The Harrisburg Authority also had a Board of Directors that were responsible for oversight. Mayor Thompson said this was noted by a judge in a recent decision on the CIT that they failed in their oversight responsibilities. Mayor Thompson doesn't see a need to take any of this money and give it back to the Harrisburg Authority when the City is on the hook for over \$300M of debt of the Authority's and now the City's needs to lease some other assets. Mayor Thompson noted she was happy that Council didn't amend that legislation other than what was sent down by the Administration.

Mayor Thompson also responded to Mr. Cluck stating she knows there are many culprits that have gotten the City in this situation but asked if The Harrisburg Authority has any suing ability. Mayor Thompson noted if The Harrisburg Authority is fully aware of who caused this, i.e. attorneys or consultants, what authority do you have to go after them and sue them yourselves. Mayor Thompson noted the Authority shouldn't wait around for the Governor or anyone else to sue if they can sue these individuals themselves.

Mayor Thompson then noted the City did defease \$17M of debt as a result of selling the Harrisburg Hilton to a new owner. Mayor Thompson said they are pleased that the City is off the hook for this debt. This administration's goal is to streamline and reduce the City's debt. She said let them take on their own debt and take the debt off the backs of the City's taxpayers.

Council President Williams then asked to address Mr. Black's statement on the earned income tax that is being imposed on the City residents. Council President Williams noted the suburban municipalities are much richer than the residents of the city and also the City has a higher percentage of residents in poverty. Council President Williams asked Mr. Black if he lives in the City of Harrisburg. Mr. Black responded he did not. Council President Williams noted that Mr. Black would not know the effects of a tax being imposed on him along with a School District tax being imposed too. The residents just cannot afford it. Council President Williams noted that half the people in the City are losing their homes because they are single parents who have children and they cannot even afford to pay the bills they already have without facing an earned income tax. Council President Williams doesn't feel we're thinking about that. Council President Williams also noted that Mr. Black stated the Governor has a package deal. She said of course Senator Piccola did a takeover

of the school district and what happened - it was a failure. He did that on the back of a PIAA Bill to give control to the Mayor. This also impacted the Harrisburg School District children. Education went down ninety some percent. Council President Williams addressed Mr. Black saying he doesn't speak for Governor Corbett and she replied she isn't speaking for Governor Corbett either. Governor Corbett, Senator Piccola and Representative Grell do not feel the impact of what's happening along with the City and the School District. We need to consider that and that's what City Council is considering. Council's concern with the earned income tax is what impact it will have on City residents.

#### Public Comments - continued

Nevin Mindlin, resident of Harrisburg

- Mr. Mindlin noted with the exception of Council President Williams, this Committee is operating like King George and the Privy Council. Mr. Mindlin stated the fact is that in America there are provinces and you don't have taxation without representation. He also said there's no way in the world this should even be a consideration, trying to impose a tax by executive fiat. It's an absurdity. Mr. Mindlin doesn't agree with his friend, Mr. Cluck, regarding increasing taxes. Mr. Mindlin agreed with Council President Williams that there should be a regional tax because we live in a regional economy. Mr. Mindlin noted we are in a situation where we have segregation by economics. He said the right thing to do is to explain to the rest of Pennsylvania in a way that they can understand it as it applies to other places. He doesn't feel that's happening here. Mr. Mindlin feels the Committee is walking down a standard path and it doesn't make any sense at all to him. To those who are trying to impose this tax, Mr Mindlin hopes it comes back to bit them on their backsides. Mr. Mindlin also hopes the court turns around and tells them that they can't do what you're doing because that would be the best thing in the world for all of us here. We need to start facing the reality of what's really going on. Mr. Mindlin applauded Council for being willing to stand up and say no taxation without representation.
- Mr. Mindlin noted the Forensic Audit Report that was done discusses the shared responsibility. Shared responsibility isn't occurring and that's where the real criminality of all this really is. Mr. Mindlin asked the Committee to start having a real serious conversations and living the way Americans need to be living. We need to get down to the basics and stop papering it all over with nonsense like ligation up on the hill.

Mayor Thompson responded to Mr. Mindlin's public comments which lead to an extraneous discussion between Mayor Thompson, Mr. Mindlin and Council President Williams.

Mr. Lynch interrupted their discussion and requested that the meeting get back on schedule.

#### Public Comments - continued

Mr. Cluck, resident of Harrisburg

- Mr. Cluck noted we are a lively group of people and all supporters of the First Amendment and love this City. This is very obvious by everyone's passion here.
- Mr. Cluck noted he wasn't going to breach the attorney/client privilege but wanted the Committee, especially Mayor Thompson, to know that The Harrisburg Authority

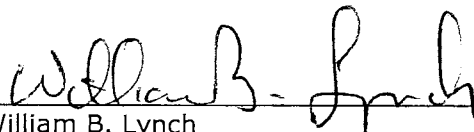
has received legal advice. The Harrisburg Authority has looked at the rights and remedies to the Authority with respect to those we believe are responsible. At this time we are also in communication with the law firm working with the Receiver's office who has their own ideas about the potential litigation.

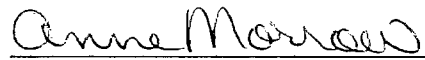
- Mr. Cluck noted the unfortunate thing is the action of legislation prohibiting the filing of bankruptcy. Not that they are going to file bankruptcy but if the negotiations go south there are legal remedies. The problem is that The Harrisburg Authority doesn't have subpoena power. That's where the Forensic investigation gets to a point and sort of leaves you hanging. It's like a great novel but we didn't give you the ending. The ending is in the subpoena power from the legislature or the U.S. Attorney to put them under oath and that's all we're seeking is the truth.

Mr. Lynch asked if there were any other comments from the public or Committee.

Hearing none, Mr. Lynch called this meeting adjourned.

Approved this 11<sup>th</sup> day of July 2012.

  
\_\_\_\_\_  
William B. Lynch  
Receiver for the City of Harrisburg

  
\_\_\_\_\_  
Secretary – Anne Morrow

## **MINUTES**

### **MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG**

**July 25, 2012**

**8:30 a.m.**

**Council Chambers**

**Present:** William B. Lynch, Receiver

Mayor Linda Thompson

Wanda Williams, City Council President

David Black, President & CEO, Harrisburg Regional Chamber & CREDC

Fred W. Lighty, Esquire (Alternate), Dauphin County Board of Commissioners

Anne Morrow (Recording Secretary)

#### **Reports**

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:33 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the July 11, 2012 Committee meeting.

Hearing none, Mr. Lynch said the minutes stand approved and would be posted to the Receiver's website.

Mr. Lynch made a brief announcement regarding the Harrisburg Parking Authority assets. Mr. Lynch stated he received recommendations earlier in the month from the Screening and Evaluation Team for the Parking Assets ("SET"), and have determined to accept the recommendation to continue the RFQ process with the following Selected Interested Parties ("SIPs"):

Harrisburg First

Harrisburg Forward, LLC

Keystone Parking Group

Morgan Stanley/Central Parking

Mr. Lynch understands that the SET, together with advisors McKenna Long & Aldridge and Public Resources Advisory Group, made its recommendation on the basis of an assessment of each SIP proposal and the extent to which further consideration and negotiation of each proposal likely would result in a successful transaction. Mr. Lynch also concluded it appropriate, pursuant to RFQ Section 1.1, to reduce the number of proposals to be further evaluated and begin negotiations forthwith.

Mr. Lynch asked Mr. Reddig to provide an update on the implementation of the confirmed Recovery Plan.

#### Operational Issues

- Mr. Reddig noted the Office of the Receiver and the Act 47 team continues to work with the City in reviewing the need to fill positions that relate to the City's ability to provide necessary and vital services. Based upon information provided by the City, including job descriptions and funding

availability as well as the impact of the positions, two general fund positions have been approved – a Zoning Officer and Parking Enforcement Officer, both are revenue generating positions. In addition, positions for two Motor Vehicle Operators for the Sanitation Department were approved. Other positions that were also approved are three positions in the Bureau of Sewage and four positions in the Bureau of Water, all of which are funded by utility fund revenues. The City is moving forward with the recruitment in filling these positions. Further, The Novak Consulting Group team continues to work with Mayor Thompson and the Business Administrator on the management system. The team has also been working with the Interim Director of the Department of Public Works in addressing management issues and assisting in the recruitment of a DPW Director. The Receiver, in cooperation with The Harrisburg Authority, has engaged the firm of Trout, Ebersole and Groff to assist in the preparation work for the 2010 audit. This accounting firm is working with Mr. Mendez-Saldivia and the finance department of the City on reconciliations and related activities necessary to prepare for the 2010 audit.

#### Cash Flow

- Mr. Reddig noted the Office of the Receiver reviewed last week's check-run which totaled \$162,900 of which the largest expense was two payments for medical expense to United Concordia which represented almost half of that total. Total medical expenses were 67% of the total. Beyond that utilities represented the next largest amount and all other invoices were under 2% and appear to be normal and reasonable. After that check-run and the distribution of those payments, along with a payroll from last week of just over \$1M we will have \$1.2M remaining in available funds. The City is currently holding about \$1.4M for future payments including two payments to Highmark which are the largest outstanding invoices in the amount of about \$870,000. As we move through the summer revenues are still coming in but are diminishing and we will be reaching a point early in the fall where the City will, in all likelihood, go negative. We're monitoring cash flow on a very close basis in concert with the City. Cash flow projections, assuming all bills are paid, continue to reflect a year-end deficit of approximately \$12.6M.

#### Asset Monetization

- Mr. Reddig reiterated that the parties for the parking asset monetization are down to four firms.
- Regarding the Resource Recovery Facility, Mr. Reddig noted there have been meetings with Lancaster County Solid Waste Management Authority ("LCSWMA") over the last several weeks as we move through the negotiation process. There have also been meetings with the State Department of General Services (DGS) and there's another meeting with DGS this week regarding the electrical contract that is an integral part of the LCSWMA proposal.
- Mr. Reddig noted there have been meetings with AGM and Dauphin County as we continue to engage with the creditors in providing them



information in ultimately negotiating with them a resolution to those claims.

- Mr. Reddig noted with respect to the water and sewer monetization, dialog continues with the various vendors that are involved. There have been discussions with the Suburban Municipalities with respect to the claim over the sewer surcharge and are working towards a resolution. Integrated into that is also a discussion on how to collectively address the Chesapeake Bay Consent Order. There's another meeting scheduled with that group in a few weeks.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the City.

- Mr. Mendez-Saldivia noted the Act 47 team has met with City managers and reviewed the initiatives. The City continues to make progress on various fronts. They met with the different stakeholders, including the accounting firm provided by DCED, and continue to make progress in preparation for the 2010 audit. Mr. Mendez-Saldivia noted weekly meetings have been established with his office and the Finance Director. A schedule is being developed to identify deadlines and completion dates. The 2012 mid-year budget is scheduled to be completed and delivered on time.
- Mr. Mendez-Saldivia noted the administration continues to work on filling all approved City staff vacancies. They also continue to face the challenge of rebuilding the Finance Bureau and filling key vacancies in other City departments.
- Mr. Mendez-Saldivia noted with the completion of the 2009 audit the administration is developing momentum in working with the Receiver and DCED in order to make sufficient progress and accomplish a goal within the financial Recovery Plan.

#### Committee Comments

Mayor Thompson was pleased to announce that the 2009 audit is now complete. She noted she would be having a press conference to present the 2009 audit to the public, the media and all public officials.

She will laid it out in three parts –

- 1.) What this Administration inherited,
- 2.) Where we are now and
- 3.) What we plan on doing to aid us in restoring solvency.

The 2009 audit will give the community a clear picture of what happened as this Administration endured a significant transition from one leadership to another. Mayor Thompson noted this gives everyone a roadmap as to what City's finances look like and what is necessary for all the stakeholders, including the unions and creditors, such as AGM and the County, to own up to what their responsibility is in moving this City forward. This administration has taken on the most controversial task to present to the public the necessary pain that the administration will have to bring to the table. Mayor Thompson expressed that this leadership was demonstrated in 2010 and moving forward by reducing

and streamlining City government, making it more cost efficient, sacrificing key critical positions by delaying hiring and freezing and abolishing positions, reducing the workforce by 20%, renegotiating contracts and putting into place nine Executive Orders throughout her tenure. These Executive Orders were part of helping to reduce and eliminate the structural deficit and with the support of Council they implemented an 8% property tax increase. Mayor Thompson noted she is also proposing the earned income tax (EIT) increase to City Council. She believes the EIT is necessary for the City to move forward so they can literally say to the creditors that this administration and the taxpayers have put their part of sharing "the pain" on the table. Then it will be time for everyone else to be responsible for their part, including the unions, AGM and the County. Mayor Thompson noted this is the only way the City can resolve the City's issues and lead them to solvency over the next four to five years. Mayor Thompson is please to say in all the noise that they have stayed focused in continuing to move this City forward.

Council President Williams made a statement requesting a status of her July 23 letter to Mr. Lynch, Receiver, requesting funds for City Council to hire a solicitor to represent City Council in the Mandamus Petition that was filed against them by the Office of the Receiver.

Mr. Lynch noted the letter from Council President Williams was received, is being reviewed and a response will be given to her promptly.

Mr. Lighty and Mr. Black had no comments at this time.

#### Public Comments

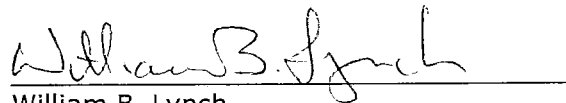
Mr. Vincent Boyer, resident of Harrisburg

- Mr. Boyer noted he represents the poor people of this city. He said it's a disgrace being in this great city and having the infighting between the Mayor and City Council.
- Mr. Boyer said it was a pleasure seeing Mr. Lynch and that he heard a lot about him. Mr. Boyer gave his congratulations to Mr. Lynch.
- Mr. Boyer asked the committee members not to forget the other ones in this great city that no one's talking about – the poor and the ones lying on the curbs. Mr. Boyer stated to the committee when you make your great decision here to help this City when will you help us?


Mr. Lynch asked if there were any other comments from the public or Committee.

Hearing none, Mr. Lynch called this meeting adjourned at 8:50 a.m.

Approved this 25<sup>th</sup> day of July 2012.



William B. Lynch  
Receiver for the City of Harrisburg



Secretary – Anne Morrow

## **MINUTES**

### **MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG**

**August 8, 2012**

**8:30 a.m.**

**Council Chambers**

**Present:** William B. Lynch, Receiver

Mayor Linda Thompson

Fred W. Lighty, Esquire (Alternate), Dauphin County Board of Commissioners

Anne Morrow (Recording Secretary)

**Absent:** Wanda Williams, City Council President

David Black, President & CEO, Harrisburg Regional Chamber & CREDC

#### **Reports**

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:36 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the July 25, 2012 Committee meeting.

Hearing none, Mr. Lynch said the minutes stand approved and would be posted to the Receiver's website.

Mr. Lynch asked Mr. Reddig to provide an update on the implementation of the confirmed Recovery Plan.

#### Operational Issues

- Mr. Reddig noted the Office of the Receiver continues to work with the city in the need to fill various positions that relate to the city's needs to provide necessary and vital services. The city is now proceeding with recruitment efforts for the ten positions that were approved on July 23 which we also announced at the last advisory committee meeting on July 25. The city has recently extended offers for employment for the Senior Accountant and also the DPW Director positions.
- Mr. Reddig noted The Novak Consulting Group continues to work with Mayor Thompson and the Business Administrator to assist with implementation of various recommendations of the confirmed Plan. They are working with the Mayor and Ricardo to integrate a management system for city operations. This should go into effect this month.
- Mr. Reddig noted there are meetings this week with Fire Department management on safety policies. The team will also examine the city's fleet operations and explore efficiencies and cost savings.
- Mr. Reddig noted over the last two weeks we have been working with the city administration on the RFP for sanitation service and will also be assisting in the development of an RFP for insurance coverages.

- Mr. Reddig noted that Trout, Ebersole & Groff has made significant progress with the 2010 audit preparation work. The consulting firm has been working with the city for the past four weeks and they're estimating the preparatory work will be completed by Labor Day. This will allow the city's CPA to begin work on the 2010 audit.

#### Cash Flow

- Mr. Reddig stated the Receiver's office reviewed last week's check-run of approximately \$254,000. The largest expense was for medical expense to Express Scripts for April and May totaling \$149,000. The next largest payment was \$44,000 for gasoline. Remaining bill amounts were about 3% of the total with most being insurance related. All appeared to be normal and reasonable expenditures.
- Following that check-run and payroll of about \$990,000 last week, the city has just under \$1M in available cash. The city is holding about \$3M in payables. This amount has increased from significantly from the last check-run. The largest amount being to Highmark for about \$1.8M and then payments to Express Scripts of about \$550,000. As we move towards the end of the summer we anticipate other critical payables will be met but it's going to be very difficult as we move into September the city's cash flow is going to turn negative. We will attempt to accelerate certain payments from the State to help address cash flow. Our estimate at year-end remains at \$12.6M deficit, assuming that all bills are paid. We are currently working with the Finance office for the July numbers to report at the next advisory committee meeting.

#### Asset Monetization

- Mr. Reddig noted following the announcement that Lancaster County Solid Waste Management Authority ("LCSWMA") had been the selected party to negotiate the sale of the Resource Recovery Facility ("RRF"), initial discussions have occurred. The Receiver's office is also continuing discussions with DGS on the sale of electricity, which is an integral part of the LCSWMA proposal. A meeting is scheduled later this week with DGS to continue that dialog.
- Mr. Reddig noted all parties that were selected and who were not selected for the parking monetization have been notified. Initial discussions have been started with the four selected parties.
- Mr. Reddig noted the Screening and Evaluation Team for the water and sewer monetization continues to dialog with the firms that are involved. The Office of the Receiver participated in a telephone conference meeting with EPA and DEP last week and another meeting with those departments is scheduled for next week that the Office of the Receiver will be participating in. A meeting with the surrounding municipalities is also scheduled for next week to discuss how all parties can collectively work together to address the Chesapeake Bay Consent Order.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the City.

