

ACT 47
RECEIVER STATUS REPORT
DECEMBER 21, 2012

Section No. 11
Exhibit No. 53

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

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)
) Docket No. 569 MD 2011
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STATUS REPORT OF THE RECEIVER FOR THE CITY OF HARRISBURG

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.

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA
2012 DEC 21 P 3:16

Respectfully submitted this 21st day of December, 2012.

MCKENNA LONG & ALDRIDGE LLP

By:

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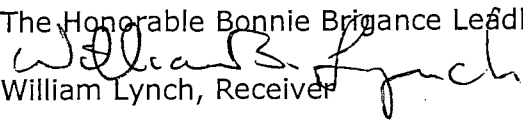
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**Attorneys for the Receiver for the City of
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EXHIBIT “A”

Date: December 21, 2012

To: The Honorable Bonnie Brigrance 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 October 10 and 24, November 14 and 28 and December 12. 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 December 12 meeting are attached. The minutes from the September 26 meeting that were not available when the last report was filed are also attached. Just prior to the December 12 meeting I received a letter of resignation from David Black. The letter was read and made a part of the record of the meeting. A new appointment is pending.

The Receiver has held weekly status conference calls with the members of his 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 November the City received \$42,743,366 in revenue and disbursed \$41,489,213 in expenditures. The City ended November with an unrestricted cash balance of \$1,357,592. In addition to normal revenues, the City received a \$1.950 million grant from the Commonwealth that was used to defray public safety payroll and benefit costs along with audit preparation work during the quarter.

Estimated revenues for December are \$5,756,430 while estimated expenditures are \$7,412,763. The City ended 2011 with a \$2,831,344 deficit and is projected to end 2012 with a cumulative deficit of \$12,330,919. This deficit includes the debt service on certain General Obligation bonds that were

due in March and September and total \$9,097,394. Due to the severity of the City's cash flow the Receiver directed the City not to make the debt service obligation on the General Obligation bonds. The City has also been holding substantial payables that approximate \$1.7 million as of mid December. Further the City's bi-weekly payroll averages \$1.1 million and it processes payables on a bi-weekly basis.

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 December 17 is attached.

My focus moving forward is to address the City's cash flow needs during the early months of 2013. The City's revenues are minimal during January and February, while expenditures will continue. I project that the City will need a cash infusion of approximately \$4 million to meet payroll and critical vendor obligations until revenues pick up in March. I have directed the City to insure that real estate tax bills are mailed as early in the year as possible. My team has been engaged with various financial institutions in an attempt to negotiate a Tax Anticipation Note, however the financial community continues to have concerns over the City's credit worthiness. I am now pursuing internal financing to address the City's General Fund cash flow needs.

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 efforts to implement the confirmed plan. Implementation efforts have focused on key priorities that are the most time sensitive.

In order to maintain effective communication between my office and the City, I meet on a weekly basis with Mayor Thompson. Our agenda focuses on the most significant issues that are pending at the moment. These meetings have been very productive and resulted in addressing plan related issues in a constructive and positive way. In the last quarter I have also engaged in periodic meetings with Council President Williams, especially as it has related to the Earned Income tax increase and the 2013 budget process. Again these meetings have also been very productive as we work to achieve consensus between the Mayor and Council.

A key recommendation of the confirmed plan was the recruitment and appointment of a Chief Operating Officer (COO). Ricardo Mendez- Saldivia was selected and began service as COO on April 23. This position has greatly strengthened the City's administrative capacity. 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 to

work 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. He has continued this effort thru the 4th quarter and the City anticipates receipt of the draft 2010 audit before year end. He has continued this effort thru the 4th quarter and the 2010 audit was completed on schedule. Further, the outside accounting assistance should complete preparatory work for the 2011 audit by January and provide the financial records needed for this audit to the City's CPA at that time. It is now anticipated that the City's audits should be brought up to date by mid 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 reviewed the needs of the City's finance department and provided a recommendation on its restructuring. The City has moved forward with this restructuring and with our assistance hired 2 experienced individuals to fill key positions in the department. Full implementation of the restructuring will occur as part of the 2013 budget enactment.

The Receiver's office also engaged the assistance of an outside consulting firm, Trout, Ebersole & Groff LLP (TEG) to prepare the City's financial records for the 2010 and 2011 audit. TEG finished work on the 2010 records in early October and prepared the 2011 financial records for audit. The City's CPA firm Maher Duessel completed the 2010 audit on schedule, December 19, 2012, and they will begin work on the 2011 audit in January upon TEG's completion of the audit prep work. TEG finished work on the 2010 records in early October and is now engaged with preparing the 2011 financial records for audit. The two new finance office personnel are working closely with TEG personnel and will be in a position to prepare the 2012 records for audit after the first of the year. It is anticipated that by mid 2013 the City will be current with its audits.

A review of the City's fleet operations is underway with the goal of exploring consolidation and efficiency with fleet operations. An RFP for outsourcing the City's sanitation operation has been completed with proposals being requested in January. The RFP addresses residential as well as commercial refuse collection 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 thru mid-December 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 developed negotiation proposals and has numerous bargaining sessions during the quarter 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 as early in 2013 as possible. Given the current negotiating status, I have directed the City not to implement any of the salary increases for 2013 that were part

of the contract extensions. 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. Following a number of meetings between the parties a Stipulation Agreement was executed by City Council, Mayor and Receiver on October 23 that resolved the mandamus action. The agreement acknowledged that although there were disagreements between the parties each had identified points of common ground in addressing the fiscal issues and agreed to undertake a more coordinated effort to address these matters. The parties acknowledged an agreement in principle to address structural deficit and debt related issues in a comprehensive and realistic manner with an aim towards achieving a long-term global resolution of the City's fiscal issues. This agreement resulted in City Council's enactment of the increase in the Earned Income Tax increase on October 23. A copy of the Stipulation Agreement is attached.

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. Selected parties have been identified for both the sale of the Resource Recovery Facility and the monetization of Parking Facilities and active negotiations with the parties have occurred during the quarter. 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.

My Office has also continued active discussions with both Assured Guaranty Corporation and Dauphin County with respect to both the asset monetization processes as well as operational issues. In-depth discussion have been held with both on a regular basis during the quarter to keep them apprised of the asset monetization processes, the City's cash flow, budget and operational issues. This dialog will continue as we move forward.

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.

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CLERK OF COURT
JUDICIAL BRANCH
HARRISBURG, PA

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

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No. 569 M.D. 2011

RE: *WILLIAM B. LYNCH, RECEIVER FOR THE CITY OF HARRISBURG,*
PETITIONER

v.

WANDA R.D. WILLIAMS, EUGENIA SMITH, PATTY KIM, BRAD KOPLINSKI,
SUSAN BROWN-WILSON, KELLY SUMMERFORD, SANDRA REID AND
THE CITY COUNCIL OF HARRISBURG, RESPONDENTS

STIPULATION OF THE PARTIES

1. On August 27, 2012, this Honorable Court entered an Order granting in part and denying in part a *Petition for Issuance of Writ of Mandamus* filed by William B. Lynch, Receiver for the City of Harrisburg against the City Council of Harrisburg and each of its seven (7) members in their official capacity.

2. The Order was entered following a hearing on the matter held August 23.

3. The Office of Receiver, the City of Harrisburg by Mayor Linda D.

Thompson, and the Harrisburg City Council and its members ("the Parties"), participated in the proceeding through their respective legal counsel.

4. On September 6, 2012, the Parties to the hearing jointly filed an *Application for Reconsideration* of the Order of August 27, 2012, and sought an Order granting reconsideration and effectively staying the proceedings so that the Parties could pursue possible resolution of the matter during a brief cooling off period.