- Mr. Mendez-Saldivia noted their team continues to make progress on the 2010 audit.
- After their progress meeting last Wednesday with the accounting firm, Mr. Mendez-Saldivia stated he is able to confirm an August 31 completion date with a formal draft delivery date by September 10. In accordance with the accounting firm they have not found anything unexpected and everything has been posted so far for 2010.
- From a cash standpoint, everything is in good standing for 2010. The accounting firm has more than enough information to continue to work full time on the project.
- Mr. Mendez-Saldivia received a very lengthy compliance list that contains about 200 to 300 items or more. He reported that 95% of information on the list has been provided to the accounting firm.
- Mr. Mendez-Saldivia stated they are currently engaging the city with the auditing firm of Maher Duessel and working with Tracey Rash. Their goal is to have these two professional teams, the accounting firm and the auditing firm, together with the city administration, work concurrently to accomplish this important task. A meeting was held with Tracey Rash, with the help of Mayor Thompson, to develop timeframes to finish the preparatory work and develop the transition work of all documents with a completion date.
- Mr. Mendez-Saldivia noted the teams continue to make progress with the Act 47 plan implementation as they work with The Novak Consulting Team on the initiatives in the areas of public works and fire as well as other revenue generated initiatives.
- Mr. Mendez-Saldivia reported on management operations and stated the mid-year report is on schedule to be submitted to City Council by August 14. A proposed 2013 budget calendar is also being developed and the budget is scheduled to be submitted to City Council by November 27, according to the Third Class City Code.
- Mr. Mendez-Saldivia noted they continue to make progress and accomplish their reporting requirements in accordance with the SEC requirements. They also continue to solve problems on several areas across the board from sanitation, FEMA and labor management meetings. A meeting is scheduled to take place next week with AFSCME. We are working on the stabilization of the finance bureau, where a senior accountant was just hired. A request was just sent to the Office of the Receiver for the vital and necessary services of an Accounting Manager. We are also working on the finishing touch for the development of the implementation of the finance bureau's strategic management plan. We also continue to work hard in the process of filling other vacancies in the operations and revenue bureau and in the water plant.

Mr. Lynch thanked Mr. Mendez-Saldivia for everyone's hard work.

Committee Comments

Mayor Thompson and Mr. Lighty had no comments.

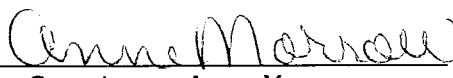
Public Comments

There were no public comments.

Hearing no comments from the committee members or public, Mr. Lynch called this meeting adjourned at 8:48 a.m.

Approved this 8<sup>th</sup> day of August 2012.

  
\_\_\_\_\_  
William B. Lynch  
Receiver for the City of Harrisburg

  
\_\_\_\_\_  
Secretary – Anne Morrow

## **MINUTES**

### **MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG**

**August 22, 2012**

**8:30 a.m.**

**Council Chambers**

**Present:** William B. Lynch, Receiver

Wanda Williams, City Council President

David Black, President & CEO, Harrisburg Regional Chamber & CREDC

Fred W. Lighty, Esquire (Alternate), Dauphin County Board of Commissioners

**Absent:** Mayor Linda Thompson  
Anne Morrow (Recording Secretary)

#### **Reports**

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:33 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the August 8, 2012 Committee meeting.

Hearing none, Mr. Lynch said the minutes stand approved and would be posted to the Receiver's website.

Mr. Lynch asked Mr. Reddig to provide an update on the implementation of the confirmed Recovery Plan.

#### Operational Issues

- Mr. Reddig noted the Office of the Receiver continues to work with the City on filling various positions that relate to the City's ability to provide necessary and vital services. The City is proceeding with the recruitment of ten positions that were approved in July. The City has recently extended offers to employment for both a Senior Accountant and DPW Director positions. The DPW Director will be starting next week, however, the individual selected for the Senior Accountant position has decided to turn the position down due to the residency requirement. The Assistant City Solicitor position is also filled and that individual will start on September 10.
- Mr. Reddig noted The Novak Consulting Group continues to work with Mayor Thompson and the Business Administrator to assist with implementation on various recommendations. They continue to work with various departments on issues with the Fire Department on addressing safety policies, examining police operations and exploring the ability to consolidate and affect efficiencies within fleet operations. They have also been working with the city administration on an RFP on sanitation services which they are looking at three approaches:
  - 1) Residential
  - 2) Commercial
  - 3) Residential and Commercial

- The teams are also assisting with the development with an RFP for insurance coverage that would address an insurance starting in January 2013.
- As reported before, Trout, Ebersole and Groff was engaged to assist with preparation work for the 2010 audit. Work is on target to be completed by the end of this month. Once the work is completed it will clear the way for Maher Duessel to begin their work on the 2010 audit after which the preparation work necessary for the 2011 audit can begin. All audits should be up-to-date by year-end.

#### Cash Flow

- Mr. Reddig noted the Receiver's office reviewed the August 16 check-run which totaled \$543,000. The largest expense was to Highmark for \$378,000 or 70% of the check-run total. The next highest payment was \$110,000 to Consolidated Rail Corporation as final payment of a Settlement Agreement. Also included was a payment to Highmark Life and Casualty for \$26,000 for the August Stop/Loss Premium. All other bills were less than 1% of the total and were normal and reasonable expenditures for the city. The review of the city's cash position following both the check-run and last week's payroll of \$1,020,000 showed the city had a \$353,000 balance remaining. The city is holding \$2.65M for future payments, the largest of which were four payments to Highmark totaling about \$1.5M and three payments to Express Scripts totaling \$500,000. The city has been urged and has been in touch with Highmark to maintain a good dialog with them due to the city's cash flow position and to avert any potential termination of healthcare services. As of today Highmark has been receptive to that and appreciates the information being shared with them.
- Mr. Reddig noted the Receiver's office over the last several weeks has been working with the Department of General Services on the payment of the \$2.5M fire payment for the State's FY 12-13 year. That payment was disbursed last Friday to the City. The City has now received those funds which will position the City to be able to meet upcoming payrolls through the end of September. The City will be receiving some other revenues during that time period and the combination of the \$2.5M plus those additional revenues should allow the City to meet at least the critical payables as well as payroll through approximately the end of September. However, we still see the City going negative as we move into the early fall months.
- Mr. Reddig noted we anticipate a cash flow deficit at the end of the year of \$12.6M, assuming that all bills are paid.
- Mr. Reddig noted currently the Receiver's Office is reviewing the September General Obligation Debt payment and a decision on that payment will be made shortly.

#### Asset Monetization

- Mr. Reddig noted following the announcement that Lancaster County Solid Waste Management Authority (LCSWMA) had been selected as the party to negotiate with for the Resource Recovery Facility those negotiations had begun. Through the ongoing dialog with LCSWMA, the key element revolves around the Department of General Services (DGS) commitment to purchase electricity from LCSWMA. Negotiations are brokered with DGS and some positive dialog has resulted but an agreement is not yet in place. It is hoped that a resolution on this issue occurs soon.
- Mr. Reddig noted that following the Receiver's announcement that four firms had been selected to negotiate with on the parking facilities those negotiations have also begun. Two of the proposals are concession models and two are tax-exempt financing approaches. A key element to the parking monetization involves DGS and



the ability to strengthen the proposal by having a multi-year commitment from the Commonwealth for parking spaces. We've had discussions regarding the parking with DGS as they are trying to consolidate as many Commonwealth spaces as possible into the HPA facility. That dialog is continuing and has been very positive to date.

- Mr. Reddig noted the Water/Sewer Screening and Evaluation Team continues to dialog with the firms involved with the water and sewer monetization. Last week the Office of the Receiver participated in meeting with EPA, DEP and Pennvest on the wastewater treatment system dealing with the Chesapeake Bay Consent Order and the financing issues that revolve around that. A meeting was also held last week with the surrounding municipalities, City officials and the Office of the Receiver to discuss a cooperative approach to addressing the Chesapeake Bay Consent Order and that dialog has been very positive.
- Mr. Reddig noted discussions have continued with the Office of the Receiver, AGM and Dauphin County to keep them apprised of the asset monetization processes and to obtain their input as those processes continue to move forward.

#### Committee Comments

Council President Williams and Mr. Lighty had no comments.

Mr. Black asked Mr. Reddig to explain the difference between a concession model and a tax-exempt financing model.

- Mr. Reddig stated the tax-exempt financing model would involve having a governmental entity that has tax-exempt status serve as the financing vehicle to undertake the financing involved. In the concession model the private equity firm would provide private equity either in an upfront payment or through financing that would be undertaken by the firm.

Mr. Black noted the operational model would be very similar in either case.

- Mr. Reddig agreed and said in all cases they're looking at a third party firm who specializes in parking operations to be engaged and do the actual management of the facilities.

Mr. Black stated the business community is looking to try to get to the end of the road so they can plan their budgets for future years and they have some concern as to what will happen as they have long-term leases in place. The City will run a deficit one way or the other and he asked if Mr. Reddig is confident that the City can run through to the end of the year with a deficit without someone pulling the plug regarding the general fund issues.

- Mr. Reddig replied we are all working as hard we can to maintain critical services and move forward. We were able to accelerate the fire money payment and are looking at some other options to try to fill the gaps as we deal with the October through December time period. We are doing the best we can working with the City finance office and Ricardo in that regard. Everything possible is being done.

Mr. Black asked Mr. Reddig for feedback regarding the City of Scranton which recently came to an agreement between the Mayor and Council in which they adopted a plan and in doing so the State approved providing a low interest loan to the City.

- Mr. Reddig replied we should know by tomorrow evening when Council is to vote on the plan. We believe there is a consensus at this point. The State offered a no-interest loan as is part of the Act 47 program to facilitate an agreement.

- Mr. Reddig noted there was a significant increase for Act 47 in the State's FY12-13 budget. Prior to that happening DCED would have not been able to provide such a loan. The Act's revolving fund was down to less than \$2M and we weren't in a position to offer any loans. As we move forward the revolving fund has been replenished. This has strengthened our ability to deal with all the Act 47 communities across the Commonwealth.

#### Public Comments

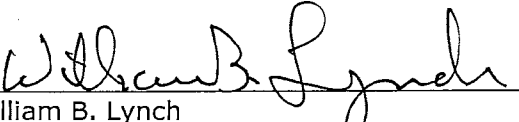
Bill Cluck, resident of Harrisburg.

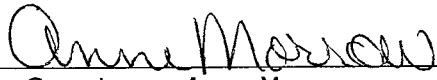
- Mr. Cluck asked if there has been an update of the June 12 initiatives or a status. The City and Receiver's office both have the June 12 initiatives on their website and it's been about 2 months. It would be good to let us know about the progress that's been made.
- Mr. Cluck noted there has been some reporting about the City and the HUD money, community development block grants, emergency shelter and the home program. Apparently, the fiscal year current monies haven't been distributed. Is that something the Receiver's office is involved with or is that separate? It's not city money, it's federal money but it's not getting to the agencies that it's suppose to get to for services. My understanding is that there are real issues there. Is the Receiver's office involved with that?
  - Mr. Lynch responded that the Receiver's office has not been involved. Mr. Reddig said he was not aware of any involvement either other than the approval of the emergency shelter position which is federally funded.
- Mr. Cluck asked if we know if the HUD funded positions have been filled, like the Lead Inspector and a Nurse which was cited in earlier Act 47 plans that named efficiencies.
  - Mr. Reddig noted the ESG position is still open. The City is still working through the recruitment process but the latest vacancy report reflects that there have not been any candidates recommended yet.
- Mr. Cluck noted a new Public Works Director has been hired. He wanted to know who this person is or will someone else make that announcement?
  - Mr. Lynch and Mr. Reddig noted the City will make that announcement.
- Mr. Cluck made a comment regarding the Senior Accountant position and said he was aware there was a candidate but then this person said no to the position due to the residency requirement. He questioned is it possible to suspend or waive that requirement for a position as important as a Senior Accountant considering we don't have audits for 2010 or 2011? He thinks that's a legislative matter but asked if the Receiver has all-knowing powers that can be considered.
- Mr. Cluck noted he is aware that the Assistant Solicitor position was also filled and asked when this person will be announced?
- Mr. Cluck expressed concern if the City was out of cash in October and can't meet payroll and asked if we were going to do what Scranton did and provide minimum wage payments for police and fire? Mr. Cluck thinks the reality is that we're not going to make payroll on October 1 or whatever the October time period is for payroll. What's the plan? That's the big issue.
- Does anyone have an update on the Artifact's issue?
  - Mr. Lynch said the issue is in the county court.

- Mr. Cluck responded it's in litigation and it's not going to be sold this year.
  - Mr. Lynch said he's not aware of any ruling from the court.

Mr. Lynch asked if there were any other comments. Hearing none, Mr. Lynch called this meeting adjourned at 8:53 a.m.

Approved this 22<sup>nd</sup> day of August 2012.

  
William B. Lynch  
Receiver for the City of Harrisburg

  
Secretary – Anne Morrow

## **MINUTES**

### **MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG**

**September 12, 2012**

**8:30 a.m.**

**Council Chambers**

**Present:** William B. Lynch, Receiver

Mayor Linda Thompson  
Wanda Williams, City Council President  
David Black, President & CEO, Harrisburg Regional Chamber & CREDC  
Fred W. Lighty, Esquire (Alternate), Dauphin County Board of Commissioners  
Anne Morrow (Recording Secretary)

#### **Reports**

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:40 a.m.

Mr. Lynch began the meeting by asking for a moment of silence to remember those whose lives were tragically taken on September 11<sup>th</sup> and to remember those who made the ultimate sacrifice for our nation.

Mr. Lynch announced that the City of Harrisburg will not be paying the General Obligation Refunding Capital Appreciation Bonds, Series D of 1997 and the General Obligation Refunding Notes, Series F of 1997. The payment due date is September 15<sup>th</sup>. Since the 15<sup>th</sup> falls on a Saturday, payment will be due on Monday, September 17, 2012. The appropriate notifications will go out from the Office of the Receiver today with copies to the appropriate parties in city government.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the August 22, 2012 Committee meeting.

Hearing none, Mr. Lynch said the minutes stand approved and would be posted to the Receiver's website.

Mr. Lynch asked Mr. Reddig to provide an update on the implementation of the confirmed Recovery Plan.

#### Operational Issues

- Mr. Reddig noted the Office of the Receiver continues to work with the City in reviewing the need to fill the positions that relate to the City's ability to provide necessary and vital services to the city residence. The City continues with recruitment efforts for various positions that have been approved over the last several months. Kevin Hagerich began work on August 27 as the new DPW Director. This week the new Assistant City Solicitor, Carlesha G. Halkias, began work and also on Monday the new Parking Enforcement Officer began work. Also authorized was the filling of the Accounting Manager position. The City has advanced a candidate for this position. Interview or recruitment efforts are in various stages with respect to:
  - Assistant Deputy City Treasurer,
  - Executive Assistant in the Business Administrator's office,

- Customer Service Representative in the Finance office,
  - Production Technician, Emergency Shelter Grant Project Manager and Zoning Officer in the Department of Building and Housing,
  - Demolition Specialist in the Neighborhood Services,
  - Motor Equipment Operator in the Sanitation Department,
  - Two Maintenance workers in the Bureau of Sewerage and
  - An Operations/Maintenance Superintendent, an Operator and Service person and Water Quality Administrator in the Bureau of Water.
- Mr. Reddig noted that an update to the initiatives dated September 4, 2012 is now posted to the Receiver's website.
- Mr. Reddig noted The Novak Consulting Group continues to work with Mayor Thompson and her Administration to assist with the implementation of various plan recommendations. We are continuing to work with City Administration to integrate a management system in the City operations. A review of the City's fleet operations continues with the goal of exploring consolidation and efficiency with fleet operations. Over the last two weeks work has occurred on the development of the RFP's for both sanitation service as well as insurance coverage.
- Mr. Reddig noted as reported previously, Trout, Ebersole and Groff have been engaged by the Office of the Receiver and The Harrisburg Authority to provide accounting assistance to complete preparation work for the 2010 audit. A lot has been accomplished over the last two months when this initiative began and the work was completed last week. The preparation work was turned over last week to Maher Duessel, the City's CPA, to begin work on the 2010 audit.

#### Cash Flow

- Mr. Reddig noted the City did not process a check-run the week of August 27<sup>th</sup>. The City is planning to process a check-run this week. The Office of the Receiver is awaiting receipt of that check-run. Upon its receipt it will be reviewed and commented upon. A financial report as of the end of August was received and it reflects two significant receipts during the month 1 - \$2.5M was received from the Commonwealth for fire protection service and 2 - a \$250,000 transfer from the Parking Authority also occurred.
- Based on the August numbers the projected structural deficit for 2012 is now projected to be \$11,340,577 and when the deficit at the end of 2011 is included the accumulative deficit is projected to be \$14,717,921. This deficit accounts for all liabilities including the missed General Obligation debt payments. It also posits the receipt of \$1.15M from The Parking Authority and no additional earned income tax revenue.
- A review of the cash position shows the City had a cash balance of the end of August of \$4.1M after accounting for one check-run during the month and three payrolls. The City is currently holding about \$4.5M for future payments which is up from the last report. The largest invoices being held involve insurance coverage's to Highmark and Express Scripts. The City has been in contact with Highmark to keep them apprised of the City's cash position. The Receiver has encouraged them to continue to keep them apprised of the City's fiscal position.
- September will have two payrolls and check-runs. The City should have sufficient cash to meet the September payrolls and the payment of some of the payables. The

City's cash position will deteriorate as we move into the fourth quarter and turn negative most likely come November.

- The Receiver's office is working on addressing the cash flow needs of the City to insure that necessary and vital services are provided. An update will be given as we move through the late summer and early fall months.

#### Asset Monetization

- Mr. Reddig noted following the announcement that Lancaster County Solid Waste Management Authority (LCSWMA) was selected as the party to negotiate with the Resource Recovery Facility. Discussions have begun and they are continuing. Discussions also continue with the Department of General Services and LCSWMA on a service purchase agreement for the sale of electricity which is a key part of the LCSWMA proposal.
- Mr. Reddig noted the Receiver's office continues negotiations with the four selected firms for the parking monetization. Two of the proposals are concession models and two are tax-exempt financing models. Meetings have been held with the DGS with respect to the parking monetization. In order to address the Commonwealth's parking needs through a multiyear agreement that will be very helpful to the monetization process. It's anticipated that we will be down to one firm at the end of September to negotiate a deal.
- Mr. Reddig noted the Water/Sewer Screening and Evaluation Team continues to dialog with the firms that are involved with the water and sewer monetization. Discussions continue with the Office of the Receiver, the City, The Harrisburg Authority and surrounding municipalities on a cooperative approach to address the Chesapeake Bay Consent Order
- Mr. Reddig noted discussions continue with AGM and the County to keep them apprised of the asset monetization processes and obtain their input into the process.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the City.

- Mr. Mendez-Saldivia noted the administration met with each of the Act 47 implementation teams and continues to move forward and make progress.
- Several meetings have been scheduled with The Novak Consulting Group next week with different department directors and bureau chiefs.
- All the preliminary work for the 2010 audit has been completed by the administration and Trout, Ebersole and Groff team.
- Last Wednesday the City was able to meet its deadline at 11:47 p.m. and provided all required information to the auditors.
- An audit completion schedule for the 2010 illustrating the responsibilities of the parties and completion dates was requested from the auditors and was provided yesterday. It will be reviewed today with finance bureau staff.
- Another benchmark was reached in regards to the Other Post Employee Benefits (OPEB) evaluation services RFP in order to meet the October 5<sup>th</sup> deadline requested by the auditors so the audit process is not delayed and the OPEB liabilities can be incorporated into the 2010 audit.
- Our game plan is to transition into the 2011 preparatory work with Trout, Ebersole and Groff team and concurrently to work on the 2010 audit with the auditor's team.

- Trout, Ebersole and Groff team is currently taking a vacation for a couple of days. We are expecting them to return next week and hope to see a transition right away so that we can start the preparatory work for 2011.
- In regards to the City's budget process, the City is on schedule to deliver the 2013 budget to Council by November 27<sup>th</sup>. We are on a schedule to deliver the third quarter report to Council by November 14<sup>th</sup>. Budget hearings are also being held with the different department directors and bureau chiefs. We are also working hard to submit for the 2012 budget award nomination and believe we will be successful.
- Mr. Mendez-Saldivia stated he was happy to report that the administration has reengaged the labor management committee meetings and the administration has resolved all outstanding issues and grievances with AFCSME and the FOP. They are planning to also engage with the Fire Union and have a game plan.
- The finance bureau remains unstable due to a couple of setbacks in hiring the Sr. Accountant and the Accounting Manager. The amount of money we are offering and the city residency requirements are making it very difficult to find a seasoned professional with a CPA that is required to stabilize the bureau.
- Efforts were initiated to establish a project control system with the City's Engineering office. A meeting is scheduled for Friday with the City's Engineer to review all project information and identify all the performance parameters in terms of places, completion dates, deadlines and so forth.
- Initiated efforts to improve management operations in the Bureau of Operations and Revenue. We developed a plan to reduce and eliminate \$500,000 in delinquencies in operations and revenue. With the additional customer service representative we're planning to increase our collection projections by \$150,000 a month for October, November and December. By December we should have at least received \$450,000.
- The administration began implementation of The Novak Consulting Group performance management system with the help of our new Public Works Director. We have begun addressing various challenges by fixing telephone systems, copiers and repairing roof leaks. We have also begun assessing resources in terms of labor, equipment and material for the highway, traffic, sanitation and maintenance depts.
- The City is working on strategies to deal with illegal dumping and to address and identify sink holes and storm sewer inlets and other challenges in the Public Works department including the renovation of the BMV facility.
- The Seventh Street project is on a schedule to be completed by the end of the year.
- We have been very busy with personnel recruitment and have facilitated efforts to hiring the Assistant Deputy City Treasurer, an Administration Assistant for the Business Administrator, a Sr. Accountant and an Accounting Manager. We are back to square one and we are going to re-advertise for several of these positions. We are also challenged to find an individual for the Network Administrator position.
- We have moved forward with the hiring of several positions including all the approved positions in the Water and Wastewater Treatment Bureaus. With the help of the Receiver and the State we have been able to address these important vacancies for the City.
- We continue to prioritize our payments with the help of the State and have enhanced our communications with our vendors due to our cash flow challenges. We continue to communicate with them on a daily basis to retain our relationships.

### Committee Comments

Council President Williams and Mr. Lighty had no comments.

Mr. Black thanked everyone for all their hard work in bringing some positive movement to the issues the City is facing.

Mayor Thompson reported the City had a successful month in August in the recruitment of business development which adds value and generates revenue for the City. She noted the 44 new businesses were established in the month of August. Out of the 44 new businesses 17 are local Harrisburg based companies. The other new businesses are outside firms doing business in the City. Of those 44 new businesses 14 full-time and 16 part-time jobs were created. This adds value to income tax revenue, property tax revenue and reflects an increase in the City's job growth statistics.

Mayor Thompson noted the global success of the Administration. Since 2010, 1,250 new jobs and have generated \$126M in new revenue for the City. This success is a positive statement to everyone's leadership in the Administration. It is equally important to the business community who understand that the City of Harrisburg is still open for business.

Mayor Thompson noted another project the City is committed to working on is cleaning up the neighborhoods. This has been a big challenge due to the limited number of code officers. Illegal dumping is causing great havoc. The City has attempted to add code officers in the last two budgets but they were cut. The City is working with a cadre of volunteers and will announce additional efforts in our press conference next week.

Mayor Thompson charged the Administration to give her a wish list and said they are asking businesses to adopt a project for those things that the City can't pay. We have a kick-off event next week on the eastside of City Island. A couple of businessman met with the Mayor and discussed approaching businesses to adopt a project in lieu of increasing property taxes.

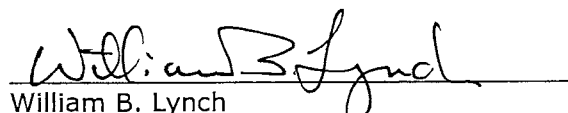
Mayor Thompson noted she held a press conference last week with the City's community base organizations and announced to award of federal CDBG funds to those agencies. She also noted a lot of construction is going on with new housing developments. The City is progressing in spite of the negative news. The Administration has a lot of success stories to report that revolve around revenue growth, job creation and sustaining our economy.


### Public Comments

There were no public comments.

Mr. Lynch asked if there were any other comments. Hearing none, Mr. Lynch called this meeting adjourned at 9:04 a.m.

Approved this 12<sup>th</sup> day of September 2012.

  
William B. Lynch  
Receiver for the City of Harrisburg

  
Secretary - Anne Morrow





Date Prepared:

9.25.2012

| City of Harrisburg                |                                    |   |                                  |                |                              |                                  |                    |                       |                |
|-----------------------------------|------------------------------------|---|----------------------------------|----------------|------------------------------|----------------------------------|--------------------|-----------------------|----------------|
| General Fund Operating Deficit    |                                    |   |                                  |                |                              |                                  |                    |                       |                |
| 2012 Estimated, Jan - Aug Actuals |                                    |   |                                  |                |                              |                                  |                    |                       |                |
|                                   | General Fund<br>Operating Revenues | Revenue<br>Anticipated from<br>City Utilities | Parking<br>Authority<br>Transfer | Total Revenues | General Fund<br>Expenditures | Debt Service<br>Payment Not Made | Total Expenditures | Surplus/<br>(Deficit) | Ending Balance |
| 2011 Balance                      |                                    |   |                                  |                |                              |                                  |                    |                       | (\$2,831,344)  |
| JANUARY                           | \$1,250,169                        | \$1,050,000                                   | \$0                              | \$2,300,169    | \$2,487,259                  | \$0                              | \$2,487,259        | (\$187,091)           | (\$3,018,435)  |
| FEBRUARY                          | \$4,497,639                        | \$0   | \$0                              | \$4,497,639    | \$3,291,058                  | \$0                              | \$3,291,058        | \$1,206,581           | (\$1,811,854)  |
| MARCH                             | \$11,368,121                       | \$400,000                                     | \$0                              | \$11,768,121   | \$4,726,727                  | \$5,325,000                      | \$10,051,727       | \$1,716,395           | (\$95,459)     |
| APRIL                             | \$2,020,892                        | \$0   | \$0                              | \$2,020,892    | \$4,003,553                  | \$0                              | \$4,003,553        | (\$1,982,662)         | (\$2,078,120)  |
| MAY                               | \$3,657,898                        | \$0   | \$0                              | \$3,657,898    | \$4,866,465                  | \$0                              | \$4,866,465        | (\$1,208,567)         | (\$3,286,687)  |
| JUNE                              | \$2,299,354                        | \$174,761                                     | \$0                              | \$2,474,115    | \$2,966,930                  | \$0                              | \$2,966,930        | (\$492,815)           | (\$3,779,502)  |
| JULY                              | \$1,714,934                        | \$0   | \$0                              | \$1,714,934    | \$2,514,054                  | \$0                              | \$2,514,054        | (\$799,120)           | (\$4,578,622)  |
| AUGUST                            | \$3,903,593                        | \$0   | \$250,000                        | \$4,153,593    | \$4,140,281                  | \$0                              | \$4,140,281        | \$13,313              | (\$4,565,309)  |
| SEPTEMBER                         | \$2,904,909                        | \$536,007                                     | \$0                              | \$3,440,917    | \$4,108,305                  | \$3,400,000                      | \$7,508,305        | (\$4,067,389)         | (\$8,632,698)  |
| OCTOBER                           | \$2,293,842                        | \$486,639                                     | \$0                              | \$2,780,480    | \$6,257,455                  | \$0                              | \$6,257,455        | (\$3,476,975)         | (\$12,109,673) |
| NOVEMBER                          | \$2,526,883                        | \$768,199                                     | \$250,000                        | \$3,545,082    | \$3,944,368                  | \$0                              | \$3,944,368        | (\$399,286)           | (\$12,508,958) |
| DECEMBER                          | \$3,110,553                        | \$211,807                                     | \$250,000                        | \$3,572,360    | \$5,885,323                  | \$0                              | \$5,885,323        | (\$2,312,962)         | (\$14,821,921) |
| TOTAL                             | \$41,548,787                       | \$3,627,413                                   | \$750,000                        | \$45,926,200   | \$49,191,777                 | \$8,725,000                      | \$57,916,777       |                       |                |

Note: This assumes all Accounts Payables are paid, ie. AP Balance goes to \$0 every month.

City of Harrisburg  
General Fund Revenues

| Revenue Group                 | Actual<br>January | Actual<br>February | Actual<br>March | Actual<br>April | Actual<br>May | Actual<br>June | Actual<br>July | Actual<br>August | Estimated<br>September | Estimated<br>October | Estimated<br>November | Estimated<br>December | Projected<br>FY 2012 |
|-------------------------------|-------------------|--------------------|-----------------|-----------------|---------------|----------------|----------------|------------------|------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Real Estate Taxes Current     | 95,907            | 2,941,014          | 9,896,347       | 60,032          | 792,666       | 139,115        | 131,129        | 124,974          | 121,497                | 123,402              | 195,632               | 810,807               | 15,431,522           |
| Real Estate Taxes Delinquent  | 83,417            | 913                | 56,857          | 134,153         | 228,487       | 120,070        | 373,076        | 0                | 28,354                 | 235,919              | 409,354               | 95,266                | 1,765,866            |
| Tax Liens Principal           | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Tax Sales                     | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| ELT                           | 487,789           | 147,084            | 450,181         | 0               | 623,509       | 543,159        | 327,358        | -1,791           | 485,510                | 81,392               | 106,166               | 550,058               | 3,800,415            |
| EMS/LST                       | 9,528             | 356,670            | 0               | 168,156         | 294,108       | 268,408        | 14,569         | 0                | 225,330                | 14,798               | 532,586               | 268,995               | 2,153,149            |
| Mercantile Business Privilege | 128,166           | 210,455            | 358,658         | 1,044,428       | 391,070       | 35,988         | 123,750        | 107,488          | 130,072                | 118,339              | 99,284                | 64,501                | 2,838,883            |
| Parking Taxes                 | 40,735            | 30,534             | -373,826        | 152,167         | 584,600       | 313,232        | 60,537         | 351,967          | 112,183                | 21,999               | 41,720                | 111,873               | 1,447,720            |
| Other Act 511 Taxes           | 40,283            | 75,971             | 76,880          | 25,228          | 26,091        | 181,016        | 246,083        | 68,530           | 21,118                 | 249,878              | 90,418                | 194,612               | 1,296,109            |
| Capital Fire Protection       | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 2,500,000        | 0                      | 0                    | 0                     | 0                     | 2,500,000            |
| Cdbg Reimb - Demolition       | 0                 | 0                  | 20,202          | 0               | 0             | 0              | 0              | 0                | 0                      | 20,202               | 0                     | 39,596                | 80,000               |
| District Justice Fees         | 39,519            | 79,928             | 105,905         | 0               | 55,952        | 87,594         | 0              | 0                | 110,742                | 112,598              | 110,908               | 0                     | 703,145              |
| Fed/State/Fed Pass Thr Gr     | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Federal Grants                | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Fees/Permits                  | 86,280            | 144,405            | 75,516          | 76,141          | 43,797        | 182,625        | 50,160         | 165,733          | 180,611                | 48,985               | 109,367               | 208,502               | 1,372,123            |
| Government Grants             | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Grants Fund                   | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 87,866                 | 0                    | 0                     | 0                     | 87,866               |
| Interest                      | 3,609             | 8,221              | 5,384           | 4,469           | 5,985         | 3,676          | 4,679          | 4,183            | 6,550                  | 5,055                | 6,207                 | 7,036                 | 65,053               |
| License                       | 0                 | 18,500             | 134,928         | 0               | 134,227       | 0              | 0              | 144,423          | 17,037                 | 0                    | 129,301               | 0                     | 578,416              |
| Miscellaneous                 | 45,799            | 11,146             | 1,633           | 4,978           | 27,906        | 28,809         | 3,117          | 3,999            | 52,948                 | 50,327               | 192,024               | 16,596                | 440,281              |
| Parking Fees                  | 155               | 535                | 0               | 0               | 0             | 0              | 2,269          | 0                | 0                      | -1,484               | 0                     | 0                     | 1,475                |
| Parking Tickets               | 68,649            | 101,834            | 111,960         | 95,375          | 97,039        | 84,630         | 85,929         | 93,848           | 59,343                 | 88,717               | 85,324                | 86,344                | 1,056,992            |
| Pension System State Aid      | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 18,900           | 876,599                | 622,252              | 0                     | 0                     | 1,517,751            |
| Public Safety Fees/Permits    | 25,175            | 19,065             | 37,405          | 29,081          | 33,040        | 25,595         | 33,914         | 34,197           | 16,077                 | 18,320               | 15,217                | 28,473                | 315,560              |
| Public Safety Grants          | 9,743             | 25,604             | 29,675          | 15,645          | 89,842        | 14,563         | 66,829         | 6,660            | 43,855                 | 191,863              | 121,756               | 255,756               | 871,804              |
| Public Safety Reimbursements  | 15,950            | 71,111             | 46,586          | 32,449          | 45,420        | 52,855         | 29,068         | 45,685           | 59,649                 | 57,029               | 51,928                | 242,303               | 750,045              |
| Public Works Fees/Permits     | 0                 | 0                  | 0               | 0               | 17,055        | 0              | 0              | 94,667           | 0                      | 0                    | 0                     | -48,667               | 63,055               |
| Reimbursements                | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Rental Income                 | 3,629             | 163                | 828             | 163             | 163           | 163            | 163            | 163              | 18,603                 | 0                    | 0                     | 0                     | 24,080               |
| Recreation Fees               | 0                 | 10                 | 0               | 243             | 5             | 3,618          | 10,145         | 15               | 0                      | -274                 | -115                  | -72                   | 13,575               |
| Sale Of Assets                | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Vehicle Maintenance Charges   | 15,267            | 93,704             | 157,520         | 72,256          | 103,029       | 144,111        | 53,864         | 56,184           | 62,738                 | 131,998              | 135,924               | 82,049                | 1,108,645            |
| PILOTS                        | 0                 | 96,189             | 107,445         | 47,820          | 0             | 0              | 27,978         | 10,478           | 108,781                | 0                    | 19,797                | 6,929                 | 425,415              |
| Pub Utility Realty Tax        | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 36,327               | 0                     | 0                     | 36,327               |
| Sewer Maint Charge            | 50,335            | 64,375             | 68,859          | 58,077          | 63,889        | 69,008         | 69,993         | 73,194           | 79,501                 | 66,209               | 74,091                | 89,570                | 827,100              |
| Sewer Maint Liens-Penalty     | 4                 | 20                 | 7               | 2               | 3             | 11             | 111            | 3                | -53                    | -8                   | -5                    | -10                   | 87                   |
| Sewer Maint Liens-Princp      | 230               | 185                | 162             | 29              | 17            | 109            | 215            | 75               | -3                     | -2                   | -1                    | -3                    | 1,011                |
| Sewer Utility Fund            | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Sanitation Utility Fund       | 282,031           | 0                  | 362,000         | 0               | 0             | 0              | 0              | 0                | 536,007                | 486,639              | 768,199               | 211,807               | 2,646,683            |
| Landfill/Incin Utility Fd     | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Sewerage Utility Fund         | 643,325           | 0                  | 0               | 0               | 0             | -365,673       | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 277,652              |
| Hbg Water Utility Fund        | 124,644           | 0                  | 38,000          | 0               | 0             | 540,434        | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 703,078              |
| Hbg Prk Auth Coord Pkg        | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 250,000          | 0                      | 0                    | 250,000               | 250,000               | 750,000              |
| Transfers from Other Funds    | 0                 | 0                  | 0               | 0               | 0             | 0              | 0              | 0                | 0                      | 0                    | 0                     | 0                     | 0                    |
| Total                         | 2,300,169         | 4,497,639          | 11,768,121      | 2,020,892       | 3,657,898     | 2,474,115      | 1,774,934      | 4,153,593        | 3,440,917              | 2,780,480            | 3,545,082             | 3,572,360             | 45,926,200           |