5. So as to avoid the costs and expense of ongoing litigation, Mr. Lynch and all members of City Council, with their legal counsel, took the opportunity to hold initial small group meetings and an executive session regarding this litigation and therein came to share their respective views on dealing with various aspects of the financial issues facing the City of Harrisburg, including the ongoing structural deficit and the debt related to the Resource Recovery Facility operated by The Harrisburg Authority.

6. After those discussions, the Parties acknowledge that they continue to disagree on issues related to this mandamus proceeding, each side maintaining that their respective view on the law and facts would prevail if the pending matter move forward.

7. Notwithstanding their respective firm beliefs and differences, the Parties further acknowledge that they have identified some points of common ground in addressing the fiscal issues impacting the City of Harrisburg and, accordingly, hereby

agree to undertake a more coordinated effort to address these matters.

8. The Parties herein acknowledge an agreement in principle that the work being undertaken by and on behalf of the City of Harrisburg to address structural issues, deficits and debt issues facing the City must be both comprehensive and realistic, with an aim toward bringing about a long-term, global resolution of financial issues.

9. The Parties acknowledge that in order to achieve such a comprehensive global resolution, the goal of recovery efforts must be to: (i) ensure a stabilization of the City's finances and its ability to provide vital and necessary services and (ii) achieve a measurable degree of shared responsibility among various other parties not signatories to this Stipulation.

10. The Parties acknowledge that in order to achieve fiscal stability for the City, it may be necessary to pursue legal claims against those responsible for certain debt of the City, by negotiation or other legal process.

11. Sharing a joint interest in achieving a global resolution for the City, the Office of Receiver, the City of Harrisburg by Mayor Thompson and the Harrisburg City Council hereby agree to an increase in the current one percent (1%) local earned income tax rate on residents of the City of Harrisburg – which is currently evenly split with the Harrisburg School District, to a temporary rate of two percent (2%) on income, with the additional revenue collected therefrom going solely to the City of Harrisburg to assist in the provision of services for the health, safety and welfare of City residents.

12. It is the intention of the Parties that this agreed increase in the earned income tax rate shall be for a period of four (4) fiscal quarters or, in the event that the tax increase should be implemented after the start of the fiscal quarter, then for a total period of 12 months.

13. In entering this agreement, the Parties herein each agree that they and any successor(s) to their respective public office shall continue to enjoy, free of any *res judicata* or collateral estoppel defenses, the right to raise any claim, issue or defense in any later proceeding(s), if any, that was raised in the current mandamus matter and that might arise from seeking to implement, compel or otherwise require the continuation or adoption of the earned income tax rate increase beyond the one-year period at issue.

14. By reason of entering into this agreement, the Parties herein each expressly agree that they shall not later raise, invoke, argue or otherwise pursue any issue of timeliness or waiver of any claim, issue or defense arising from the filing, litigation or resolution of this current proceeding.

15. The Parties acknowledge that the mutual promises to act or defer action is adequate mutual consideration for entering this agreement.

16. The Parties herein acknowledge and agree that except as otherwise expressly stated herein, by deferring to continue or otherwise forego their current claims, defenses and rights to continue pursuing or defending the mandamus proceeding, the Harrisburg City Council and its members, the City and the Receiver are not surrendering,

waiving or otherwise losing any right, claim or defense raised in the course of the pending *Petition for Issuance of Writ of Mandamus*, or any right, claim or defense arising outside the scope of these proceedings.

17. City Council and its members, the City and the Receiver are expressly foregoing an immediate appeal or reconsideration of those aspects of the Order mandating an increase in the earned income tax rate that was entered on August 27, 2012.

18. Notwithstanding the agreement to adopt a one-year increase in local earned income tax rate, the Parties expressly acknowledge and agree that Council and its members, the City and the Receiver shall be free to raise these same issues anew if a later proceeding is pursued by or against them to extend, continue or otherwise renew the earned income tax rate increase, and that no objection or defense of timeliness, waiver, accord and satisfaction, *res judicata*, collateral estoppel or other objection asserting a forfeiture of any right to pursue or defend against a future claim on the basis of the execution, existence or application of this agreement shall be interposed by any Party.

19. In no event shall an extension of the above-described increase in the local residential earned income tax rate be considered to be authorized beyond a one-year imposition, without supplemental tax legislation being enacted by a majority vote of the Harrisburg City Council, or unless otherwise so ordered by a court of competent jurisdiction after the Harrisburg City Council and its members have had an opportunity to participate and be fully heard by that court on the matter.

20. The Parties acknowledge and agree that the Harrisburg City Council and its members have joined in this Stipulation that includes a one-year increase in the local residential earned income tax rate in direct reliance on general representations made by and on behalf of the Office of Receiver to work cooperatively with City Council in his continuing formulation of a comprehensive Recovery Plan to protect the interest of the City of Harrisburg and those who live here.

21. The Parties acknowledge and agree that the 2013 Budget for the City of Harrisburg shall not include any increase in any real estate tax rate and that the Receiver shall not seek, require or otherwise approve any further increase in real estate tax rates in any modified recovery plan to be submitted for Commonwealth Court approval.

22. The Parties acknowledge and agree that the Receiver has not agreed to refrain from seeking or otherwise pursuing a local residential earned income tax increase to a rate of two percent (2%) in subsequent plan years or in any modified recovery plan, understanding that Council has not agreed to enact or renew such a rate increase.

23. The Parties further agree to cooperate in efforts to meet and confer on issues arising under the current recovery plan, any proposed or approved modified recovery plan, or other issues that may arise regarding the provision of vital and necessary services to the City of Harrisburg.

24. The Parties acknowledge and agree that insofar as this Stipulation provides for an increase in the local residential earned income tax rate, the agreement requires a majority vote of the members of the Harrisburg City Council and that this Stipulation

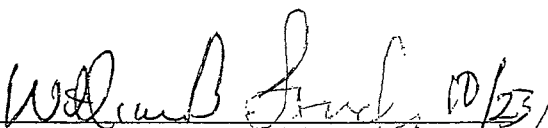
shall only be filed with the Court and become binding upon such after an affirmative vote of City Council.

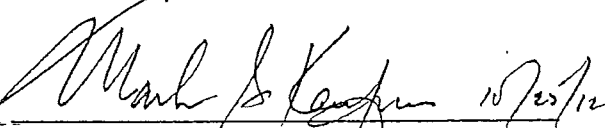
25. The Parties acknowledge and agree that such an affirmative vote shall not be deemed a waiver of any right, claim or defense of City Council or its members to challenge the basis for any claim or order of the Receiver or any order of the Court that directly or indirectly asserts the right or power to compel any or all members of City Council to vote on any specific matter or to otherwise direct a vote for or against any specific legislation that may be brought before the Council for consideration, and that none of the Parties shall assert that any such right, claim or defense has been waived or otherwise forfeited by Council or its members, with the sole exception being the increase in the local earned income tax rate for one-year as stipulated herein.

26. The Parties acknowledge and agree that the Office of Receiver, the City of Harrisburg by Mayor Linda D. Thompson and the Harrisburg City Council and its members shall not claim or assert that any other Party to this proceeding has waived, forfeited or otherwise has been divested of any rights, claims and/or defenses that have been raised in these proceedings or that could be raised on any appeal of the proceeding in the absence of this Stipulation.


27. The Parties further agree to authorize any other steps required by their respective offices to implement the terms of this agreement.


WHEREFORE, intending to be bound hereby, the Parties, by their signatures and that of their respective legal counsel, agree to and adopt the terms of the foregoing Stipulation.