|                |            |           |           |           |           |   |   |   |   |   |   |   |   |
|----------------|------------|-----------|-----------|-----------|-----------|---|---|---|---|---|---|---|---|
| Budget<br>2012 | 15,383,404 | 1,691,378 | 0         | 0         | 0         | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|                | 3,430,000  | 2,295,642 | 2,838,883 | 1,574,532 | 1,364,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|                | 2,646,684  | 6,776,451 | 1,501,097 | 1,400,000 | 0         | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|                | 65,158,737 | 0         | 0         | 0         | 0         | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| City of Harrisburg<br>2012 Expenditures                                     |               |               |               |                 |               |                |                |               |                  |                  |                  |                  |               |
|---|---------------|---------------|---------------|-----------------|---------------|----------------|----------------|---------------|------------------|------------------|------------------|------------------|---------------|
|   | Actual<br>Jan | Actual<br>Feb | Actual<br>Mar | Actual<br>April | Actual<br>May | Actual<br>June | Actual<br>July | Actual<br>Aug | Estimated<br>Sep | Estimated<br>Oct | Estimated<br>Nov | Estimated<br>Dec | Total<br>2012 |
| Office of City Council Personnel  | 17,053        | 17,088        | 25,632        | 17,088          | 17,088        | 17,088         | 17,088         | 17,131        | 23,558           | 24,142           | 24,142           | 24,142           | 241,239       |
| Office of City Council Operating  | 0             | 1,185         | 7,829         | 3,060           | 578           | 662            | 298            | 4,373         | 2,330            | 5,287            | 1,891            | 80,384           | 107,875       |
| Office of City Council  | 17,053        | 18,273        | 33,461        | 20,148          | 17,666        | 17,750         | 17,386         | 21,504        | 25,887           | 29,428           | 26,033           | 104,526          | 349,114       |
| Office of Mayor Personnel   | 20,909        | 15,443        | 23,165        | 15,443          | 15,443        | 15,443         | 15,443         | 15,297        | 17,882           | 16,974           | 17,810           | 16,974           | 206,226       |
| Office of Mayor Operating   | 835           | 60            | 290           | 110             | 181           | 46             | 735            | 185           | 811              | 3,950            | 2,401            | 2,152            | 11,757        |
| Office of Mayor   | 21,743        | 15,504        | 23,454        | 15,553          | 15,624        | 15,489         | 16,178         | 15,482        | 18,693           | 20,925           | 20,211           | 19,126           | 217,983       |
| Office of City Controller Personnel   | 10,818        | 10,890        | 16,292        | 10,893          | 10,817        | 10,870         | 10,872         | 10,851        | 12,231           | 12,179           | 12,241           | 12,179           | 141,131       |
| Office of City Controller Operating   | 0             | 40            | 2,223         | 1,354           | 1,638         | 2,067          | 13,728         | 3,175         | 2                | 0                | 0                | 37,294           | 61,520        |
| Office of City Controller   | 10,818        | 10,930        | 18,515        | 12,247          | 12,455        | 12,937         | 24,600         | 14,026        | 12,233           | 12,179           | 12,241           | 49,472           | 202,651       |
| Office of City Treasurer Personnel  | 28,145        | 28,372        | 42,558        | 28,372          | 28,372        | 28,372         | 28,372         | 28,372        | 35,402           | 35,402           | 38,869           | 38,869           | 389,479       |
| Office of City Treasurer Operating  | 0             | 509           | 58,238        | 3,403           | 26,261        | 20,572         | 12,505         | 2,479         | 2,948            | 3,626            | 8,357            | 49,092           | 187,660       |
| Office of City Treasurer  | 28,145        | 28,881        | 100,796       | 31,445          | 54,633        | 48,944         | 40,878         | 30,851        | 38,350           | 39,028           | 47,226           | 87,961           | 577,139       |
| Office of City Solicitor Personnel  | 9,491         | 9,491         | 14,237        | 9,491           | 9,491         | 9,491          | 9,491          | 9,491         | 24,326           | 24,326           | 24,326           | 24,326           | 177,977       |
| Office of City Solicitor Operating  | -51           | 13            | 155,974       | 2,392           | 72,583        | 11,429         | 1,425          | 61,824        | 19,567           | 21,062           | 101,467          | 72,457           | 520,142       |
| Office of City Solicitor  | 9,440         | 9,504         | 170,210       | 11,883          | 82,074        | 20,920         | 10,916         | 71,315        | 43,893           | 45,388           | 125,792          | 96,783           | 698,119       |
| Office of Business Administrator Personnel                                  | 3,395         | 3,395         | 5,093         | 4,761           | 12,504        | 12,504         | 12,504         | 12,419        | 15,674           | 15,674           | 15,674           | 15,674           | 128,273       |
| Office of Business Administrator Operating                                  | -156          | 423           | 1,734         | 0               | 802           | 433            | 1,181          | 225           | 4,422            | 1,602            | 504              | 527              | 11,696        |
| Office of Business Administrator  | 3,239         | 3,818         | 6,826         | 4,762           | 13,306        | 12,937         | 13,685         | 12,644        | 20,096           | 17,277           | 16,178           | 16,201           | 140,969       |
| Bureau of Financial Management Personnel                                    | 23,330        | 21,310        | 31,965        | 21,310          | 21,310        | 21,430         | 21,917         | 21,679        | 38,567           | 38,962           | 38,717           | 38,962           | 339,460       |
| Bureau of Financial Management Operating                                    | 0             | 341           | 21,399        | 396             | 727           | 20,313         | 443            | 194           | 7,140            | 15,277           | 6,520            | 113,540          | 186,290       |
| Bureau of Financial Management  | 23,330        | 21,651        | 53,364        | 21,706          | 22,037        | 41,743         | 22,360         | 21,873        | 45,708           | 54,239           | 45,237           | 152,503          | 525,750       |
| Bureau of Information Technology Personnel                                  | 28,640        | 28,694        | 43,041        | 28,694          | 28,694        | 28,694         | 28,694         | 28,660        | 38,868           | 38,868           | 34,083           | 38,868           | 394,498       |
| Bureau of Information Technology Operating                                  | 0             | 2,539         | 46,754        | 5,548           | 3,349         | 2,431          | 21,422         | 7,919         | 33,795           | 1,127            | 12,277           | 94,946           | 232,108       |
| Bureau of Information Technology  | 28,640        | 31,233        | 89,795        | 34,242          | 32,043        | 31,125         | 50,116         | 36,579        | 72,663           | 39,995           | 46,361           | 133,814          | 626,606       |
| Bureau of Human Resources Personnel   | 24,976        | 24,976        | 37,465        | 24,976          | 24,976        | 24,976         | 24,976         | 24,764        | 23,092           | 29,084           | 31,347           | 29,084           | 324,694       |
| Bureau of Human Resources Operating   | 7,854         | 187           | 4,315         | 2,589           | 3,168         | 2,432          | 3,003          | 5,314         | 4,743            | 1,181            | 1,923            | 7,253            | 43,963        |
| Bureau of Human Resources   | 32,830        | 25,164        | 41,780        | 27,566          | 28,145        | 27,409         | 27,979         | 30,077        | 27,835           | 30,265           | 33,270           | 36,337           | 368,657       |
| Operations and Revenue (Office of the Director) Personnel                   | 32,394        | 32,757        | 49,099        | 30,276          | 29,245        | 29,231         | 29,234         | 29,279        | 36,372           | 36,404           | 36,420           | 36,404           | 407,115       |
| Operations and Revenue (Office of the Director) Operating                   | 1,028         | 19,127        | 57,937        | 22,752          | 17,908        | 8,795          | 11,904         | 26,981        | 23,529           | 18,934           | 18,729           | 27,227           | 254,850       |
| Operations and Revenue (Office of the Director)                             | 33,421        | 51,884        | 107,036       | 53,028          | 47,154        | 38,026         | 41,138         | 56,260        | 59,900           | 55,338           | 55,149           | 63,631           | 661,965       |
| General Expenses Personnel  | 46,140        | 825,632       | 208,421       | 539,651         | 1,600,616     | 575,117        | 69,512         | 1,654,654     | 539,857          | 1,398,102        | 882,571          | 883,177          | 9,223,449     |
| General Expenses Operating  | 245,122       | 157,340       | 115,749       | 46,661          | 110,861       | 79,930         | 42,774         | 167,562       | 69,569           | 179,457          | 163,348          | 35,544           | 1,413,919     |
| General Expenses  | 291,263       | 982,972       | 324,170       | 586,313         | 1,711,477     | 655,047        | 112,286        | 1,822,216     | 609,426          | 1,577,559        | 1,045,919        | 918,721          | 10,637,368    |
| Transfers to Other Funds Operating  | 0             | 0             | 352,836       | 654,122         | 1,011,416     | 0              | 0              | 0             | 460,800          | 0                | 362,452          | 0                | 2,841,626     |
| Office of the Director for the Department of Building and Housing Personnel | 6,459         | 6,459         | 9,689         | 6,459           | 6,459         | 6,459          | 6,459          | 6,399         | 7,214            | 7,214            | 7,214            | 7,214            | 83,697        |
| Office of the Director for the Department of Building and Housing Operating | 0             | 0             | 0             | 0               | 0             | 0              | 0              | 0             | 0                | 0                | 0                | 0                | 0             |
| Office of the Director for the Department of Building and Housing           | 6,459         | 6,459         | 9,689         | 6,459           | 6,459         | 6,459          | 6,459          | 6,399         | 7,214            | 7,214            | 7,214            | 7,214            | 83,697        |
| Bureau of Planning Personnel  | 3,271         | 1,267         | 1,900         | 1,267           | 1,267         | 887            | 0              | 0             | 5,276            | 5,276            | 5,276            | 5,276            | 30,862        |
| Bureau of Planning Operating  | 0             | 6             | 13            | 11              | 4,597         | 997            | 330            | 14,016        | 270              | 20,226           | 9,256            | 8,294            | 58,314        |
| Bureau of Planning  | 3,271         | 1,273         | 1,914         | 1,278           | 5,864         | 1,883          | 330            | 14,016        | 5,545            | 25,502           | 14,531           | 14,070           | 89,476        |

| City of Harrisburg<br>2012 Expenditures                              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|  | Actual<br>Jan    | Actual<br>Feb    | Actual<br>Mar    | Actual<br>April  | Actual<br>May    | Actual<br>June   | Actual<br>July   | Actual<br>Aug    | Estimated<br>Sep | Estimated<br>Oct | Estimated<br>Nov | Estimated<br>Dec | Total<br>2012     |
| Bureau of Codes Personnel  | 37,562           | 37,970           | 56,955           | 41,282           | 41,687           | 41,282           | 41,282           | 41,168           | 49,159           | 48,906           | 53,050           | 48,906           | 539,210           |
| Bureau of Codes Operating  | 0                | 1,136            | -2,977           | 1,141            | 5,374            | 1,085            | 846              | 1,292            | 3,997            | 2,024            | 28               | 5,814            | 19,760            |
| Bureau of Codes  | 37,562           | 39,106           | 53,978           | 42,423           | 47,060           | 42,367           | 42,129           | 42,461           | 53,156           | 50,930           | 53,078           | 54,720           | 558,970           |
| Economic Development Personnel                                       | 3,312            | 3,312            | 4,969            | 2,484            | 0                | 0                | 0                | 0                | 3,086            | 3,086            | 2,996            | 3,086            | 26,333            |
| Economic Development Operating                                       | 0                | 0                | 148              | 0                | 0                | 0                | 0                | 650              | 938              | 625              | 607              | 625              | 3,594             |
| Economic Development   | 3,312            | 3,312            | 5,117            | 2,484            | 0                | 0                | 0                | 650              | 4,024            | 3,712            | 3,603            | 3,712            | 29,927            |
| Office of the Police Chief Personnel                                 | 939,245          | 960,550          | 1,463,350        | 1,161,494        | 923,401          | 939,786          | 1,043,604        | 921,417          | 774,124          | 2,798,080        | 699,604          | 2,207,226        | 14,831,881        |
| Office of the Police Chief Operating                                 | 158,893          | 25,554           | 93,932           | 19,671           | 23,497           | 19,654           | 22,868           | 24,104           | 31,559           | 101,660          | 20,000           | 31,156           | 572,550           |
| Office of the Police Chief   | 1,098,138        | 986,104          | 1,557,283        | 1,181,165        | 946,898          | 959,440          | 1,066,473        | 945,521          | 805,683          | 2,899,741        | 719,604          | 2,238,383        | 15,404,431        |
| Bureau of Fire Personnel   | 560,975          | 526,473          | 981,827          | 885,050          | 534,943          | 544,829          | 650,234          | 575,678          | 946,748          | 879,263          | 759,350          | 879,263          | 8,774,632         |
| Bureau of Fire Operating   | -115             | 17,279           | 10,795           | 10,118           | 2,896            | 10,698           | 44,054           | 24,086           | 41,530           | 26,930           | 15,799           | 68,549           | 272,619           |
|  | 560,860          | 543,752          | 992,622          | 895,168          | 537,839          | 555,527          | 694,288          | 599,764          | 988,278          | 906,193          | 775,149          | 947,812          | 8,997,251         |
| Office of the Director of Public Works Personnel                     | 36,215           | 36,642           | 55,126           | 34,899           | 30,300           | 30,243           | 30,152           | 24,769           | 42,024           | 43,903           | 45,103           | 43,903           | 453,280           |
| Office of the Director of Public Works Operating                     | 0                | 149,919          | 83,662           | 17,688           | 20,379           | 37,142           | 34,352           | 48,609           | 221,331          | 55,070           | 64,753           | 245,834          | 978,740           |
|  | 36,215           | 186,561          | 138,788          | 52,587           | 50,679           | 67,385           | 64,503           | 73,379           | 263,354          | 98,973           | 109,856          | 289,738          | 1,432,020         |
| Bureau of City Services Personnel                                    | 116,229          | 123,952          | 175,690          | 120,964          | 121,215          | 124,060          | 128,786          | 120,331          | 130,241          | 136,067          | 139,785          | 136,067          | 1,573,386         |
| Bureau of City Services Operating                                    | 0                | 169              | 34,833           | 43,818           | 28,344           | 22,121           | 16,931           | 24,302           | 109,460          | 27,235           | 32,024           | 121,579          | 460,816           |
| Bureau of City Services  | 116,229          | 124,120          | 210,522          | 164,782          | 149,559          | 146,181          | 145,716          | 144,633          | 239,702          | 163,302          | 171,809          | 257,646          | 2,034,202         |
| Bureau of Vehicle Management Personnel                               | 34,748           | 36,083           | 52,914           | 35,266           | 33,553           | 29,237           | 33,278           | 35,315           | 44,018           | 44,049           | 42,579           | 44,049           | 465,089           |
| Bureau of Vehicle Management Operating                               | 74,920           | 147,615          | 355,921          | 132,012          | 22,557           | 207,631          | 11,549           | 91,831           | 217,940          | 101,555          | 172,838          | 306,096          | 1,882,465         |
| Bureau of Vehicle Management   | 109,668          | 183,699          | 408,835          | 167,278          | 56,110           | 236,868          | 44,826           | 127,146          | 261,958          | 145,605          | 215,416          | 350,146          | 2,307,554         |
| Office of the Director of Parks, Recreation and Enrichment Personnel | 15,623           | 16,847           | 24,662           | 16,684           | 17,249           | 27,525           | 70,942           | 53,159           | 41,917           | 34,096           | 26,887           | 34,096           | 379,687           |
| Office of the Director of Parks, Recreation and Enrichment Operating | 0                | 11               | 1,075            | 231              | 953              | 968              | 868              | 327              | 1,991            | 566              | 11,150           | 8,711            | 26,850            |
| Office of the Director of Parks, Recreation and Enrichment           | 15,623           | 16,858           | 25,736           | 16,915           | 18,202           | 28,493           | 71,809           | 53,487           | 43,908           | 34,662           | 38,037           | 42,808           | 406,537           |
| Bureau of Parks Maintenance Personnel                                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                 |
| Bureau of Parks Maintenance Operating                                | 0                | 0                | 0                | 0                | -235             | 0                | 0                | 0                | 0                | 0                | 0                | 0                | -235              |
| Bureau of Parks Maintenance  | 0                | 0                | 0                | 0                | -235             | 0                | 0                | 0                | 0                | 0                | 0                | 0                | -235              |
| <b>Total Expenditures</b>  | <b>2,487,259</b> | <b>3,291,058</b> | <b>4,726,727</b> | <b>4,003,553</b> | <b>4,866,465</b> | <b>2,966,930</b> | <b>2,514,054</b> | <b>4,140,281</b> | <b>4,108,305</b> | <b>6,257,455</b> | <b>3,944,368</b> | <b>5,885,323</b> | <b>49,191,777</b> |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties    | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|----------------------------|------------------------|------------|-----------------------|-------------------------------------|--|---|
| PI01        | Conduct regular Recovery Plan implementation meetings  | N/A                        | Office of the Receiver | In Process | Priority 1            | May 2012                            | <ul style="list-style-type: none"> <li>Develop meeting agenda and process</li> <li>Schedule meetings</li> </ul>  | Meetings began May 2012   |
| PI02        | Assemble and deploy Recovery Plan implementation teams | N/A                        | Office of the Receiver | In Process | Priority 1            | May 2012                            | <ul style="list-style-type: none"> <li>Identify key staff, consultants, and subject matter experts</li> <li>Develop management and reporting protocol</li> <li>Assemble teams</li> </ul>   | Act 47 Team is meeting with departments regularly to review initiatives.  |
| PI03        | Develop a performance management system                | N/A                        | Business Administrator | Pending    | Priority 3            | December 2012                       | <ul style="list-style-type: none"> <li>Review City programs and develop outcomes by program</li> <li>Develop detailed work plans for the City's executive team</li> <li>Schedule regular meetings to review work plan progress and program outcomes</li> <li>Develop protocol for results and outcomes to be communicated to elected officials and the public</li> </ul> | <p>The initial session of the 12-month Leadership Development Institute was conducted on August 22<sup>nd</sup>. Mayor Thompson and 20 City managers were in attendance.</p> <p>In conjunction with the Harrisburg Performance Management System, Mayor Thompson held her one-on-one meetings with Department Directors the week of August 20<sup>th</sup>.</p> |
|             |  |                            |                        |            |                       |                                     |  |   |

<sup>1</sup> Priority 1 - Important to complete as soon as possible to address emergent and immediate operational and/or financial issues

Priority 2 - Can be completed within one year but not urgent

Priority 3 - Mid to long-term initiatives

<sup>2</sup> Target completion dates are subject to amendment based on comparative prioritization and/or resource constraints.

|         |            |          |                       |
|---------|------------|----------|-----------------------|
| Pending | In Process | Complete | Progress not tracking |
|---------|------------|----------|-----------------------|