WILLIAM B. LYNCH, RECEIVER DATE 10/23/12
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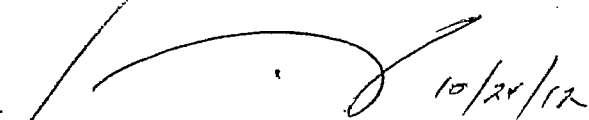
COUNSEL FOR WILLIAM B. LYNCH, RECEIVER
FOR THE CITY OF HARRISBURG


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LINDA D. THOMPSON

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November PROOF OF SERVICE

I certify that this 31st day of October, 2012, I served a true & correct copy of the foregoing Stipulation on the following via electronic mail & the U.S. Postal Service, postage prepaid, properly addressed to:

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*Counsel for William B. Lynch, Receiver for
the City of Harrisburg*

I further certify that I electronically delivered, via the respective electronic mail address or fax number shown, a true and correct copy of the foregoing Application on the following persons appearing on the docket:

ADDITIONAL RECIPIENT LIST

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By 
Neil A. Grover

MFRAC MEETING MINUTES

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG

September 26, 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

Absent: Anne Morrow (Recording Secretary)

Reports

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:35 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the September 12, 2012 Committee meeting.

Mayor Thompson noted a correction on page 5 located in the second to last paragraph, last sentence. Mrs. Morrow made the correction and resent the minutes out to the committee members. There were no other edits. 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 various positions that relate to the City's ability to provide necessary and vital services. The City is continuing recruitment efforts to fill a number of the positions that have been approved that are critical to City operations. One of the impediments, especially with several of the positions in the Finance Office, has been the City's requirement for residency. There have been several individuals who were well qualified for the position that turned the position down due to the residency requirement.
- Noted at the last meeting, the Plan Implementation Chart has been updated and can be reviewed on the Receiver's website. The Office of the Receiver is currently working on the completion of the quarterly Status Report as provided under Chapter 7 which will be given to the Mayor and City Council President. The quarterly Status Report will be filed by the end of this week with both the City and Commonwealth Court.
- The Novak Consulting Group continues to work with Mayor Thompson and the COO to assist with the implementation of various recommendations. With the assistance of The Novak Group, the City has integrated a management system within City operations.

- A review of the City's fleet operations continues. The City has provided various data so the analysis of its fleet operations can be completed with a goal of exploring both consolidation and efficiency.
- Over the last two weeks work has also continued on the development of RFP's for solid waste sanitation service and for insurance service with a goal of effecting further cost containment within the City operations.
- Maher Duessel has taken the audit preparation work completed by Trout, Ebersole and Groff and is now engaged in the completion of the 2010 audit. The completion date is scheduled for mid-November.

Cash Flow

- The City provided the August actual numbers to the Receiver and a review of those numbers show the City has received through the end of August \$32,587,000 in revenue and disbursed \$28,896,000 in expenditures. The City ended August with a cash balance \$3,591,000 in part due to the advance of the \$2.5M fire payment from the Department of General Services. This was part of the FY12-13 State budget.
- This positive balance is also reflective of the fact that most of the tax revenues have been received for the year and the March debt service payment on the G.O. Bonds totaling \$5.3M was not made. The City, however, is holding substantial payables that total \$2.3M as of the latter part of September. As noted at the last meeting, General Lynch advised the City not to make the second debt payment that was due on the G.O. Bonds on September 15th that totaled \$3.4M. That decision was made due to the nature of the City's cash flow.
- The Office of the Receiver continues to monitor expenditures including the review of payables on a biweekly basis. The City has now accelerated the processing time period for payables so that check-run list is provided a week before the run actually occurs in order to better coordinate between the Treasurer's office and the Finance office. The September 21st check-run was reviewed last week and following that run and this week's payroll, the City will have approximately \$400,000 in available cash. This balance is extremely low; however, the City is receiving some revenue through the end of September and will receive a substantial third-quarter EIT payment in October or early November as well as the State Aid for pension funding that should be received in early October.
- The largest outstanding payable is for medical insurance for Highmark. The Receiver's office has advised the City to continue to maintain communications with Highmark to keep them apprised of the City's cash flow position so that the City's able to avert any possible disruption of healthcare service.
- It is now projected that the City will experience an \$11,990,000 structural deficit for FY12. Considering the approx. \$2.8M deficit from last year, the cumulative deficit is estimated to be \$14.8M. Efforts will continue as we move through the fall months to monitor cash flow as closely as possible so as to maintain payroll and critical vendor obligations.

Asset Monetization

- Mr. Reddig noted the negotiations with the Lancaster County Solid Waste Management Authority (LCSWMA) continue. Over the last several weeks discussions between the Office of the Receiver, LCSWMA and the Department of General Services (DGS) has continued on the service purchase agreement for the sale of electricity which is a key component of the LSCWMA proposal. A term

sheet for the transaction has also been prepared and is now being reviewed by the Office of the Receiver. That process is moving toward a conclusion.

- The Receiver's Office continues negotiations with the selected firms with the parking monetization. Discussions continue with the Department of General Services to address the Commonwealth's parking needs and negotiate a multi-year agreement. DGS has been very cooperative in working to consolidate parking needs of the Commonwealth in the Harrisburg Parking Authority facilities. That result will have a significant impact in the value of the monetization.
- One of the four firms that had been selected to negotiate with the parking monetization has decided not to continue with the process because it was unable to meet the threshold requirements for the transaction. Updated submissions by the three remaining parking parties were submitted on September 16th and are being reviewed. The meeting of the Screening and Evaluation Team is scheduled for tomorrow to discuss those proposals and provide the Receiver with a final candidate.
- The water and sewer monetization continues with the firms involved. This process is running a bit behind the RRF and parking monetizations.
- Discussions continue with AGM and Dauphin County to keep them apprised of the asset monetization processes as well as what has been happening on the operational front in obtaining 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 has gone over each and every one of the initiatives.
- To try to improve their one-on-one management system meetings, Mr. Mendez-Saldivia will begin meeting with each stakeholder to make certain that everything is being addressed and that all information is provided and updated in the best fashion for the Mayor's office. An additional check will be conducted with a line-by-line item/initiative check for the upcoming month.
- The City met with Julia Novak of the Novak Consulting Group and the police chief regarding enhancing deficiencies in the police department and staffing shifts. Meetings were held with the Mayor and the different department directors.
- Mr. Mendez-Saldivia noted conservatively that 90% of the 2010 audit checklist is completed. The remainder are pending Trout, Ebersole and Groff's ability to finish some of the details they had from the audit preparatory work. An email was received last night from Trout, Ebersole and Groff requesting payment for their services. A good relationship has been developed with them and the City feels it can work out a resolution of payment so work can resume to finalize the 2010 preparatory work. The auditors continue to work daily in City Hall on the 2010 audit. Minimum work will be done on the 2011 audit until the 2010 audit is completed.
- The administration held leadership training with the staff in order to help City employees' morale, to increase the knowledge of different management systems,

management approach, communications and so forth. The City administration continues to implement the performance management system assigned by The Novak Consulting Group, working with the Mayor and different department directors and addressing Human Resources, Operations, financial and customary issues on a consistent basis.

- The City continues to manage their relationships with the different vendors. Calls have been placed to Highmark and communications will be kept open with them.
- The Finance Bureau remains unstable. The administration has exercised a great deal of due diligence with the job descriptions and advertising to no avail in filling the position. The residency requirement has caused difficulties in hiring for these positions along with the low starting salaries. Our desire is to have competent professionals join the City's team of professionals.
- The City has reengaged its labor management relationships with all the unions and is addressing issues before grievances begin. The City's management will be involved with any grievances from the very start. One of the most important processes is the completion of our labor contract negotiations which will ultimately assist the City in addressing its structural deficit and return the City to fiscal solvency.