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties    | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|----------------------------|------------------------|------------|-----------------------|-------------------------------------|--|---|
| WF01        | Renegotiate existing contract extensions or in the alternative, declare extensions of collective bargaining agreements void and renegotiate existing contracts | N/A                        | Mayor                  | In Process | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Consult with legal counsel to determine approach</li> <li>Implement approach</li> </ul>   | The Office of the Receiver will work collaboratively with the Mayor to provide support and direction during the renegotiations. Pending direction from Office of the Receiver and outside legal counsel before any action can be taken. |
| WF02        | Use professional assistance for labor negotiations   | N/A                        | Mayor                  | Complete   | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>N/A</li> </ul>  | The Mayor has hired and is using outside counsel. Having labor counsel engaged in future negotiations remains important.  |
| WF03        | Establish a labor/management committee for all employee groups   | N/A                        | Business Administrator | In Process | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Meet with Union(s) to develop charter for committee</li> <li>Develop committee structure and processes for bringing items before the committee</li> <li>Develop committee work plan</li> <li>Schedule committee meetings</li> </ul> | The City resumed Labor Management Meetings with the FOP Labor Management Meeting held on August 22 <sup>nd</sup> and the AFSCME Labor Management Meetings held on July 31 <sup>st</sup> and August 24 <sup>th</sup> .                   |
| WF04        | Limit new contract enhancements  | N/A                        | Mayor                  | Pending    | Priority 1            | Ongoing                             | <ul style="list-style-type: none"> <li>Implement</li> </ul>  | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF05        | Ensure future collective bargaining agreements remain compliant with Recovery Plan   | N/A                        | Mayor                  | Pending    | Priority 3            | Ongoing                             | <ul style="list-style-type: none"> <li>Adopt a practice of vetting each negotiation proposal against the approved Receiver's Plan</li> </ul>   | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|---|----------------------------|---------------------|---------|-----------------------|-------------------------------------|--|--|
| WF06        | Implement a three year wage and step freeze                             | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.  |
| WF07        | Implement a new pay scale for new police officers                       | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.  |
| WF08        | Implement a new pay scale for new firefighters                          | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.  |
| WF09        | Freeze longevity pay and eligibility                                    | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.  |
| WF10        | Reduce paid holidays and personal leave to 10 days annually             | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | <p>Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.</p> <p><i>Some benefits for management employees have been scaled back already. Mayoral Executive Order 9-2012 Elimination of Personal Leave Carry-Over was sent to all management employees on June 5, 2012.</i></p> |
| WF11        | Adjust overtime eligibility thresholds to reflect hours actually worked | N/A                        | Mayor               | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties    | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|------------------------|---------|-----------------------|-------------------------------------|--|---|
|             |   |                            |                        |         |                       |                                     |  | outside legal counsel before any action can be taken.   |
| WF12        | Adjust minimum overtime provisions                    | N/A                        | Mayor                  | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF13        | Reduce vacation leave                                 | N/A                        | Mayor                  | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | <p>Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.</p> <p><i>Some benefits for management employees have been scaled back already. Mayoral Executive Order 8-2012 Vacation Leave Carry-Over was sent to all management employees on June 5, 2012.</i></p> |
| WF14        | Reduce sick leave allotments                          | N//A                       | Mayor                  | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF15        | Implement a court-related overtime reduction strategy | N/A                        | Police Chief           | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF16        | Redesign employee health care                         | N/A                        | Business Administrator | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties  | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|----------------------------|--|---------|-----------------------|-------------------------------------|--|---|
| WF17        | Contain post-retirement healthcare cost                      | N/A                        | Business Administrator   | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF18        | Enhance light duty program                                   | NA                         | Business Administrator   | Pending | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
| WF19        | Retain flexibility to fill vacant positions after six months | NA                         | Office of the Receiver, Mayor, City Council , & Business Administrator | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.   |
|             |  |                            |  |         |                       |                                     |  |   |
| RET01       | Prospectively reduce the level of benefits                   | NA                         | City Council & City Solicitor  | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | A concern is whether legally we can move current employees who are enrolled in a defined benefit pension into a defined contribution plan (457). Lump-sum rollovers from their current pension plans cannot be rolled over unless the employee has separated from City employment per the current PMRS Agreement for Non-Uniformed Employees and Firefighters. This initiative may only affect new employees. |
| RET02       | Freeze benefit levels for all plans                          | NA                         | City Solicitor   | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with labor union(s)</li> </ul> | Pending direction from Office of the Receiver and   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|---------------------|----------|-----------------------|-------------------------------------|---|---|
|             |   |                            |                     |          |                       |                                     |   | outside legal counsel before any action can be taken.   |
| RET03       | Consolidate administration of the City's three retirement plans   | NA                         | City Solicitor      | Pending  | Priority 3            | January 2013                        | <ul style="list-style-type: none"> <li>Conduct a study comparing the fully loaded cost of administering the City retirement plans</li> <li>Consolidate plan management under the most cost effective trust</li> </ul>   | Consolidation of assets from the three separate pension plans may be a legal issue. The City is waiting to hear from PMRS their concerns regarding the consolidation of these plans. Any change would also need to be voted on by the unions in the collective bargaining process.  |
| RET04       | Seek IRS determination letter for Police Plan   | NA                         | City Solicitor      | Pending  | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Review Police Plan against the IRS Employee Plan Compliance Resolution System and bring any plan defects, if they exist, into compliance</li> <li>Complete IRS application for determination</li> <li>Submit application for legal review and revise as appropriate</li> <li>Submit application</li> </ul> | Seeking an IRS favorable determination letter is a time-consuming process. In the past, when the Law Bureau was fully staffed, this process was handled by outside counsel. This process must await the filling of at least one of the two vacant attorney positions in Law Bureau. |
| RET05       | Determine status of 2007 enhanced service increments and prevent implementation of such enhancements, if applicable | NA                         | City Solicitor      | Complete | Priority 1            |                                     | <ul style="list-style-type: none"> <li>Review Police Plan ordinance to determine if it has been amended to reflect the 2007 agreements</li> <li>If not, do not amend the ordinances</li> <li>If yes, initiate process to prospectively cap service increments at 60% of final</li> </ul>  | The pension amendment was approved (employee with 27 years of service receive 70% benefit). There is no way to prevent implementation. It was already adopted by City Council.  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|--|----------------------------|---------------------|----------|-----------------------|-------------------------------------|---|---|
|             |  |                            |                     |          |                       |                                     | salary  |   |
| RET06       | Aggressively defend an appeal, if applicable, regarding the 2009 enhanced service increments | NA                         | City Solicitor      | Complete | Priority 1            | Ongoing                             | <ul style="list-style-type: none"> <li>Implement</li> </ul>   | The Law Bureau aggressively defended the appeal by the FOP and recently obtained a favorable decision by the Supreme Court, who upheld the decision of the PA Labor Relations Board that the City did not commit an Unfair Labor Practice when City Council refused to enact the pension enhancement given by the former Mayor. |
| RET07       | Update PMRS Agreement to reflect recent changes in the Firefighters' Plan                    | N/A                        | City Solicitor      | Pending  | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Revise ordinance to reflect relevant amendments</li> <li>Submit ordinance to City Council for consideration</li> </ul>   | The Law Bureau will look at what changes are needed and coordinate with PMRS to modify agreement.   |
| RET08       | Resolve discrepancies between the Non-Uniformed Plan and the Non-Uniformed PMRS Agreement    | N/A                        | City Solicitor      | Pending  | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Conduct comparative review of uniformed and non-uniformed plans</li> <li>Identify discrepancies and appropriate amendments</li> <li>Revise ordinance to reflect relevant amendments</li> <li>Submit ordinance to City Council for consideration</li> </ul> | <p>A request was sent to PMRS for their review and determination if the Ordinance and PMRS Agreement are in conformity.</p> <p>A response was received by PMRS and the Law Bureau will need to review the Ordinance.</p>  |
| RET09       | Amend Non-Uniformed collective bargaining agreement  | N/A                        | City Solicitor      | Pending  | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Amend plan ordinances to reflect collective bargaining changes that went into</li> </ul>   | This initiative requires changing the Non-Uniformed Contract via  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties              | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|--|----------------------------|----------------------------------|------------|-----------------------|-------------------------------------|---|---|
|             |  |                            |                                  |            |                       |                                     | <ul style="list-style-type: none"> <li>effect in 2009</li> <li>Submit ordinance to City Council for consideration</li> </ul>  | re-negotiations with the AFSCME Union to rescind the amendment.   |
| RET10       | Establish Other Post Employment Benefits (OPEB) Trust  | N/A                        | City Solicitor                   | Pending    | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Identify procedure to establish OPEB Trust</li> <li>Develop timeline, process and implementation plan</li> </ul>   | <p>The Law Bureau will research this when an Assistant Solicitor is hired.</p> <p>Actively being pursued by the Receiver's team.</p>  |
|             |  |                            |                                  |            |                       |                                     |   |   |
| I&RM01      | Fund risk management services  | N/A                        | Director of Financial Management | In Process | Priority 1            | October 2012                        | <ul style="list-style-type: none"> <li>Contact the City's Third Party administrator to schedule safety trainings</li> <li>Schedule training events</li> </ul>                                       | <p>HR has been in contact with Inservco to conduct a Safety Driving Training program. HR is waiting on Deputy Director of Public Works to provide availability dates.</p> <p>It should be noted that under the City's contract with the TPA, we only have ten hours of free training.</p> |
| I&RM02      | Revise terms of brokerage service agreement  | N/A                        | Director of Financial Management | In Process | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Develop and issue RFP</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> </ul>                   | RFP is in final stages.   |
| I&RM03      | Engage an actuarial firm to perform an independent and objective evaluation of the City's ultimate liability and projected payments for the forthcoming fiscal period using the City's own loss experience as opposed to industry data | N/A                        | Director of Financial Management | In Process | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Evaluate necessity of initiative based on the City's new insurance program.</li> <li>Develop and issue RFP</li> <li>Assemble RFP review committee</li> </ul> | The City is requesting ACT 47 funding to undertake this actuarial valuation.  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties              | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|----------------------------------|------------|-----------------------|-------------------------------------|---|--|
|             |  |                            |                                  |            |                       |                                     | <ul style="list-style-type: none"> <li>Review proposals and select the lowest responsible bidder</li> </ul>   |  |
| I&RM04      | Revise collective bargaining agreements to allow for flexible Light Duty Program         | N/A                        | Mayor                            | Pending    | Priority 2            | March 2013                          | <ul style="list-style-type: none"> <li>Develop working committee consisting of representatives from management and each labor union</li> <li>Conduct best practice research to define light-duty program options</li> <li>Develop program</li> <li>Draft and adopt MOUs establishing flexible light duty program</li> </ul>   |  |
| I&RM05      | Create a safety program to manage risk of vehicle liabilities                            | N/A                        | Director of Financial Management | In Process | Priority 2            | July 2013                           | <ul style="list-style-type: none"> <li>Conduct research to identify best practice safety programs</li> <li>Develop process to regularly review motor vehicle records of employees who operate motor vehicles</li> <li>Develop review process for city vehicles involved auto accidents, and associated disciplinary process</li> <li>Communicate program, policy and procedures to employees/labor groups</li> <li>Conduct training for employees and initiate program</li> </ul> | The Public Works Office is scheduled for a Defensive Driving Training Session on September 17, 2012. |
| I&RM06      | Conduct a cost benefit analysis to determine adequate Umbrella Excess Liability coverage | N/A                        | Director of Financial Management | In Process | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Evaluate necessity of initiative based on the City's new insurance program.</li> </ul>   | The City is requesting ACT 47 funding to undertake this cost benefit analysis                        |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties            | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment                           |
|-------------|---|----------------------------|--------------------------------|---------|-----------------------|-------------------------------------|--|-----------------------------------|
|             |   |                            |                                |         |                       |                                     | <ul style="list-style-type: none"> <li>Conduct analysis to determine existing liability</li> <li>Identify cost associated with increasing liability coverage to cover estimated risk in the interim</li> <li>Evaluate and implement actions to decrease liability and risk (e.g., create a safety program)</li> <li>Adopt a practice, as part of the Director of Financial Management's work plan, of assessing risk and coverage levels on an annual basis</li> </ul> | and creation of a safety program. |
| EL01        | Increase communication, and collaboration with Mayor, City Council, City Controller, City Treasurer, and Department of Administration | N//A                       | All Elected Officials          | Ongoing | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Convene a working group, staffed with the Business Administrator, to identify the types of information that should be communicated (e.g., cash flow, financial statements, performance data), when, how often, and in what level of detail</li> <li>Develop and adopt processes to institutionalize communication</li> <li>Develop agenda, reports, etc., for monthly meetings</li> <li>Schedule regular meetings</li> </ul>    |                                   |
| EL02        | Review progress on Financial Recovery Plan implementation monthly and quarterly   | N/A                        | Mayor & City Council President | Ongoing | Priority 1            | Ongoing                             | <ul style="list-style-type: none"> <li>Develop agenda, reports, etc., for monthly meetings</li> <li>Schedule meetings</li> </ul>   |                                   |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties              | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|----------------------------------|---------|-----------------------|-------------------------------------|--|---|
| EL03        | Amend and pass City ordinances, fees and taxes as outlined in the Recovery Plan | N/A                        | City Council                     | Ongoing | Priority 1            | Ongoing                             | <ul style="list-style-type: none"> <li>Revise ordinances</li> <li>Submit ordinances to City Council for consideration and approval</li> </ul>  | Council adopted a 5% Parking Tax increase; .8 mill. real estate tax increase in 2012 budget; Parking Meter Rate increase, and Residential Parking increase still pending in Council Committee |
| IGR01       | Identify and implement intergovernmental cooperative initiatives                | N/A                        | Mayor & City Council             | Pending | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Schedule meetings with elected officials from other governments and agencies (local and State) to identify opportunities for intergovernmental cooperation</li> <li>Develop prioritized list of opportunities and deliver to respective City staff for analysis</li> <li>Conduct feasibility, cost, and operational impact analysis</li> <li>Implement opportunities</li> </ul> |   |
| ADMIN01     | Implement quarterly financial reporting and associated review process           | N/A                        | Director of Financial Management | Pending | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Develop quarterly department budget review process, and revenue review process managed by the Bureau of Financial Management</li> <li>Develop and document internal revenue and budget analysis process</li> <li>Develop reporting process</li> </ul>   | Currently developing process and implementation time frame. To be fully implemented when Sr. Accountant hired   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties              | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|----------------------------------|----------|-----------------------|-------------------------------------|--|---|
|             |   |                            |                                  |          |                       |                                     | <ul style="list-style-type: none"> <li>to elected officials</li> <li>Develop budget amendment process to be included as a contingency option in the review and reporting process</li> </ul>  |   |
| ADMIN02     | Develop comprehensive Citywide financial policies | N/A                        | Director of Financial Management | Pending  | Priority 1            | December 2012                       | <ul style="list-style-type: none"> <li>Conduct research of best practice financial policies (begin with GFOA)</li> <li>Develop draft policies</li> <li>Assess existing financial practices against draft policies and develop action plan to amend practices as appropriate</li> <li>Submit draft policies to the City Solicitor's Office for legal review</li> <li>Submit policies as amended, for review and adoption by City Council</li> <li>Conduct staff training</li> </ul> | To be implemented when Sr. Accountant hired   |
| ADMIN03     | Implement a standard budget development calendar  | N/A                        | Director of Financial Management | Complete | Priority 1            | N/A                                 | <ul style="list-style-type: none"> <li>N/A</li> </ul>  | Budget Development calendar has been established.   |
| ADMIN04     | Establish standard position control system        | N/A                        | Director of Financial Management | Pending  | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop tool (software or Excel) that compares budgeted positions to actual positions in the personnel system (should include cost projections by pay period)</li> <li>Develop semi-annual position control review process to identify discrepancies and eliminate unfunded/unbudgeted</li> </ul>   | <p>Receiver's Implementation teams will provide assistance in completing an Excel based position control tool. Will schedule a site visit for June, 2012.</p> <p>The Act 47 Implementation Team met with City staff to identify the systems and</p> |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties              | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|----------------------------------|----------|-----------------------|-------------------------------------|---|---|
|             |   |                            |                                  |          |                       |                                     | <ul style="list-style-type: none"> <li>positions from the personnel system</li> <li>Eliminate all unbudgeted positions from the personnel system</li> </ul>   | data that must be integrated to create Excel based position control tools. The Team is currently developing alternative approaches to review with City staff and Administration.  |
| ADMIN05     | Conduct comprehensive review of City purchasing policies  | N/A                        | Director of Financial Management | Pending  | Priority 2            | July 2013                           | <ul style="list-style-type: none"> <li>Conduct research of best practice purchasing policies (take Pennsylvania rules into account)</li> <li>Develop draft policies</li> <li>Assess existing purchasing practices against draft polices and develop action plan to amend practices as appropriate</li> <li>Submit draft policies to the City Solicitor's Office for legal review</li> <li>Submit policies as amended, for review, and adoption by City Council</li> <li>Conduct staff training</li> </ul> |   |
| ADMIN06     | Modify existing chart of accounts to track Commonwealth and Federal grant program funds on individual basis | \$260,000                  | Director of Financial Management | Complete | Priority 2            |                                     | <ul style="list-style-type: none"> <li>N/A</li> </ul>   | The City has added additional detail to its Chart of Accounts to allow for individual grant-specific revenue and expenditure monitoring. In addition, a grant manager has been hired effective June 4, 2012, to manage grant reporting processes. |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties                 | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|-------------------------------------|------------|-----------------------|-------------------------------------|---|--|
| ADMIN07     | Revise the job description and increase hiring salary range for Chief of Staff/Business Administrator | \$550,000                  | Mayor & Director of Human Resources | Complete   | Priority 1            |                                     | <ul style="list-style-type: none"> <li>N/A</li> </ul>   | Chief of Staff/BA was hired April 18, 2012 and was confirmed by City Council on May 22, 2012.  |
| ADMIN08     | Eliminate manual data entry processes in the Bureau of Financial Management                           | N/A                        | Director of Financial Management    | Pending    | Priority 2            | July 2012                           | <ul style="list-style-type: none"> <li>Develop crosswalk between the Pentamation and the DREV system</li> <li>Test crosswalk in a test environment</li> <li>Conduct pilot, redundant process in live environment</li> <li>Assess and address crosswalk problems</li> <li>Fully implement process</li> </ul> | Cross walk has been developed. Director of Financial Management will develop the data download and upload process, schedule, and associated assignments by July 2012.  |
| ADMIN09     | Hire a Senior Accountant position to the Bureau of Financial Management                               | \$250,000                  | Director of Financial Management    | In Process | Priority 1            | August 2012                         | <ul style="list-style-type: none"> <li>Conduct recruitment and hiring process</li> <li>Hire and train employee</li> </ul>   | Position to be filled on a temporary basis until it can be filled permanently. Two candidates were interviewed on May 31 <sup>st</sup> . Offer of employment was extended and accepted, but the candidate contacted HR on August 21, 2012, rescinding her acceptance of the offer of employment due to the residency requirement |
|             |   |                            |                                     |            |                       |                                     |   |  |
| IT01        | Replace mission critical IT components  | N/A                        | Director of Information Technology  | In Process | Priority 1            | Ongoing                             | <ul style="list-style-type: none"> <li>Develop inventory of existing IT infrastructure, life cycle, and replacement priority</li> <li>Develop corollary target replacement schedule</li> </ul>  | Core Cisco switch and ancillary Cisco switches replaced in 2011 using state grant funding. As of 6/18/2012, the secondary backup temperature monitor has   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties   | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|---|------------|-----------------------|-------------------------------------|--|---|
|             |   |                            |   |            |                       |                                     | <ul style="list-style-type: none"> <li>Incorporate schedule into budget development process</li> </ul>   | been installed and tested by a City Electrician.  |
| IT02        | Replace outdated personal computers                                   | (60,000)                   | Network Administrator   | Pending    | Priority 2            | July 2013                           | <ul style="list-style-type: none"> <li>Develop inventory of existing PCs, life cycle, and replacement priority</li> <li>Develop corollary target replacement schedule</li> <li>Incorporate schedule into budget development process</li> </ul>                                       | To be implemented after Network Administrator is hired.<br>The Disaster Recovery plan for the mainframe was cancelled as of 12/31/2012, and some of the budgeted money could be used to purchase computers. |
| IT03        | Eliminate all personal printers and maintenance on printers           | NA                         | Network Administrator   | In Process | Priority 2            | September 2013                      | <ul style="list-style-type: none"> <li>Inventory all personal printers</li> <li>Develop alternative network printing options, if they do not exist, for those with personal printers</li> <li>Eliminate personal printers</li> </ul>   | Several have been eliminated to date; City continues to evaluate and eliminate personal printers.<br>As of 6/21/2012 a list of inkjet printers has been forwarded to the Mayor for review.                  |
| IT04        | Develop custom Interface between County dispatch system and METRO     | NA                         | Director of Information Technology & Police Chief                       | In Process | Priority 3            | December 2013                       | <ul style="list-style-type: none"> <li>Seek grant funding from the Commonwealth</li> <li>Contract with an IT vendor to develop custom interface</li> <li>Test interface in a redundant environment</li> <li>Address interface problems</li> <li>Fully implement interface</li> </ul> | The Police Department has developed an acceptable work around to this data issue and determined that pursuing this is not necessary at this time.   |
| IT05        | Conduct a needs assessment for an Enterprise Resource Planning system | (80,000)                   | Director of Information Technology and Director of Financial Management | In Process | Priority 3            | April 2013                          | <ul style="list-style-type: none"> <li>Seek grant funding from the Commonwealth</li> <li>Develop RFP for consultant to complete needs assessment</li> <li>Assemble RFP review</li> </ul>   | Commonwealth ACT 47 funding is being sought to hire a consultant to undertake a needs assessment.   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties                | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|------------------------------------|------------|-----------------------|-------------------------------------|---|---|
|             |   |                            |                                    |            |                       |                                     | <ul style="list-style-type: none"> <li>committee</li> <li>Review proposals and select the lowest responsible bidder</li> </ul>  |   |
| IT06        | Complete a needs assessment and audit of existing phone system and components | (50,000)                   | Director of Information Technology | In Process | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Seek grant funding from the Commonwealth</li> <li>Develop RFP for consultant to complete needs assessment</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> </ul> | Commonwealth grant funding is being sought to offset the cost of implementation. Parts can still be located for the existing phone system when issues arise; as a result, implementation of this item is not critical when compared to other initiatives. |
| IT07        | Pursue long-term strategic IT initiatives                                     | N/A                        | Director of Information Technology | Pending    | Priority 3            | N/A                                 | <ul style="list-style-type: none"> <li>N/A</li> </ul>   | As the City's financial condition improves, these initiatives will be considered for funding  |
|             |   |                            |                                    |            |                       |                                     |   |   |
| LAW01       | Use professional assistance for labor relations activities                    | N/A                        | City Solicitor                     | Complete   | Priority 1            | N/A                                 | <ul style="list-style-type: none"> <li>N/A</li> </ul>   | Hired outside counsel in December   |
| LAW02       | Increase the number of staff attorneys from one to three                      | N/A                        | Mayor & City Council               | In Process | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Incorporate positions into the budget development process as funds are available</li> </ul>  | Deputy Solicitor added to 2012 budget.<br><br>Offer of employment was extended to the final Assistant City Solicitor candidate and accepted. Start date: September 10, 2012.  |
| LAW03       | Complete, recodify, and enact the Code of the City of Harrisburg              | N/A                        | City Solicitor                     | Pending    | Priority 1            | December 2012                       | <ul style="list-style-type: none"> <li>Develop code</li> <li>Submit code for approval by</li> </ul>   | Consultant was hired by Clerk's Office to complete  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative                             | Five Year Financial Impact | Responsible Parties  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|----------------------------|--|------------|-----------------------|-------------------------------------|--|---|
|             |  |                            |  |            |                       |                                     | City Council   | process in 2009; however, the process has not been completed. This requires the City Clerk's Office to update the Codified Ordinances to include those ordinances passed in the last 2 ½ years. City Clerk had hired an outside consultant to organize the ordinances into a current version, but that was the end of 2009. Once they are updated, the Law Bureau will draft the recodification legislation for City Council. |
|             |  |                            |  |            |                       |                                     |  |   |
| POL01       | Restructure the Patrol Duty Schedule   | 131,250                    | Police Chief   | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop alternative schedule options</li> <li>Initiate discussion with the FOP</li> </ul>   | Shift scheduling restricted by Union Contract. Permanent shifts, as per Union Contract. <i>Department is working on a 4-day, 10 hour schedule for Patrol Division operations to present to Union for consideration/implementation Jan 2013.</i>   |
| POL02       | Implement a vehicle replacement policy | (803,232)                  | Police Chief, Director of Public Works, & Director of Financial Management | In Process | Priority 1            | Dec 2012                            | <ul style="list-style-type: none"> <li>Conduct fleet condition and utilization analysis, based on life-cycle, maintenance costs, and the pre-defined utilization standards</li> <li>Reassign or dispense of</li> </ul> | Working with Public Works Director on vehicle leasing program possibilities. Vendor, Hoffman Ford-potential vendor for leasing  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties                        | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|---|----------------------------|--|----------|-----------------------|-------------------------------------|--|--|
|             |   |                            |  |          |                       |                                     | <ul style="list-style-type: none"> <li>underutilized vehicles</li> <li>Develop target replacement plan with prioritization</li> <li>Incorporate replacement plan into budget development process</li> </ul>  | <p>program.</p> <p>Working with Grants Administrator in ref to securing funding to purchase 7 police vehicles through Dauphin County Gaming Grant.</p>   |
| POL03       | Review and revise stipend for newly promoted investigators        |                            | Police Chief & Director of Human Resources | Pending  | Priority 1            | Jan 2013                            | <ul style="list-style-type: none"> <li>Draft new salary schedule</li> <li>Initiate discussions with the FOP</li> </ul>   | Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.  |
| POL04       | Implement a proactive crime analysis and crime reduction strategy | N/A                        | Police Chief                               | Complete | Priority 1            | May 2012                            | <ul style="list-style-type: none"> <li>Develop crime analysis software</li> <li>Assign personnel as dedicated crime analyst(s)</li> <li>Develop crime pattern analysis and reporting process</li> <li>Develop information sharing and deployment processes tied to real time crime analysis and data</li> </ul>  | Crime Analyst position being created in 2012. Crime mapping system up and operational, May 2012.   |