Committee Comments

Council President Williams and Mr. Lighty had no comments.

Mr. Black asked Mr. Reddig to explain the RFP for the sanitation services.

- Mr. Reddig replied there are three approaches being reviewed - residential, commercial and both.
- Mr. Reddig noted it would be the collection of all solid waste within the City.

Mr. Black asked Mr. Reddig if the City has compared the current rate of real estate tax collection with what has been received in the past.

- Mr. Reddig replied there was a rate increase this year making the revenue higher but the collection percentage is about the same.

Mr. Black asked when reviewing the operating year-end position and next year's budget, how will the City get through the end of the year with running a pretty significant deficit. What happens when they get down to no money?

- Mr. Reddig responded at this point the big ticketed items have not been paid. Of the \$14M cumulative deficit, \$9M is represented by the two debt service payments that were not made. From a cash flow standpoint you can take that out. Cash is going to be very tight. At this point we believe with the third quarter EIT revenue coming in along with the pension aid money which will also be received in October should address payroll and critical payables. It's going to take a close monitoring of payables and continuing to hold certain payables as we move into mid November through the end of the year. We are very concerned with that time period. There are a couple of other options that we working to try to close a gap estimated to be in the range of \$2M - \$3M. Our focus in the early part of 2013, is to obtain a tax and revenue anticipation note. Talks have already started with several financial institutions.

- Mr. Reddig advised Mr. Black the cash flow situation will be very difficult but we will keep the committee apprised as we continue through to the end of the year.

Mayor Thompson gave a follow-up on the process of the City's 2013 budget. She explained how the budget process works.

- The City Directors create their own budgets before the final budget is submitted for the Mayor's review. This is the preliminary process. This is only the expenditure side of the budget and is done in the eyes of the public. The Mayor doesn't see this part of the budget until it's submitted with the revenue side attached.
- The revenue side of the budget is still evolving. Joe Bream is currently working on revenues. When Joe provides the full budget to Mayor Thompson, which includes expenditures and revenues, the Mayor will sit down with every Director and make the necessary adjustments to balance the budget before it goes to Council.

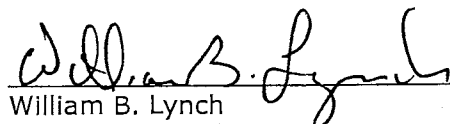
Mayor Thompson noted this is how the budget process has been completed in the past and how the City's current budget will be conducted. The complete budget has not yet been given to Mayor Thompson and is still being worked on. The media articles regarding the Mayor's budget have been fabricated, untrue and will never be the City's budget.

Mayor Thompson noted the City is diligently working on looking at all the outstanding revenues the City is owed by many people in the City from residents to business people and those who have entered into the criminal justice system. The City is going to enter into a Memorandum of Understanding (MOU), which will soon be finalized, with selected constables who have the jurisdiction to go after these parties. There are warrants that represent several hundred thousand dollars that are owed to the City from utility bills, taxes and business fees. There are several constables that will contract with the City to pursue these revenues. The constables will get paid once collection occurs. The City will not incur any cost. The City will also send out an RFP for services to be rendered to have business tax returns reviewed and verified to confirm businesses are filing correctly.

Mayor Thompson noted the City has also been very diligent in working with their labor attorney, Vicki Beatty, who's been doing an excellent job at presenting the City's bargaining position to the unions. This process is near an end and serious discussions will begin with the union leaders in order to bring down the structural deficit. The structural deficit will be about \$3M by the end of this year noting that the two G.O. Bond payments totaling \$9M weren't paid. This amount will need to be paid back however, and will be included in the 2013 budget. Once the City is able to reach negotiations with the creditors and the unions the City should be able to manage the structural deficit come 2013.

Mr. Lynch asked if there were any public comments. Hearing none, Mr. Lynch called this meeting adjourned at 9:15 a.m.

Approved this 26th day of September 2012.


 William B. Lynch
 Receiver for the City of Harrisburg


 Secretary – Anne Morrow

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG

October 10, 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
Anne Morrow (Recording Secretary)

Absent: Mayor Linda Thompson

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 September 26, 2012 Committee meeting.

Mr. Lynch announced the Parking Screening and Evaluation Team (SET) recommended Harrisburg First as the party to continue negotiations with for the parking monetization.

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

Operational Issues

- Mr. Reddig noted it was reported at our last meeting that the Quarterly Status Report was filed both in Commonwealth Court and with City Council and the Mayor at the end of September. This is as provided for under Chapter 7 in Act 47. The report included an updated status report as well as an update on the monetization's and relevant cash flow information through the end of August. The report is available on the Receiver's website.
- Mr. Reddig noted the Office of the Receiver continues to work with the City in reviewing various positions that relate to the City's ability to provide necessary and vital services. The City continues recruitment efforts to fill key positions, especially in the Finance Department. The City recently requested approval to fill several positions in the Department of Public Works, seasonal employees in the Parks and Recreations Department and a position in the Economic Development Department. These requests are currently under review. One of the impediments, especially with several of the positions in the Finance Office, has been the City's requirement for residency.
- The Novak Consulting Group continues to work with Mayor Thompson and the COO to assist with the implementation of a number of recommendations. The Novak Team has recently met with the department directors and provided an orientation on the Receiver's Plan to the new DPW Director.

- A review of the City's fleet operations continues. The data provided by the City is under review with the goal of exploring both consolidation and efficiency in the fleet operations area.
- The development of the RFP for sanitation service has been completed and will be reviewed with the City. An RFP for insurance service has been delayed until the first of the year due to difficulties obtaining all of the necessary information in working with the current providers. Both of these initiatives have a goal of effecting cost containment within the City operations.
- Maher Duessel is working on the 2010 audit with a completion date of mid-December. Trout, Ebersole and Groff is completing some additional clean-up work at the request of Maher Duessel in order for the 2010 audit to be completed. Once this work is completed Trout, Ebersole and Groff will begin work to prepare for the 2011 audit.

Cash Flow

- Mr. Reddig noted the Office of the Receiver continues to monitor expenditures including the review of all payables on a biweekly basis. With the acceleration of the processing time period for payables now in place, the Receiver's office reviewed this week's check-run at the end of last week. This check-run totals \$591,698 with the largest payments for medical insurance primarily to Highmark which represents 66% of the total. Following this check-run and this week's payroll, which is estimated to be \$1.1M, the City will have approximately \$2M in available cash. This number is deceiving in that it represents the receipt of the 2012 pension aid money which was received last week. A majority of it will need to be deposited into the pension fund within 30 days of receipt. It is anticipated that the City will be receiving a substantial third quarter EIT payment either late October or early November. Actual revenue and expenditures for September are expected from the City later this week and will be reviewed upon receipt.
- The current positive balance is also reflective of the fact that most of the City's tax revenue, with the exception of EIT payments, has been received and the March and September debt service payments were not made. The City continues to hold substantial payables totaling \$2,063,000, as of last week.
- The Receiver's office continues to advise the City to maintain communication with Highmark and other medical insurance providers to keep them apprised of the City's cash flow in order to avert a potential disruption of healthcare service.
- Discussions have been held with local financial institutions over the last two weeks in regards to a 2013 tax and revenue anticipation notes (TRAN). It is anticipated proposals for a 2013 TRAN will be requested later this year.
- We project that the City will experience an \$11,990,000 structural deficit for this year. Considering the approx. \$2.8M deficit from last year, the cumulative deficit is estimated to be \$14.8M. Efforts will continue with the City as we move through the fall months to monitor cash flow as closely as possible to ensure that necessary and vital services continue to be provided.

Asset Monetization

- Mr. Reddig noted that Receiver Lynch reported the SET for the parking monetization recommended Harrisburg First as the party to begin negotiations and that he had concurred with their recommendation. Discussions with DGS

continue on consolidation of the Commonwealth's parking needs. This is a key element of the monetization of the parking facilities.

- Negotiations continue with the Lancaster County Solid Waste Management Authority (LCSWMA) on the RRF. These discussions also involve DGS with a service purchase agreement for the sale of electricity. A term sheet for this transaction has been prepared and is under review.
- The water and sewer monetization continues with the firms involved but are a bit behind the other monetizations. These negotiations involve the surrounding municipalities in working towards a consensual resolution to the Chesapeake Bay Consent Order.
- Discussions continue with Assured Guaranty Corporation and Dauphin County to keep them apprised of the asset monetization processes as well as a status on operational issues. A meeting to discuss the asset monetization processes with them later this week.

Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, was absent from this meeting.

Committee Comments

Council President Williams and Mr. Lighty had no comments.

Mr. Black asked Mr. Reddig if all of the asset monetizations will need to be complete before any transactions can be made given the debt on the Resource Recovery Facility.

- Mr. Reddig noted the Office of the Receiver would take the Recovery Plan back to Commonwealth Court for review once tentative agreements with the parties involved as well as other elements for a consensual solution. Water and sewer monetization would most likely not be a part of the initial amended Recovery Plan. The water and sewer system matter has a little different set of characteristics and is not as critical the other monetizations to a resolution of the debt. They're more on the operational side.

Mr. Black asked Mr. Reddig if he could identify what the final target of stranded debt is to be negotiated around.

- Mr. Reddig stated it's difficult to project as it depends on how the RRF and parking monetizations come together.

Mr. Black asked Mr. Reddig about the G.O. Bond payments that were missed and if there were any bond debt reserve fund indentures in those bonds.

- Mr. Reddig replied he didn't know the answer right off hand but that any reserve funds would be applied to the payment.

Mr. Black replied he hopes this is something the City doesn't have to face down the road.

- Mr. Reddig noted Ambac is aware of what has happened and the Receiver has been in discussions with them as well.

Mr. Black asked if the schedule for the 2013 budget is on track and if the Mayor will send it to Council in late November.

- Mr. Reddig stated the 2013 budget is on track and that the department directors are currently working on their piece of the budget which will flow through the Mayor and then she will present it to Council. The Receiver's office is currently working on projections and will be advising the Administration as the process moves forward.

Public Comments

Bill Cluck, resident of Harrisburg

- Mr. Cluck asked about the RFP for solid waste and asked Mr. Reddig to confirm that it hasn't been issued.
 - Mr. Reddig replied that the RFP for solid waste hasn't been issued and was under review.
- Mr. Cluck asked if the scope is to privatize commercial and residential or one or the other.
 - Mr. Reddig replied that it was three fold – residential, commercial and both. The responses will be reviewed in terms of their impact on City services.
- Mr. Cluck asked if it included recycling.
 - Mr. Reddig replied yes.
- Mr. Cluck asked if it also included composting and leaf collection.
 - Mr. Reddig replied he'd have to go back and look as he wasn't sure.
- Mr. Cluck noted the City is out of compliance with State law now with leaf collection. If in fact our leaves are being taken to the incinerator that's in violation of State law.
- Mr. Cluck asked for an update on the earned income tax (EIT) issue.
 - Mr. Lynch replied the EIT is still a work in progress.
- Mr. Cluck asked for more information on Harrisburg First.
 1. Who is Harrisburg First?
 2. Are they a public entity or a private entity?
 3. Is it a corporation or a partnership?
 4. Who are their legal advisors?
 5. Who are their financial advisors?
 6. If they are a corporate entity, who are their largest share holders?
 7. If they have a lobbying firm on their behalf, who is it?
- Mr. Cluck noted the reason he raised this was to dispel any notation from the public that there's a deal going on. Mr. Cluck said there's been too much of this in the past and we should be disclosing who the main players are behind this entity so everybody can be part of the process.
- Mr. Cluck suggested given the lack of public attendance at the Advisory Committee meetings, that perhaps a noon time frame would result in a larger attendance. There has been some reported criticism that the Committee is not available to the public. Mr. Cluck believes it would be good for openness and transparency.

Mr. Lynch asked if there were any other comments from the public.
Hearing none, Mr. Lynch called this meeting adjourned at 8:52 a.m.

Approved this 10th day of October 2012.



William B. Lynch
Receiver for the City of Harrisburg



Secretary – Anne Morrow

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG

October 24, 2012

8:30 a.m.

Council Chambers

Present: William B. Lynch, Receiver

Mayor Linda Thompson

Wanda Williams, City Council President

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

Anne Morrow (Recording Secretary)

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

Reports

Mr. Lynch called the Municipal Financial Recovery Advisory Committee meeting to order at 8:32 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the October 10, 2012 Committee meeting.

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

Mr. Lynch noted City Council voted to approve the increase of the EIT (Earned Income Tax) at their last evening Legislative Session from 1% to 2% which is what is in the court confirmed Recovery Plan. Mr. Lynch commended Council President Williams and Mayor Thompson for their courageous political leadership in dealing with this difficult task and with the renewed spirit of cooperation between City Council, Mayor's office and the Receiver's office.

Committee Comments

Council President Williams noted approving the EIT increase was a hard task but felt it was necessary to help get the City through its financial crisis. Council President Williams continued by saying she was glad to get the majority vote on approving the EIT, which was 5 votes out of 7. Council President Williams noted she would have liked to have had an unanimous vote but was glad there was a majority vote.

Mr. Lighty did not have any comments.

Mayor Thompson commended Council President Williams for her leadership. Mayor Thompson and Council President Williams have agreed to stay in contact with each other to "fact check" and alleviate any rumors and dishonest intensions that cause divisions. There is no progress in doing this.

Mayor Thompson also commended Council Members Kim, Reid, Smith and Summerford for their vote in approving the EIT to help move the City in the right direction and being a part of the global picture.

Mayor Thompson noted we are now one unified family which includes the State, County, Council, Mayor and the Receiver's office. A lot of heavy lifting has been done to get us to

this place and now it's time for the creditors to carry the City the rest of the way. Mayor Thompson noted the approval from Council to increase the EIT is a really good thing and thanked General Lynch for his leadership.

Mr. Lynch thanked Mayor Thompson and appreciates the cooperative spirit and believes it will serve the City well.

Mr. Lynch noted a member of the public approached the committee regarding a time change to when these committee meetings are held and to perhaps make the time closer to the middle of the day. This time change may make it a little easier for the public to attend. Mr. Lynch asked that this suggestion be put on the next meeting agenda for discussion as well as looking ahead to the December 26 meeting date for a possible cancellation. If this action is taken it will require public notification.

Mr. Lynch also noted he has become very interested in delinquent tax lien sales as a way of raising money expeditiously at minimum expense and would also like to discuss this item at the next committee meeting. Mr. Lynch offered to arrange to have someone who is very knowledgeable on tax lien sales to attend our next meeting to discuss the matter further. Committee members are to contact Mr. Lynch if they are interested in learning more about the sale of delinquent tax liens.

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

Mr. Reddig likewise commended City Council and Council President Williams for their leadership with last night's approval of the EIT issue. It denotes a spirit of cooperation and partnership between the Mayor, the Administration and Council. The City is faced with many challenges and that cooperative approach is going to be critical as we move through the coming days and weeks.