| POL05       | Increase complement of VICE Unit                                  | N/A                        | Police Chief                               | Pending  | Priority 1            | Sept 2012                           | <ul style="list-style-type: none"> <li>Assess ability to reassign officers from specialty units and/or officers made available from a shift schedule adjustment (Initiative POL1).</li> <li>Reassign officers to VICE if operationally feasible</li> <li>In the interim, develop a "90 day career advancement" placement to increase VICE resources and</li> </ul> | <p>Restrictions based on 5% increase salary for position change from patrol to CID.</p> <p>Secured funding from Dauphin County DA's office to fund the 5% increase in salary need for patrol Officer to Detective salary increase.</p> |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties                             | Status                 | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|---|------------------------|-----------------------|-------------------------------------|---|--|
|             |  |                            |   |                        |                       |                                     | provide professional development opportunities  |  |
| POL06       | Assign representative to the District Attorney's Office Narcotics Task Force | N/A                        | Police Chief & District Attorney                | Completed<br>June 2012 | Priority 2            | July 2012                           | <ul style="list-style-type: none"> <li>Coordinate with District Attorney's office to assign personnel</li> </ul>  | Vice Unit short of personnel, decision to keep vice operations within bureau operations.   |
| POL07       | Participate in Dauphin County Forensic Team                                  | N/A                        | Police Chief & District Attorney                | Complete               | Priority 1            | May 2012                            | <ul style="list-style-type: none"> <li>Coordinate with District Attorney's office to assign personnel</li> </ul>  | Not recommended at this time. City forensics personnel training exceeds those on county forensic team.   |
| POL08       | Transfer prisoner booking responsibility to Dauphin County                   | N/A                        | Police Chief                                    | Pending                | Priority 3            | July 2013                           | <ul style="list-style-type: none"> <li>Coordinate with County to formalize booking procedure</li> <li>Train sworn officers on booking process</li> <li>Transition booking process and reassign personnel assigned to booking</li> </ul> | Construction on the county booking facility has not yet begun  |
| POL09       | Appoint a Civilian Manager for Parking Enforcement Office                    | N/A                        | Police Chief & Director of Human Resources      | Pending                | Priority 2            | December 2012                       | <ul style="list-style-type: none"> <li>Conduct recruitment and hiring process</li> <li>Hire and train employee</li> </ul>   | Function currently performed by a Sergeant. Monitor to determine effectiveness. Request for civilian position rests with Office of the Receiver and is on hold while discussions with the FOP for potential contract changes are underway. |
| POL10       | Replace electronic parking ticketing devices                                 | (112,200)                  | Police Chief & Director of Financial Management | In Process             | Priority 1            | Oct 2012                            | <ul style="list-style-type: none"> <li>Fund replacement of devices</li> <li>Identify and select vendor</li> <li>Purchase/lease and activate devices</li> </ul>  | Looking at the purchase of upgraded hand held ticket writing machines- Clancy products.  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|----------------------|------------|-----------------------|-------------------------------------|---|---|
|             |   |                            |                      |            |                       |                                     | <ul style="list-style-type: none"> <li>Train parking enforcement officers</li> </ul>  |   |
| POL11       | Increase operational efficiency in Parking Enforcement Office | 480,480                    | Police Chief         | In Process | Priority 1            | Oct 2012                            | <ul style="list-style-type: none"> <li>Establish targets for increased efficiency and relay targets to staff</li> <li>Adopt a practice of accessing employee productivity against targets</li> </ul>  | Looking at the purchase of upgraded hand held ticket writing machines- Clancy products.   |
| POL12       | Implement a new schedule for Parking Enforcement Officers     | N/A                        | Police Chief         | Pending    | Priority 1            | Oct 2012                            | <ul style="list-style-type: none"> <li>Create new schedule</li> <li>Meet with affected employees to discuss schedule change</li> </ul>  | Schedule change pending City Council approval.  |
| POL13       | Increase current parking ticket fees                          | 4,500,000                  | Mayor & City Council | In Process | Priority 1            | Oct 2012                            | <ul style="list-style-type: none"> <li>Develop new schedule of fees</li> <li>Submit revised fee schedule to City Council for adoption</li> <li>Conduct public information process</li> <li>Begin enforcement</li> </ul>   | \$1 increase approved by City Council Reintroduced and in Committee.  |
| POL14       | Evaluate the consolidation of Specialized Units               | N/A                        | Police Chief         | Complete   | Priority 2            | Complete                            | <ul style="list-style-type: none"> <li>Evaluate efficacy of special units on an ongoing basis, depending on crime profile and community need</li> </ul>   | Units have been absorbed into patrol platoons to meet staffing needs, except street crimes unit and traffic unit  |
| POL15       | Enhance leave supervision                                     | NA                         | Police Chief         | Pending    | Priority 1            | April 2012                          | <ul style="list-style-type: none"> <li>Develop chronic sick and injury-related leave policy and sanctions, with advisory input from the FOP</li> <li>Educate staff on policy and related expectations</li> <li>Adopt policy enforcement into the performance management system</li> </ul> | Sick leave abuse policy is in place and effect. Officers are allowed to run sick time out, at retirement. Needs to be addressed at labor relations. Considered unfair labor practice if discontinued. |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties   | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|---|------------|-----------------------|-------------------------------------|---|---|
| POL16       | Evaluate false alarm fee for burglar alarms and aggressively collect fees due                                       | NA                         | Police Chief and Director of Bureau of Operations and Revenue | Pending    | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Develop monthly review process of Dauphin County communications' records to identify calls eligible to be billed</li> <li>Assess false alarm fees in the City-wide fee study and adjust as appropriate</li> </ul>  | Work with City Merchantile Department and Maximus on fee scheduling upgrades.   |
| FIRE01      | Change current shift schedule   | NA                         | Fire Chief  | Pending    | Priority 1            | December 2012                       | <ul style="list-style-type: none"> <li>Develop alternative schedule options</li> <li>Initiate discussion with the IAFF</li> </ul>   | Pending negotiations  |
| FIRE02      | Eliminate premium pay   | NA                         | Mayor, Fire Chief, & Business Administrator                   | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussion with the IAFF</li> </ul>   | Pending negotiations  |
| FIRE03      | Evaluate the tradeoffs of taking a piece of apparatus out of service and increasing staffing on remaining apparatus | NA                         | Fire Chief & Business Administrator                           | In Process | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Identify alternative apparatus/deployment structures</li> <li>Determine service impact associated with each and corollary impact on response capability</li> <li>Develop preferred option and initiate discussions with the IAFF</li> <li>Implement preferred alternative</li> </ul> | Pending negotiations  |
| FIRE04      | Implement an engine company inspection program  | NA                         | Fire Chief  | In Process | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Review inspection inventory and identify company-based inspection plan</li> <li>Develop inspection guidelines and procedures</li> <li>Train inspectors</li> <li>Incorporate inspection work plan into daily company activities</li> </ul>  | <b>Inquiries with other Third Class Cities and data collection are underway. Costs for startup fees and training are being collected.</b> |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties                      | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|--|------------|-----------------------|-------------------------------------|---|--|
| FIRE05      | Increase billing/collection of emergency response and vehicle extrication fees | 61,875                     | Fire Chief & City Council                | In Process | Priority 1            | April 2012                          | <ul style="list-style-type: none"> <li>Develop fee schedule</li> <li>Submit fee schedule to City Council for adoption</li> <li>Notify insurance companies of fee change</li> <li>Aggressively bill and collect fees from insurance companies</li> </ul>   | On July 31, 11:30am, a meeting was held with Mike Hughes to discuss details, documents and fee schedule. Mr. Hughes sent an e-mail to Solicitor Jason Hess for guidance.                                   |
| FIRE06      | Adjust false alarm fees to more accurately reflect costs and impacts           | 60,000                     | Fire Chief                               | In Process | Priority 1            | April 2012                          | <ul style="list-style-type: none"> <li>Identify fully loaded cost (salary, benefits, vehicle use, and fuel, administrative/billing overhead, etc.) of each false alarm response</li> <li>Revise fee schedule to recover costs and provide disincentive of multiple false alarms</li> <li>Submit fee schedule to City Council for adoption</li> <li>Develop citizen education plan</li> <li>Initiate discussion with the IAFF</li> </ul> | A meeting with the Maximus Group was held to review their recommendations on the raising of rates for billable Bureau of Fire's services. We have been told this document rests with the Finance Director. |
| FIRE07      | Civilianize Bureau's Administrative Assistant position                         | N/A                        | Fire Chief & Director of Human Resources | Pending    | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Revise job description</li> <li>Incorporate position into budget development process</li> <li>Recruit and hire Confidential Secretary to the Fire Chief</li> <li>Reassign firefighter to suppression duties</li> </ul>   | The Receiver is holding on a decision to approve this position pending negotiations with the IAFF.   |
| FIRE08      | Mandate formal Safety Committee review of every work-related injury in Bureau  | N/A                        | Fire Chief & Director of Human Resources | In Process | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Develop and adopt administrative policy</li> <li>Develop work related injury</li> </ul>  | The review of current policy is complete and is moving forward. HR   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties          | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|--|----------------------------|------------------------------|------------|-----------------------|-------------------------------------|--|--|
|             |  |                            |                              |            |                       |                                     | <ul style="list-style-type: none"> <li>review process</li> <li>Educate employees on the process</li> </ul>   | <p>requested assistance from Novak Consulting for sample policies/ templates.</p> <p>A Safety Committee Review Team has been established to review all work-related injuries.</p> <p>The Bureau of Fire has HR met with the Novak Group on August 8, 2012, in regards to developing a policy for the City's Workers' Comp and IOD injury review process.</p> |
| FIRE09      | Establish a formal in-house training program, including a shift swap system, that allows in-house trainers to lead events  | NA                         | Fire Chief                   | In Process | Priority 3            | December 2013                       | <ul style="list-style-type: none"> <li>Develop charter and membership for in-house training committee</li> <li>Conduct inventory of in-house expertise</li> <li>Identify and train in-house trainers</li> <li>Develop training curriculum and training schedule</li> <li>Work with IAFF to develop a short-term shift swap system for in-house trainers</li> </ul> | <p>Currently reviewing Water Rescue Certifications for all firefighters. Cost and start up fees for OSHA mandated training is being collected.</p> <p>Fire personnel are currently training on Water Rescue Operations. We follow a yearly training schedule.</p>  |
| FIRE10      | Continue discussions with Harrisburg Area Community College Public Safety Center regarding possible training collaboration | NA                         | Fire Chief                   | Ongoing    | Priority 2            | Complete                            | <ul style="list-style-type: none"> <li>Schedule regular formal and informal interaction with the college to identify training opportunities for City firefighters</li> </ul>   | <p>Currently being done.</p> <p>As part of evaluation for Water Rescue we are scheduling an instructor training swap with our mutual aide allies.</p>  |
| FIRE11      | Revise turnout gear replacement practices in current collective bargaining agreement                                       | NA                         | Business Administrator, City | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with the IAFF</li> </ul>   | Pending negotiations   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact                    | Responsible Parties                                  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|---|--|------------|-----------------------|-------------------------------------|--|---|
|             |  |   | Solicitor, & Fire Chief                              |            |                       |                                     |  |   |
| FIRE12      | Revise IAFF collective bargaining agreement to allow more efficient and effective use of resources                   | NA  | Business Administrator, City Solicitor, & Fire Chief | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with the IAFF</li> </ul>   | Pending negotiations  |
| FIRE13      | Eliminate minimum manning upon expiration of current collective bargaining agreements                                | NA  | Business Administrator, City Solicitor, & Fire Chief | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Initiate discussions with the IAFF</li> </ul>   | Pending negotiations. <a href="#">Contract ends 2013 and extension ends 2016.</a>   |
| PW01        | Implement container based collection system for residential solid waste and recycling                                | NA<br>(Should result in General Fund savings) | Director of Public Works                             | In Process | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Conduct route optimization study and identify routes that can be automated</li> <li>Assess capital investment required to automate select routes</li> <li>Issue revenue bonds for capital expenses</li> <li>Purchase carts and equipment</li> <li>Train employees on routes and equipment use</li> <li>Conduct public information campaign and define public inquiry triage process</li> <li>Conduct cart distribution</li> </ul> | Currently reviewing a preliminary assessment of the City's collection procedure that evaluates a semi automated collection approach. We are also assessing the current routes and considering a five day collection schedule. |
| PW02        | Enforce City's right to commercial collection and contract with private collector for collection of commercial waste | NA  | Director of Public Works                             | In Process | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Identify all active businesses in the City (may require coordination with the Department of Revenue)</li> <li>Mail letters to all businesses indicating commercial waste hauling requirements</li> <li>Issue bills to all Harrisburg businesses</li> <li>Aggressively collect money owed</li> </ul>   | Novak is working with the City to determine the extent of the initial notification and assess response.   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties      | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|--------------------------|------------|-----------------------|-------------------------------------|---|--|
| PW03        | Increase recycling through education, accessibility, and enforcement - Sanitation Fund | NA                         | Director of Public Works | Pending    | Priority 2            | December 2012                       | <ul style="list-style-type: none"> <li>Develop recycling education process</li> <li>Evaluate implementation of recycle bank program to incentivize recycling</li> </ul>   | Coordinate implementation with Initiative PW01 to determine opportunities for recycling collection automation. The Department of Parks and Recreation has volunteered to assist in the City's education efforts this year. |
| PW04        | Aggressively manage fleet make-up and quantity   | N/A                        | Director of Public Works | In Process | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Develop detailed inventory of City fleet that includes key identifying data, life cycle data, mileage/utilization, use profile, etc.</li> <li>Develop process of tracking and assessing utilization data, maintenance costs, fuel costs, etc.</li> <li>Conduct fleet utilization analysis based on pre-defined utilization standards</li> <li>Move underutilized vehicles/equipment out of service</li> <li>Identify target fleet size and composition and incorporate into a vehicle replacement plan that fits within financial constraints</li> </ul> | Currently have received the City's inventory of fleet vehicles and have started evaluating the data.   |
| PW05        | Create Central Fleet Agency with Combined Facilities and Fleet Manager                 | N/A                        | Director of Public Works | In Process | Priority 3            | January 2014                        | <ul style="list-style-type: none"> <li>Develop organization structure, bureau mission, programmatic responsibilities, and performance targets</li> </ul>  | Working with Human Resources to evaluate previous job descriptions for a Bureau Director and plan to develop this  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties                          | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|---|----------------------------|--|---------|-----------------------|-------------------------------------|--|--|
|             |   |                            |  |         |                       |                                     | <ul style="list-style-type: none"> <li>Develop bureau work plan by program</li> <li>Communicate change to impacted employees</li> <li>Create internal service fund and associated chart of accounts</li> <li>Incorporate structural and fund change into budget process and pursue City Council approval</li> <li>Recruit and hire bureau director position</li> <li>Incorporate work plan into the performance management system</li> </ul> | further through the program development process.   |
| BH01        | Increase fees, fines, and charges based on fee study results  | N/A                        | Mayor & City Council                         | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop revised fee schedule</li> <li>Submit fee schedule to City Council for review and approval</li> </ul>  | Awaiting Maximus Fee Study results   |
| BH02        | Quantify extent of inspections backlog and hire additional codes enforcement officers to clear and prevent backlogs | \$200,000                  | Director of Building and Housing Development | Pending | Priority 2            | December 2012                       | <ul style="list-style-type: none"> <li>Conduct internal evaluation of inspection backlog by type</li> <li>Identify target efficiency standards per inspection by type</li> <li>Assess staffing needs based on inspection backlog and incorporate additional position requests into the budget process</li> </ul>   | <p>The backlog of Buyers Notifications and Rental Inspections as reported to the original ACT 47 team has been accomplished as of March 2012.</p> <p>The new rental inspection program will be implemented in October 2012 in conjunction with the consolidated licensing.</p> |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties                          | Status    | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|--|-----------|-----------------------|-------------------------------------|---|--|
|             |   |                            |  |           |                       |                                     |   | Need to resubmit funding request. Anticipate 22,000 inspections and re-inspections over a 5 year period, which necessitates 4 more Code Officers.  |
| BH03        | Contract for demolition of blighted structures            | N/A                        | Director of Building and Housing Development | completed | Priority 2            | July 2012                           | <ul style="list-style-type: none"> <li>Develop and issue RFP</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> <li>Develop demolition schedule based on safety priority</li> </ul> | The City is currently utilizing a combination of in-house demolition crews and contracts for annual demolitions that cannot be accomplished by the in-house crews. The Bureau of Codes is currently awaiting the release of 2011-2012 fiscal demolition funds (pending an environmental Review Record) to resume the process. Non-emergency demolitions are performed by DPW personnel. RFP's are released on an "as needed" basis, hence final demolition costs cannot be determined. |
| BH04        | Assemble and systematically deploy code enforcement teams | N/A                        | Deputy Codes Administrator                   | Pending   | Priority 2            | December 2012                       | <ul style="list-style-type: none"> <li>Develop composition and structure of teams</li> <li>Conduct assessment of "problem areas"</li> <li>Based on assessment, develop work plan and measurable goals for teams</li> </ul>                      | Full deployment implementation is predicated on the hiring of additional Codes Officers to fill vacant positions.  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|--|------------|-----------------------|-------------------------------------|--|---|
| BH05        | Adopt legislation requiring a local responsible agent for rental properties within the City | N//A                       | City Council   | Complete   | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Draft ordinance and associated fine structure</li> <li>Develop registration process</li> <li>Submit ordinance to City Council for consideration</li> <li>Conduct public notification and registration campaign before effective date</li> </ul> | The measure was passed by City Council on October 2011, Ordinance 9-2001.   |
| BH06        | Fill vacant HUD funded positions  | N/A                        | Director of Building and Housing Development and Director of Human Resources | In Process | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Conduct recruitment and hiring processes</li> </ul>   | Received approval from DCED on July 5 <sup>th</sup> to proceed with filling the ESG Project Manager position, and HR continues to pre-screen resumes and applications received for the position of ESG Manager.   |
| BH07        | Update the City's Comprehensive Plan  | \$30,000                   | Director of Building and Housing Development                                 | In Process | Priority 3            | December 2014                       | <ul style="list-style-type: none"> <li>Develop and issue RFP</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> <li>Conduct public engagement and planning processes</li> </ul>  | <p>Additional funding is being sought from PA State grant programs. Public Engagements will commence with completion of draft plan.</p> <p>On July 18, 2012, DBHD will be meeting with a PA Grant Representative to discuss funding for updates to the Comprehensive Plan.</p> <p>On July 20, 2012, DBHD had a teleconference with a PA Bureau of</p> |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative                               | Five Year Financial Impact | Responsible Parties                                  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|--|------------|-----------------------|-------------------------------------|---|--|
|             |  |                            |  |            |                       |                                     |   | Historic Preservation representative regarding grant funding to augment the salary of Bureau of Planning personnel, so Bureau of Planning can assist with updates to the Comprehensive Plan.   |
| HS01        | Designate a Housing Coordinator          | N/A                        | Mayor  | Incomplete | Priority 1            | July 2013                           | <ul style="list-style-type: none"> <li>Identify and evaluate interested candidates</li> <li>Designate a Housing Coordinator</li> </ul>  | The Housing Coordinator functions have been assumed by the Deputy Director for the Bureau of Housing, as well as, the Program Directors and Program Managers for the Bureau of Housing. However, Office of the Mayor will further review.  |
| HS02        | Develop a comprehensive Housing Strategy | \$10,000                   | Mayor, Business Administrator, & Housing Coordinator | Pending    | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Convene a working group to guide strategy development</li> <li>Develop working group charter and objectives</li> <li>Develop project plan and process to develop housing strategy</li> <li>Develop draft plan for review and comment by elected officials and partner agencies</li> <li>Finalize plan based on feedback</li> <li>Incorporate plan elements into the work plan of the housing coordinator and other relevant staff</li> </ul> | DBHD has previously developed neighborhood development plans/strategies for Central Allison Hill, South Allison Hill, the Southern Gateway area, and Northern Gateway area. Revised strategy/plan will be included in City Consolidated Plan. DBHD has scheduled a meeting with the City's Community Development Technical Assistance contractor to enhance the neighborhood |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative                                 | Five Year Financial Impact | Responsible Parties                                  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|--|----------------------------|--|------------|-----------------------|-------------------------------------|--|---|
|             |  |                            |  |            |                       |                                     |  | development plans/strategies. Office of the Mayor has scheduled a meeting with the City's Community Development Technical Assistance contractor in September 2012 to further discuss and develop neighborhood development plans/strategies.   |
| HS03        | Utilize Vacant Property Reinvestment Board | N/A                        | Mayor, Business Administrator, & Housing Coordinator | In Process | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>Develop work plan and goals for the board based on comprehensive housing strategy</li> <li>Develop implementation plan to engage private redevelopment groups and civic groups</li> </ul> | DBHD in the process of recommending the activities of the Vacant Property Reinvestment Board. DBHD is developing a list of properties to rehab and market. Office of the Mayor has scheduled a meeting with the City's Community Development Technical Assistance contractor in September 2012 to further discuss. In the Interim period DBHD has updated its list of "marketable properties" for the Vacant Property Reinvestment Board. |
|             |  |                            |  |            |                       |                                     |  |   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|----------------------|------------|-----------------------|-------------------------------------|---|--|
| ED01        | Designate an Economic Development Coordinator                       | \$75,000                   | Mayor                | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop position work plan and priorities</li> <li>Conduct recruitment and hiring process</li> </ul>   | <p>Position was abolished with the passage of the 2012 Budget by City Council. Receiver and City Council approvals are required. Funding sources have been identified.</p> <p>Office of the Mayor to contact HUD as regards utilizing CDBG funds to pay salary for Director of Economic Development (Economic Coordinator)</p> |
| ED02        | Develop a coordinated long-term economic development strategic plan | NA                         | Mayor & City Council | Pending    | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Develop and issue RFP</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> <li>Conduct planning processes</li> <li>Incorporate planning process results into the Economic Development work plan</li> </ul> | DBHD is waiting the formal hiring of a Director of Economic Development/Contract Compliance to assist with the completion of a long term economic development strategy and planning. In the interim period DBHD has emphasized the neighborhood development plans/strategies for addressing economic development.              |
| ED03        | Evaluate the City's taxabatement strategy                           | NA                         | Mayor & City Council | In Process | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Conduct best practice research to identify successful taxabatement programs</li> <li>Develop taxabatement strategy alternatives</li> </ul>   | Mayor has authorized the City Solicitor to resubmit the legislation on the 5 year taxabatement program to City Council for consideration and   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status   | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment   |
|-------------|---|----------------------------|--|----------|-----------------------|-------------------------------------|--|---|
|             |   |                            |  |          |                       |                                     | <ul style="list-style-type: none"> <li>• Submit alternatives to City Council for consideration</li> <li>• Finalize abatement packages and strategies</li> <li>• Conduct proactive education and recruitment campaign to solicit program participants</li> </ul>  | approval. City Council approval required. Acting City Solicitor has developed legislation for tax abatement.  |
| ED04        | Improve management of the City's MOED Loan Portfolio                  | NA                         | Mayor, Business Administrator, & Economic Development Coordinator  | Complete | Priority 2            | January 2013                        | <ul style="list-style-type: none"> <li>• Evaluate options available to centralize management of the MOED portfolio</li> <li>• Develop monitoring and enforcement processes and contract with vendors/partners as appropriate</li> </ul>  | DBHD has developed revised loan policies and loan underwriting guidelines. In addition the City has recently developed a MOU with Penn Credit to collect outstanding loan amounts owed to the City. Finally DBHD has initiated monthly loan reports and loan "work out" plans with some delinquent borrowers. However, DBHD may need services of CPA to further assist. |
|             |   |                            |  |          |                       |                                     |  |   |
| CIP01       | Establish and maintain a multi-year (5-7) Capital Improvement Program | (22,227,548)               | Director of Financial Management, with assistance from the Director of Public Works & Department Directors | Pending  | Priority 2            | July 2013                           | <ul style="list-style-type: none"> <li>• Conduct inventory and condition assessment of existing capital assets</li> <li>• Prioritize capital improvement needs based on key considerations such as infrastructure use, condition, safety, cost, etc.</li> <li>• Identify long-term Improvement plan based on resource estimates</li> </ul> | Coordinate implementation with CIP02. First important step is to conduct an inventory assessment. The Director of Financial Management will work with the Director of Public Works to develop and implement a condition assessment  |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|--|---------|-----------------------|-------------------------------------|---|--|
|             |   |                            |  |         |                       |                                     | <ul style="list-style-type: none"> <li>Conduct capital budget development process and incorporate 5-7 year CIP development into the process</li> </ul>  | <p>process by January 2013.</p> <p>DBHD is working with the Department of Public Works and PennDot to complete the widening and improvement of the 7<sup>th</sup> Street corridor in order to improve traffic flow and enhance economic development.</p> |
| CIP02       | Establish a CIP development process               | N/A                        | Director of Financial Management, with assistance from the Director of Public Works & Department Directors | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop calendar to include resource estimates, target development, department budget submission, internal review and amendment, executive review, internal budget hearing, and recommended budget formulation</li> <li>Develop associated templates and processes</li> <li>Communicate processes to staff, the public, and elected officials in advance</li> <li>Train staff on capital budget schedule, process, roles, responsibilities, and obligations</li> </ul> | <p>City department heads will develop a list of immediate capital needs to be included in the upcoming budget process.</p> <p>DBHD continues to cooperate with the Department of Public Works and PennDot as regards a CIP process.</p>                  |
| CIP03       | Establish and maintain an asset management system | (187,500)                  | Director of Financial Management & Director of Public Works  | Pending | Priority 3            | January 2014                        | <ul style="list-style-type: none"> <li>Develop infrastructure condition rating systems and processes and incorporate into department work plans</li> <li>Conduct inventory and condition assessment of existing capital assets</li> </ul>   | <p>City will use the existing fixed asset inventory system as the basis for the asset management system.</p> <p>The City will request ACT 47 grant funding to assist</p>   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties            | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|--|----------------------------|--------------------------------|------------|-----------------------|-------------------------------------|---|---|
|             |  |                            |                                |            |                       |                                     | <ul style="list-style-type: none"> <li>Incorporate infrastructure condition assessments into the capital budget development process</li> </ul>  | the City in developing infrastructure condition rating systems and processes, and implementation of same.   |
| CIP04       | Investigate the sale and leaseback of City buildings | N/A                        | Mayor & Business Administrator | In Process | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Identify City facilities that may have a market for sale and/or lease back</li> <li>Assess operating implications of sale and/or lease back for each facility</li> <li>If operationally feasible, place facilities on open market</li> <li>Negotiate sale/lease back agreements and submit to City Council for consideration and approval</li> </ul> | DBHD in cooperation with the Harrisburg Redevelopment Authority has reviewed City and HRA owned real estate with the intention of promoting selective properties for sale to "low to moderate income" families and individuals. In addition the City released a RFP for purpose of soliciting a Real Estate Broker to market City and HRA owned properties. |
|             |  |                            |                                |            |                       |                                     |   |   |
| OA01        | Establish a stormwater utility fee                   | N/A                        | THA                            | Pending    | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Determine legal ability of an Authority to establish a stormwater fee</li> <li>Conduct fee study</li> <li>Develop fee schedule and submit to appropriate legislative body for consideration and approval</li> <li>Develop billing and collection process</li> <li>Conduct public education process</li> <li>Implement billing process</li> </ul>     |   |