Operational Issues

- Mr. Reddig noted the Office of the Receiver continues to work with the City aggressively on a variety of operational and financial issues. We continue to review various positions that relate to the City's ability to provide necessary and vital services. The City recently received approval from the Receiver to fill several seasonal positions in the Parks and Recreation Department that are funded through various sponsorships and do not necessitate any funds from the General Fund. The City is also actively pursuing candidates for both the Senior Accountant and Accounting Analyst positions in the Bureau of Finance. We believe we are on the verge of filling these two critical positions. These individuals would work closely with Trout, Ebersole & Groff LLP staff as they continue their work on the 2011 audit preparation work and then assume those responsibilities moving forward.
- A review of the City's fleet operations continues. The City has provided various data so that the analysis can be completed with the goal of exploring both consolidation and efficiency in fleet operations.
- The development of the RFP for sanitation service has been completed and, since the last meeting, has been reviewed with City officials. The RFP, in response to questions raised at the last meeting, does include recycling which Mr. Reddig indicated at the last meeting but it does not include yard waste. There are three options in the RFP, 1.) address residential, single family homes only; 2.) address multi-family and commercial properties; 3.) address both residential and commercial.

- Maher Duessel continues work on the 2010 audit with a completion date of mid-December. The date has been moved back slightly due to the timing of the flow of information between the various parties. Trout, Ebersole & Groff LLP firm has completed several of the tasks that they were required to do by Maher Duessel and are now ready to begin work preparing for the 2011 audit. Both these processes continue to move forward in a timely manner.

Cash Flow

- Mr. Reddig noted the Office of the Receiver is monitoring expenditures including the review of all payables on a biweekly basis. With the acceleration of the processing time period for payables now in place, the Receiver's office reviewed a check-run for this week and provided a response yesterday morning. This check-run totals \$1,019,778 with the largest payments for various insurances. They include payment to Marsh USA for liability insurance representing \$516,000 or almost half of the amount. Payments to Highmark Medical Insurance total \$335,000 and the total for dental insurance is \$50,000. Total payments for insurance represent 88.5% of the check-run. Efforts to try to negotiate with Marsh USA for a prorated payment on liability insurance were unsuccessful. The payment amount is for a 12-month period. Following this week's check-run and this week's payroll, which is estimated to be \$1.1M, the City will have approximately \$1.4M in available cash. This balance is primarily the result of the City's receipt of its 2012 State Aid for pensions. A portion of these funds needs to be deposited into the pension fund by October 31. The City has received its third quarter EIT payment totaling \$689,000 and now has received almost \$3.5M in EIT revenue which slightly exceeds the budgeted amount. In addition, the City has received \$1.95M in state assistance which will be available and is not included in the \$1.4M figure. It will be available for public safety salaries and benefits between now and the end of the year. The City is currently holding \$1.7M in payables, of this \$1.2M is related to Highmark and other insurances related to medical coverage. It is our understanding the City pays its current claims out of its Reserve Account then the General Fund reimburses this account. From the current check-run the City is reimbursing the fund \$335,000. The Receiver's office continues to advise the City and the City follows through with maintaining communications with Highmark and other medical insurance providers to ensure the City's medical insurance needs are provided for without interruption.
- Last week we received the actual revenue and expenditure numbers through the end of September. Based on these numbers we continue to project the City will experience an approximate \$12M structural deficit for 2012 and when adding in approximately \$2.8M deficit from last year, we'll end the year with an accumulative deficit of about \$14.8M.
- Efforts will continue through the fall to monitor cash flow very closely to ensure that critical vendor obligations and payroll commitments are able to be fulfilled.
- The Receiver's office is working with the City Administration to assist, as necessary, with the 2013 budget.

Asset Monetization

- Mr. Reddig noted negotiations continue with the Lancaster County Solid Waste Management Authority (LCSWMA) on the RRF. Over the last several weeks, further discussions with the Office of the Receiver, LCSWMA and DGS have

occurred on a service purchase agreement for the sale of electricity which is a key component for the LCSWMA proposal.

- The Screening and Evaluation Team, as reported at the last meeting, provided the Receiver with a recommendation for the finalist for the parking monetization. Receiver Lynch has designated Harrisburg First as the party to negotiate with. Since the last meeting, initial negotiations with Harrisburg First have occurred as well as discussions with the DGS to address the Commonwealth's parking needs and negotiate a multi-year agreement. DGS has been very cooperative as they try to solve their needs and to consolidate Commonwealth parking in HPA facilities. This effort will create a win-win situation that will have a significant impact in the value of the parking monetization.
- The water and sewer monetization efforts continue to move forward. The key to this monetization involves the surrounding municipalities compliance issues related to the Clean Water Act and the Chesapeake Bay Consent Order initiative. The Department of Justice has recently responded positively to a meeting that was held of all parties and has indicated a willingness to work with the City and surrounding municipalities in the creation and structure that will best serve the Harrisburg area in complying with the Clear Water Act requirements as they relate to nutrient discharge and stormwater requirements.
- Discussions continue with Assured Guaranty Corporation and Dauphin County to keep them apprised of the asset monetization processes as well as what has been happening on the operational front in obtaining their input into the process. We held a meeting with both entities two weeks ago and we have additional meetings scheduled over the next several weeks.

Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff.

- Mr. Mendez-Saldivia noted individual Act 47 implementation review meetings were conducted with HR, the Solicitor, Public Works City Engineer, Operations and Revenue, Police, Fire, Finance, Information Technology and Department of Building and Housing Development. At these meetings a comprehensive update on the City's implementation process occurred. An assessment of progress and identified challenges were discussed and direction provided on an individual basis. The City continues to work with The Novak Consulting Group on the plan's initiatives.
- A group meeting was conducted with all the implementation teams from the different departments, bureaus and the Mayor to improve internal integration of our teams in the implementation process. Direction was received from Mayor Thompson.
- We conducted the 2013 budget review meetings with all departments and bureaus and are currently undergoing a review process for the 2013 budget review process with the Mayor's office.
- One-on-one meetings were held with the Chief of Police, the Public Works Director and the Department of Building and Housing Development Director. With our performance management system we addressed operational performance, employee performance, financial performance, customer service and projects.

- Labor and Management meetings were conducted with the Fraternal Order of Police. There are no grievances at this time.
- Last week a Senior Accountant was selected. This position will aid the Finance Bureau. This employment offer is pending a November 5th start date until an employment background investigation is conducted.
- All department heads and bureau chiefs attended the City's 3rd Leadership Program session by the Leadership Development Institute.
- Some members of the administration attended the recent meeting with suburban municipalities and the Harrisburg Authority to discuss the Chesapeake Bay compliance issue.
- A meeting was held with the City's planning consultant, Mullin & Lonergan, to discuss initiative BH7 that calls for an update of the City's comprehensive plan. We made sure the initiative implementation steps and the scope of work are built to the scope for the consultant.
- The Finance team attended the Budget & Finance Committee meeting and continues to prioritize the City's payments and manage its relationships with the different vendors.
- The City issued a final payment to Trout, Ebersole & Groff LLP for the 2010 preparatory work. The City is processing payment to the auditors in a timely manner. To date, the City is current regarding payments for the completion of both the 2009 and 2010 audits. A meeting was held with Mayor Thompson, the auditors and Trout, Ebersole & Groff LLP in an effort to coordinate finalization of the audit field work for 2010 and the preliminary preparatory work for 2011.
- As of last night the administration provided all of the information regarding the 2010 audit. The only pending item according to our Finance Director is an agreement with The Harrisburg Authority. The Harrisburg Authority will prepare this agreement for review and approval by the City's Finance Director and The Harrisburg Authority's Executive Director by November 5.
- The City's Finance Director will hold a coordination meeting and plans to start Trout, Ebersole & Groff LLP on the 2011 audit preparatory work.

Public Comments

Bill Cluck, resident of Harrisburg

- Mr. Cluck asked if there is an update of the September 4th implementation plan of initiatives and if it will be posted soon to the websites.
 - Mr. Reddig replied an update is being worked on between The Novak Consulting Group and the City.
- Mr. Cluck noted there's a reference in the September 4th implementation plan of a Maximus Fee Study and wanted to know if this study was completed.

- Mayor Thompson replied the fee study will be completed and available to the public this Friday, October 26th.
- Mr. Cluck inquired if the HUD vacant funded position had been filled as plan initiative BHO6 provides - Fill HUD vacant funded positions and "As of July 5th DCED approved filling the Emergency Shelter Grant Project Manager position".
 - Mayor Thompson responded that the City has interviewed two candidates but had decided to delay the hiring until 2013 due to a lack of funds. Mayor Thompson continued to explain when the budget was passed by Council for 2012 the ESG was only accounted for 7.8%. The rest of the salary would not be accounted for and would have to be supplemented by the City. This is why she declined putting this position into place until next year when new funding is available.
- Mr. Cluck noted a couple of weeks ago there was a notice in The Patriot News that the City received a substantial amount of funding from HUD for the current fiscal year. Mr. Cluck asked what the roll of the Receiver is with respect to the City's HUD funding for the current fiscal year starting October 1st.
- Mr. Cluck asked what decisions are made on how to prioritize and how to spend the HUD funds with the variety of federal programs that the funds could be distributed to which include community development block grants, home investments and lead hazards.
 1. Does the Receiver play a role in these decisions?
 2. Is the Receiver involved in the policy making decisions on how much to seek and where and how to spend those funds?
 3. Should the priority be on economic development?
 4. Will any of the HUD money be spent on hiring an economic coordinator?
- Mayor Thompson replied HUD funds are federal funds that are directed to the City. The State doesn't have any jurisdiction over those funds. The HUD funds are strictly controlled by the federal government whether the City is in a receivership or not. The Mayor has authority over the use of these funds with Council's approval on how the funds are prioritized. Every year the City has a community public meeting. Input is received at this meeting from community residents and community organizations. This sets the tone for a five year consolidated plan which focuses on housing rehabilitation and construction. We are able to use funds in distressed neighborhoods to address blight and dilapidated properties through this program and turn them into affordable property for low and moderate income families. The plan provides for infrastructure and to stabilize the neighborhoods and attract businesses and residents into these neighborhoods. Mayor Thompson successfully negotiated funding with two entities who had been recipients of federal funding in the past to include a line item to hire an Economic Development Director that will monitor economic development opportunities around the City. Mayor Thompson noted going forward in 2013 we would ask Council to continue to support this position so that economic conditions will have positive results for this project.

- Mr. Cluck asked Mayor Thompson if an Economic Development Director was hired.
 - Mayor Thompson replied they are waiting for Council to approve legislation which will amend the current plan. Council will then be able to approve the funding before an Economic Development Director is hired.
- Mr. Cluck asked Mayor Thompson for some insight on Operation Front Porch and Housing as Wealth.
 - Mayor Thompson replied her Administration just created these programs. Operation Front Porch and Housing as Wealth is assisting people who cannot afford to keep their properties maintained, particularly the facade. There are programs in the budget which allows residents to have their interior repaired with improved wiring, plumbing and heating system upgrades but not a program to fix the outside of a resident's property.
- Mr. Cluck noted he understands Council's role in this plan but inquired to know if the Receiver will also play a role.
 - Mr. Lynch noted he has not gotten involved in the HUD funding other than supporting the Mayor's efforts which he thinks are good.
 - Mr. Reddig noted the Office of the Receiver hasn't directly gotten involved with HUD funding though the Receiver's plan provides for the comprehensive plan update. The federal consolidated plan provides the framework for the organization and use of the HUD funds.
 - Mayor Thompson noted it doesn't mean we can't put more money into economic development initiatives going forward. What was used in the past was the HUD Section 108 Funding which provided loans to businesses. Mayor Thompson has ceased and desists temporarily in giving any funding to any businesses until the City can restructure this program and get a new board in place. She plans to make an announcement about this next week. By that time Council will have looked at the revised funding which will allow the City to move forward. The City will be able to get an Economic Director in place to monitor and who will provide direction for the program to ensure the City won't have any defaults in the future.
 - Mr. Reddig noted Mr. Lynch's point about economic development. The Receiver's office recognizes the critical importance of economic development to the future of Harrisburg. The Receiver is working with the administration along with the various stakeholders in economic development within the City i.e. the Redevelopment Authority, CREDC, The Economic Development Corporation are all key players and all have access to different sources of funding. As we move forward the Office of the Receiver is looking towards a partnership involving the City at the core and utilizing those other entities as necessary to maximize economic development and strengthen the tax base over the next several years.

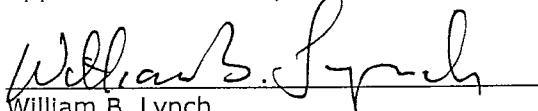
Mr. Lynch asked if there were any other comments from the public. There were no other public comments.


Before ending the meeting Mr. Lynch recognized and shared with the committee some words about public service.

"Public service demands integrity, courage, and the content of service above oneself and sometimes it demands sacrifice. I don't mean the kind of sacrifice that we sometimes ask of our police officers or firefighters but rather a sacrifice of ego, sacrifice of self interest and a sacrifice of short-term political advantage. We have two examples of that commitment to public service in the President of City Council and the Mayor. I would advise you or commend to you that we are very fortunate to have those two strong leaders in our presence. Thank you very much."

Mr. Lynch called this meeting adjourned at 9:03 a.m.

Approved this 24th day of October 2012.


William B. Lynch
Receiver for the City of Harrisburg


Secretary - Anne Morrow

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG

November 14, 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 8:34 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the October 28, 2012 Committee meeting.

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

Mr. Lynch noted he spoke with the committee members individually about potentially changing the time of the committee meetings. Mr. Lynch said changing the time would be inconvenient for some of the committee members. The 8:30 a.m. time that is currently scheduled for these meetings will stay the same and not change.

Mr. Lynch asked the committee members if there were any concerns or objections to cancelling the December 26th committee meeting. Hearing none, Mr. Lynch asked Mrs. Morrow to make the appropriate Sunshine Act notice to cancel the December 26th committee meeting.

Committee Comments

There were no committee member comments.

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 on a variety of operational and financial issues including the reviewing of various positions that are necessary to the City's ability to supply necessary and vital services. The City has received approval from the Receiver to fill the Senior Accountant and Accounting Manager positions in the Bureau of Finance.
- Mr. Reddig noted the Office of the Receiver has reviewed the operation of the Bureau of Finance and has recommended a reorganization of the Bureau that will

provide for cross training of employee responsibilities and strengthen the overall capacity of the Bureau. This is something that is critical in terms of the City's ability to provide appropriate financial management capabilities and is one of the key goals of Act 47 program. The filling of these two critical positions will greatly enhance the City's financial management capacity and also is very important in order for the City to move forward with the completion of their audits.

- The 2010 audit work is well under way by Maher Duessel with a completion date for the latter part of December. The engagement for Trout, Ebersole & Groff LLP for the audit preparation work for the 2011 audit has been executed and that work is also under way. It is anticipated that the 2011 audit preparation work will be completed approximately the same time as the 2010 audit is completed by Maher Duessel which will allow them to transition and begin work on the 2011 audit. While that is happening over the next two months the new personnel in the Finance Office will work with Trout, Ebersole & Groff LLP and be in a position to prepare for the 2012 audit after the first of the year.
- There are several other positions involving Public Works personnel that are on hold at the moment due to the City's fiscal position.
- A review of the City's fleet operations continues to move forward. The results of this analysis are being reviewed with the City. Recommendations on the elimination of excess equipment as well as the consolidation and improved efficiency in operations are the end goals of the process.
- The development of the RFP for sanitation services has been completed and, since the last meeting, reviewed with City officials. The RFP is currently being reviewed at Lancaster County Solid Waste Management Authority (LCSWMA). They requested an opportunity to provide input. The goal of this effort is focused on further cost containment within the City operations.