**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties   | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|---|----------------------------|---|------------|-----------------------|-------------------------------------|--|--|
| OA02        | Negotiate Payment in Lieu of Tax (PILOT) agreements with the City of Harrisburg       | N/A                        | THA & Mayor   | Pending    | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Define PILOT structure and calculation methodology</li> <li>Initiate discussions to establish PILOT agreements</li> <li>Submit draft agreements to City Council for consideration and approval</li> <li>Develop payment schedule and processes</li> </ul> | City has begun discussions with local non-profits.   |
| OA03        | Expand Stormwater Management Ordinance regarding discharges - THA                     | N/A                        | Mayor, City Council, & City Engineer  | Pending    | Priority 1            | January 2013                        | <ul style="list-style-type: none"> <li>Draft ordinance amendments</li> <li>Submit to City Council for consideration and approval</li> <li>Communicate ordinance changes to the development community</li> </ul>  |  |
| REV01       | Increase the Earned Income Tax (EIT) rate as required to eliminate operating deficits | N/A                        | City Council & City Tax Administrator   | In Process | Priority 1            | July 2013                           | <ul style="list-style-type: none"> <li>Draft enabling ordinance</li> <li>Submit to City Council for consideration and approval</li> <li>Communicate rate change to the public</li> <li>Adjust revenue projections</li> </ul>   | Waiting for City Council approval.   |
| REV02       | Increase the Real Estate Tax rate as required to eliminate                            | NA/                        | Mayor & City Council  | In Process | Priority 1            | July 2013                           | <ul style="list-style-type: none"> <li>Draft enabling ordinance</li> <li>Submit to City Council for consideration and approval</li> <li>Communicate rate change to the public</li> <li>Adjust revenue projections</li> </ul>   | .8 increase included in 2012 budget  |
| REV03       | Review Real Estate Taxable Assessments  | N/A                        | City Treasurer with County Assessment Office and School District Business Manager | Pending    | Priority 2            | April 2013                          | <ul style="list-style-type: none"> <li>Initiate discussions with partner governments</li> <li>Develop assessment plan and funding structure</li> <li>Conduct reassessment</li> <li>Evaluate revenue impact and revise revenue</li> </ul>   | Assessments are provided by Dauphin County-will review assessments when the next report is received. |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties  | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment   |
|-------------|---|----------------------------|--|---------|-----------------------|-------------------------------------|---|---|
|             |   |                            |  |         |                       |                                     | projections   |   |
| REV04       | Review and increase utilization of Payment in Lieu of Property Tax (PILOT) Agreements; consider impact in sale of government owned property | N/A                        | Mayor, Business Administrator with County Assessment Office and School District Business Manager | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>• Adopt a practice of evaluating property tax revenue impact associated with selling city owned property to non-profits</li> <li>• Identity and analyze opportunities to create new pilot agreements with tax exempt agencies that heavily utilize City services</li> <li>• Initiate discussions to establish PILOT agreements and draft agreements</li> <li>• Submit draft agreements to City Council for consideration and approval</li> <li>• Develop payment schedule and processes</li> </ul> | Will await the findings of the Mayor's PILOT Task Force.  |
| REV05       | Increase business license fees; improve compliance with Business Privilege and Mercantile Tax   | N/A                        | City Council & City Tax Administrator  | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>• Develop new schedule of fees</li> <li>• Increase penalties for non-payment</li> <li>• Submit revised fee schedule to City Council for adoption</li> <li>• Conduct public information process</li> <li>• Institute amnesty period for delinquent remittances</li> <li>• Begin enforcement</li> </ul>  | <p>Timetable: Any new license fees/increases cannot be effective until 1/1/13; however, we will want to have these approved and in place prior to December 1, 2012.</p> <p>Waiting on Maximus report for license and fee increases. An RFP for discovery and audit services was drafted and</p> |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties                          | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|--|----------------------------|--|---------|-----------------------|-------------------------------------|---|--|
|             |  |                            |  |         |                       |                                     |   | <p>is currently in the law bureau for review.<br/>Timetable: Any new license/fees/increases will not be effective until 1/1/13; however, these will need to have final approval prior to December 1, 2012 in order to be properly implemented.</p> <p>RFP was completed and advertised; waiting for potential bidders of this service.</p> |
| REV06       | Increase enforcement of the Local Services Tax   | N/A                        | City Council, Mayor & Business Administrator | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>• Increase penalties for non-payment</li> <li>• Conduct public information process</li> <li>• Institute amnesty period for delinquent remittances</li> <li>• Begin enforcement</li> </ul>  | Will make contact with the Capital Tax Collection Bureau within one month to meet and discuss to ensure that they are effectively collecting this tax for the City of Harrisburg.  |
| REV07       | Pursue Legislative Change for the Local Services Tax Levy  | N/A                        | Mayor & City Council                         | Pending | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>• Work with local legislator(s) to draft legislation to increase Local Services Tax</li> </ul>   |  |
| REV08       | Pursue Department of Revenue determination for additional tax, penalty, and interest regarding realty transfer tax | N/A                        | City Council                                 | Pending | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>• Contact Department of Revenue to clarify process</li> <li>• Develop agreement with the Department of Revenue</li> <li>• Submit agreement and cost benefit analysis to City Council for consideration and approval</li> <li>• Develop administrative process</li> </ul> | <p>Proposed increase and research was forwarded to the Law Bureau for an ordinance to be drafted.</p> <p>“informational” – City Solicitor advised after consulting with Novak group that the intent of this initiative is not to</p>   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative   | Five Year Financial Impact | Responsible Parties                                       | Status     | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps   | Comment  |
|-------------|--|----------------------------|---|------------|-----------------------|-------------------------------------|--|--|
|             |  |                            |   |            |                       |                                     | <ul style="list-style-type: none"> <li>Train relevant personnel on process</li> </ul>  | increase the realty transfer tax. This is currently collected at time of property transfer by Dauphin County. (This needs to be discussed in more detail at meeting to see how we want to approach this).                    |
| REV09       | Increase Interest & Penalty Provisions Where Permitted | 90,000                     | City Council & Tax Administrator                          | Pending    | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Conduct benchmark analysis of interest and penalty provisions</li> <li>Develop revised interest and penalty framework</li> <li>Submit ordinance to City Council for consideration and approval</li> <li>Conduct public information process</li> <li>Institute amnesty period for delinquent remittances</li> <li>Begin enforcement</li> </ul> | Waiting on Maximus report and will request legal opinion to see if we can implement increased interest rate. We will then need to update our rules and regulations handbook and forms to implement as of 1/1/13 if approved. |
| REV10       | Improve Taxpayer Information                           | N/A                        | Tax Enforcement Administrator & IT Director               | Complete   | Priority 2            | July 2012                           | <ul style="list-style-type: none"> <li>Create repository of tax related documents and forms</li> <li>Design tax webpage and add tax document and forms</li> <li>Test webpage</li> <li>Go live with webpage and conduct public outreach process</li> </ul>  | Website updated  |
| REV11       | Improve real estate taxpayer collection rate           | N/A                        | City Treasurer, Business Administrator, & Tax Enforcement | In Process | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Evaluate opportunities to increase the collection rate</li> <li>Develop implementation plan and associated targets</li> </ul>   | Met with a collection group who described a program that they implemented for an   |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties    | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|------------------------|---------|-----------------------|-------------------------------------|---|--|
|             |   |                            | Administrator          |         |                       |                                     | <ul style="list-style-type: none"> <li>Develop improved system for notification of unpaid tax accounts</li> <li>Meet quarterly to review real estate tax collections, identify issues, and develop interventions where possible to maintain to improve collections</li> </ul>   | Illinois city where they call the taxpayers to help speed up the flow of real estate revenue. Need to meet and discuss further including costs involved.   |
| REV12       | Generate revenue through Market Based Revenue Opportunities | 800,000                    | Business Administrator | Pending | Priority 1            | July 2012                           | <ul style="list-style-type: none"> <li>Develop and issue RFP for broker to identify potential City assets for an MRBO program</li> <li>Assemble RFP review committee</li> <li>Review proposals and select the lowest responsible bidder</li> <li>Develop policy framework and market MRBO opportunities</li> <li>Enter into agreements with potential partners</li> </ul> |  |
| REV13       | Sell City acquired historical assets                        | 500,000                    | Mayor & City Council   | Pending | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Conduct asset value study</li> <li>Develop parameters for determining whether a property should be sold or maintained as a City asset</li> <li>Place eligible properties on the market</li> </ul>  | The multi-million dollar auction of City artifacts has been on hold because the Controller refused to sign the consignment agreement which was reviewed and approved by the former Receiver. The sale was approved by Council last summer and the auction house was selected as per city purchasing procedure. This is |

**City of Harrisburg, Pennsylvania Approved Receiver's Plan:  
Preliminary Implementation Plan**

| Chapter - # | Initiative  | Five Year Financial Impact | Responsible Parties        | Status  | Priority <sup>1</sup> | Target Completion Date <sup>2</sup> | Key Implementation Steps  | Comment  |
|-------------|---|----------------------------|----------------------------|---------|-----------------------|-------------------------------------|---|--|
|             |   |                            |                            |         |                       |                                     |   | revenue-gross estimated at from 6 to 10 million- that would have flowed to the City Treasury in late August. |
| REV14       | Revise Host Fee agreement between the City and the Harrisburg Authority | N/A                        | Mayor, City Council, & THA | Pending | Priority 1            | September 2012                      | <ul style="list-style-type: none"> <li>Amend waste disposal agreement</li> <li>Submit revised agreement to City Council for consideration and approval</li> <li>Develop environmental compliance programs that will be supported by the host fee</li> </ul> |  |



## **Resource Recovery Facility**

The following is a chronological summary of the progress made with respect to monetizing the Harrisburg Authority's Resource Recovery Facility ("HRRF") since June 25, 2012:

The advisors to the Office of the Receiver and The Harrisburg Authority's legal counsel met with representatives of the Lancaster County Solid Waste Management Authority ("LCSWMA") on two separate occasions to discuss material terms and conditions of the proposed transaction. In addition, consultants to LCSWMA developed a presentation regarding the sale of electricity and capacity to the Commonwealth of Pennsylvania in accordance with a long-term Power Purchase Agreement. This presentation was reviewed by advisors to the Office of the Receiver and counsel to THA.

On August 9, 2012, a presentation was given in Harrisburg to officials of Procurement and the Department of General Services relating to a long-term Power Purchase Agreement (PPA). Multiple conference calls have taken place amongst various members of the Commonwealth and representatives of the Office of the Receiver to discuss the value to all parties of the PPA.

The two largest creditors to the City (Assured Guaranty and Dauphin County) were provided a presentation of the salient features of the procurement process and the material aspects of proposals that led to selection by the Office of the Receiver of LCSWMA as the finalist. Among the purposes of these meetings were to provide the creditors with information necessary for them to agree that the best strategic partner and team was selected and the highest available purchase price at this time could be obtained from LCSWMA.

During the months of August and September, a term sheet has been developed by counsel to THA. This term sheet has been reviewed and commented on by the Board of THA, counsel to THA and advisors to the Office of the Receiver. It is anticipated that the term sheet will be shared with LCSWMA and then the creditors all of whom are expected to provide their comments and negotiate aspects of the transaction.

The Receiver continues to obtain regular updates on the status of the HRRF, its related issues, and the monetization process.





## **Harrisburg Parking Assets**

The following is a chronological summary of the progress made with respect to the Harrisburg Parking Authority assets since June 25, 2012:

On June 26, 2012, the advisors to the Office of the Receiver submitted to the Screening and Evaluation Team a draft Report to the Receiver for review and comment.

On June 27, 2012, the SET had a several hour conference call to discuss the information provided by the SIPs, strengths and weaknesses and various aspects of the draft report.

On June 28, 2012, the Office of the Receiver met with representatives of the Commonwealth of Pennsylvania regarding the parking needs of the Commonwealth and a variety of contractual matters relating to parking in Harrisburg.

Comments to the Report to the Receiver were received through 4<sup>th</sup> of July, and incorporated into the final version of a Report delivered on July 5, 2012.

On July 24, 2012, the Receiver, Fred Reddig and Steven Goldfield of Public Resources Advisory Group provided HPA board members with an update regarding the process and some of the salient features of what the Office of the Receiver was looking for in a Parking Finalist. On July 25, 2012, the Receiver posted on his web site the final four SIPs to be considered in connection with the proposed parking transaction. These four SIPs were selected based upon the Receiver's review of information provided by his advisors and the SET and based upon recommendations of the SET.

The Office of the Receiver and advisors also commenced periodic conference calls with the bond insurers for the Harrisburg Parking Authority bonds in order to provide them with sufficient information about the proposed transaction and to obtain their cooperation, to the extent it would be helpful. Further analysis of defeasance of HPA bonds has also been undertaken.

The Office of the Receiver has begun to assess the impact a proposed transaction might have with respect to the HPA Collective Bargaining Agreement (CBA), and the impact the CBA might have on the economics of a transaction. Legal aspects of various structures are being explored as well.

The Commonwealth and advisors to the Office of the Receiver commenced analysis of the various ways to improve parking for Commonwealth employees that could also benefit the proposed transaction. A series of conference calls and meetings have been taking place in August and September.

On July 27, 2012, advisors to the Office of the Receiver sent out a request for additional information to the remaining four SIPs. Responses were due back by August 2, 2012. The responses were analyzed and then conference calls with each of the SIPs were scheduled for the following week.

On August 17, 2012 outlines and questions with respect to certain contract provisions were circulated to the remaining SIPs for their review and comment. To the extent that there would be default or trigger events as a result of which, the City would be required to make significant compensation payments to the SIP, the Receiver's advisors attempted to identify such events and discuss ways to mitigate the impact. Responses were due back on August 22, 2012 and conference calls with each of the SIPs were conducted either August 25, 2012 or August 27, 2012.

On August 28, 2012 the most recent request for information was sent to the remaining SIPs. In addition, a meeting/conference call was set up amongst the SIPs and the Deputy Secretary of DGS to further explore Commonwealth Parking consolidation and needs. The Commonwealth is the largest customer of the system and the goal that is being pursued is to optimize Commonwealth parking for the good of the state and the City of Harrisburg.

One of the SIPs decided on September 4, 2012 not to continue in the process at this time as it was unable to determine that the upfront proceeds it could offer would meet the minimum threshold amount requested by the Office of the Receiver.

The meeting/conference call took place on September 6, 2012. The submissions made by the three remaining SIPs arrived over the weekend of September 14-16. These submissions have been analyzed and a draft report for the SET is being prepared for submission following the scheduled meeting of the SET on September 27, 2012. On September 27, 2012, the SET will meet to discuss a recommendation to the Receiver to select a finalist for exclusive negotiation of a definitive contract for a transaction to monetize the parking assets.



## **Water, Wastewater and Stormwater Systems**

The following is a chronological summary of the progress made with respect to Harrisburg's water, wastewater and stormwater (together "sewer systems") since June 25, 2012:

Suburban communities whose wastewater is treated by Harrisburg's treatment facilities have alleged over-charging by the City and have made demands for upwards of \$15 million upon the City. The Office of the Receiver arranged for a meeting with counsel to the suburban communities and their clients, along with their engineers. This meeting took place on August 16, 2012. Representatives of the City, The Harrisburg Authority and effected municipalities were present and a discussion of how to maintain and improve the infrastructure and operations, as well as how to fund the necessary improvements ensued. It was determined to form subcommittees or task forces in the following areas: structure of a local operating authority, financing for the new sewage treatment plant and future shared projects, and engineering issues relating to wastewater infrastructure and the plant upgrade.

In addition to the foregoing, the U.S. Environmental Protection Agency and PA Department of Environmental Protection, along with the U.S. Department of Justice have carefully been following progress in Harrisburg related to discharge and treatment of wastewater and stormwater. A series of meetings and conference calls have taken place to discuss among other things, how the City will protect its permit and avoid fines by creating a utility that is able to apply with all applicable environmental regulations. Periodic updates are being sent to the regulatory authorities and a meeting was held on September 20, 2012 at which the Receiver, Mayor, City Solicitor and Executive Director of THA were present and discussed progress. The Office of the Receiver has retained additional expertise from professionals who had been involved in Washington D.C. during their fiscal crisis and who succeeded in establishing a local and regional operating utility. The DEP, EPA and Department of Justice acknowledge that the Washington D.C. model is one they believe works very well and that could apply well to Harrisburg.

Harrisburg's vision is to move forward under the new EPA "Integrated Municipal Stormwater and Wastewater Planning Approach Framework". This framework allows a community to maximize effectiveness of funds through prioritization and phasing of actions to address health and water quality challenges and objectives. It also allows for use of green versus gray infrastructure as a means of more sustainable wet weather control and management. This use of green infrastructure has been shown to provide positive benefits beyond wet weather control.

The Harrisburg Authority has continued working with Arcadis to develop baseline models that could project the impact of the wastewater treatment facility upgrades (BNR) on rates. Current estimates are that the BNR will cost upwards of \$50 million. Neither the City nor THA has access to the debt capital markets largely due to the City's fiscal crisis and the absence of completed City financial audits for 2010, 2011, and 2012. THA was unable to secure a replacement liquidity facility

for one of its water bonds issues and is facing higher interest costs and accelerated debt amortization. The Harrisburg Authority and the Commonwealth sought additional resources to assist the City with its completion of 2010 and 2011 audits. An outside accounting firm was retained and has been working continuously on preparation work for the 2010 audit, which audit preparation work is now complete. The outside firm is now commencing audit preparation work for the 2011 audit.

An analysis is currently underway relating to creation of a local operating authority, which would have the effect of transferring and consolidating the administrative, operational, and financial responsibility and control for water and sewer to such local operating authority. This analysis includes possible structures that would allow the local operating authority to finance the BNR and other upcoming projects from the standpoint of gaining confidence of the credit markets. It also may entail moving employees from the City to the local operating authority. THA continues to undertake significant analysis related to a strategic plan for the water and sewer systems to be maintained in accordance with regulatory requirements and financial viability.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. ALAN WALKER, in his capacity as  
Secretary for the Department of Community  
and Economic Development,

*Petitioner*

v.

CITY OF HARRISBURG,

*Respondent*

)  
)  
)  
)  
)  
) Docket No. 569 MD 2011  
)  
)  
)  
)  
)

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving a copy of the foregoing pleading upon the persons and in the matter indicated below which service satisfies the requirements of Pa. R.A.P. 121 and Pa. R.A.P. 2187(a):

SERVED UPON:

Kenneth W. Lee, Esq.  
2 Lemoyne Drive, Suite 200  
Lemoyne, PA 17043

*Via First Class Mail and email to: [KLee@tuckerlaw.com](mailto:KLee@tuckerlaw.com)  
(Attorney for Mayor Linda Thompson, City of Harrisburg)*

Jeffrey G. Weil, Esquire  
Eric L. Sherling, Esquire  
Neal D. Colton, Esquire  
Stephen A. Miller, Esquire

COZEN O'CONNOR

1900 Market Street

Philadelphia, PA 19103

(Attorneys for Petitioner, C. Alan Walker)

*Via First Class Mail and email to: [jweil@cozen.com](mailto:jweil@cozen.com) and [ncolton@cozen.com](mailto:ncolton@cozen.com)*

Howard B. Klein, Esquire  
Law Offices of Howard Bruce Klein, P.C.  
1700 Market Street, Suite 3025  
Philadelphia, PA 19103  
(Attorney for David Unkovic)

*Via First Class Mail*

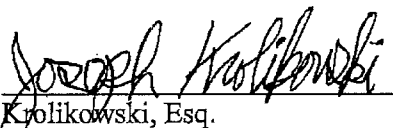
Scott T. Wyland, Esquire  
Edward L. Stinnett, II, Esquire  
Salzmann Hughes, P.C.  
354 Alexander Spring Road, Suite 1  
Carlisle, PA 17015  
(Attorneys for Suburban Municipalities)  
*Via First Class Mail*

Neil A. Grover, Esquire  
2201 North 2nd Street  
Harrisburg, PA 17110  
(Attorney for the City council of Harrisburg)  
*Via First Class Mail and email to: [groverlaw@lx.netcom.com](mailto:groverlaw@lx.netcom.com) and [neilgroveresq@gmail.com](mailto:neilgroveresq@gmail.com)*

Nevin J. Mindlin, Pro Se  
2250 N. 3rd Street  
Harrisburg, PA 17110  
(Purported Pro Se Amicus Curiae)  
*Via First Class Mail and email to: [nmindlin@netzero.net](mailto:nmindlin@netzero.net)*

**MCKENNA LONG & ALDRIDGE LLP**

Date: September 28, 2012

By:   
Joseph Krolkowski, Esq.  
Pennsylvania Bar No. 26300  
303 Peachtree Street, NE, Suite 5300  
Atlanta, Georgia 30308

ATLANTA:5421503.1