Cash Flow

- Mr. Reddig noted the Office of the Receiver continues to monitor expenditures and the biweekly check-run that the City provides. With the acceleration of the processing time period for payables, we recently reviewed the November 8th check-run and provided a response. This run totaled almost \$675,000 with the largest payments for insurance. They included primarily various medical insurances that totaled approximately \$368,000 or 55% of the total. Those payments included reimbursements for medical insurance for Highmark and also dental insurance as well as a small liability insurance payment. Following that check-run and last week's payroll that was approximately \$1.1M, the City has approximately \$492,000 in available cash in the General Fund. The City paid its pension MMO of \$1.5M at the end of October. The City also has available approximately \$2M in the Sanitation Fund that over the next two months will be transferred into the General Fund. It also received \$1.95M grant from the Commonwealth in October of which \$200,000 is allocated for the accounting assistance work. The remaining \$1.75M is available for public safety salaries and benefits. Those additional funds will be available for November and December.
- The City is currently holding just under \$3M in payables. Of this \$1.6M are greater than 30 days. The larger payments are primarily for medical insurance reimbursements as well as to Capital Area Transit and to Regele for sewer line maintenance. The City pays its current medical claims out of the Reserve Account and then the General Fund reimburses this account.

- The Receiver's office continues to advise and the City continues to follow through in maintaining good communication with Highmark in particular as well as other medical insurance providers to keep them apprised of the City's cash flow situation. We've reviewed the actual expenditure numbers for September and based on these numbers and our understanding of activities that occurred in October as well as projections through the year-end, we now project the City will experience an approximate \$10.2M structural deficit for 2012. That number is down slightly from earlier estimate based on numbers that have been received. Considering the approximate \$2.8M deficit that was rolled over from last year, we now anticipate the cumulative deficit to be approximately \$13M. At this point the City will have sufficient cash to meet payroll and critical creditor payments through early December. We're continuing to focus on cash flow issues and the City's ability to meet all of its payroll and other critical payable obligations through the end of the year as well to obtain interim financing for the early months of 2013. We have been having conversations with various local banks to gauge their interest in a Tax and Revenue Anticipation Note (TRAN).
- Last week the Receiver's office has been assisting the City Administration with the preparation of the 2013 budget. We had the opportunity to review projected revenues and provided some feedback on those and are now awaiting the receipt of projected expenditures.

Asset Monetization

- Mr. Reddig noted negotiations with the Lancaster County Solid Waste Management Authority (LCSWMA) continue. Over the last several weeks, there have been discussions with the Office of the Receiver, LCSWMA and Department of General Services (DGS). The conversations with DGS have involved the power purchase agreement. We are very close to finalizing the agreement with General Services on a power purchase agreement. There has been a term sheet prepared and it is under review at this time with creditors. Once negotiations with the power purchase agreement are completed they will be folded into the term sheet.
- The Receiver's office is also moving forward with negotiations with Harrisburg First, the selected party for the parking monetization. Discussions have also continued with DGS on the consolidation on the Commonwealth's parking needs and the negotiation of a multiyear agreement for parking. We've had very good working relationship with DGS and believe that a win-win situation for both the City and DGS can be established for parking.
- The water and sewer monetization continues with the firms involved. There have been ongoing discussions with the surrounding municipalities and the City to determine an operational model. Moving forward it would address compliance with the Clean Water Act and Chesapeake Bay initiative. We've had positive feedback from the Department of Justice relative to recent meetings and a willingness of Department of Justice to work with the City and surrounding municipalities in the creation of a structure that would best serve the needs of the greater Harrisburg area in complying with the Chesapeake Bay requirement as they relate to nutrient discharge and stormwater management.
- The Office of the Receiver has continued discussions with both Assured Guaranty Corporation and Dauphin County with respect to both the asset monetization processes as well as operational issues. An in-depth discussion was held with both last week on operational issues to bring them up to speed with what has been transpiring. That dialog will continue as we move forward.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the Act 47 implementation for the City of Harrisburg.

- Mr. Mendez-Saldivia noted the City conducted individual meetings with Information Technology, Law and Human Resources Bureaus yesterday. He is scheduled to meet with Operations and Revenue, Police, Fire, Department of Building and Housing Development, Public Works and the Finance Department today and tomorrow.
- The City has assessed progress, identified challenges, provided direction to individuals and accomplished a comprehensive update on the implementation process. The City also continues to work hand in hand with The Novak Consulting Group on several initiatives, meetings and a conference call has been scheduled for this week.
- According to the auditor's, the City has made great strides with respect to the audits. The City was able to recover nine days on the 2010 audit schedule and move the completion date from December 28th to December 19th.
- The Department of Administration held a planning session yesterday and made arrangements addressing key staff members availability during the holiday's in order to provide the support required to continue to meet our deadlines and completion dates including providing the following documents by December 5:
 - Management's discussion and analysis
 - Introductory section
 - Statistical section
 - Mayor's foreword
 - Responses to any single audit findings
 - Responses to any management letter comments (optional)
- The engagement letter was executed for the 2011 audit preparatory work with Trout, Ebersole & Groff LLP. The City is currently reviewing the 2011 audit planning checklist and plans to complete this review by this Thursday.
- Trout, Ebersole & Groff LLP plans to have members of their staff working at City Hall by next week. Once the review of the audit planning checklist is completed, our goal is to develop a project schedule with completion dates for the 2011 audit preparatory work.
- The Finance Bureau advised the 2012 third quarter report is on schedule.
- The City's 2013 budget is on schedule to be delivered to City Council by November 27th.
- The City has hired a Senior Accountant and an Accounting Manager. We continue to prioritize our payables and manage our relationships with our vendors.
- Mr. Mendez-Saldivia reported the City is meeting it's reporting obligations and is in compliance with:
 - Material event notices
 - Annual statements
 - Annual surveys of financial condition
 - Pension reporting obligations
 - Public utilities

- Certification renewals
- Insurance renewals
- The City has also made improvements in their Grants recordkeeping and filing system operations. The Finance Bureau is becoming more stable as time goes on with help of all the stakeholders.
- The City's administration continues to make progress in the following fronts:
 - Implementation of the Act 47 initiatives
 - Completion of the 2010 and 2011 audits
 - Overall management operations, especially the Department of Administration and the Finance Bureau, including planning and implementation of emergency management activities which the Administration successfully accomplished in the past two months.

Mr. Lynch acknowledged that shepherding the audit process is difficult and he appreciates the attention Mr. Mendez-Saldivia has put forth with this task and also in the City's teambuilding efforts.

Mr. Lynch asked the advisory committee if they had any comments on the reports that were given to them.

Council President Williams asked Mr. Reddig to clarify that the City had enough funds to get through two more payrolls which would take the City through the end of December.

- Mr. Reddig responded that it's a bit problematic at this point. We see the cash flow at this time having adequate cash at least through early December. The Office of the Receiver is still looking at numbers for the end of the year. We're looking at the need for some additional revenue before the end of the year.

Council President Williams noted Mr. Lynch stated at the last committee meeting that he could have someone who is knowledgeable about delinquent tax liens come and speak to City Council and those who are interested in gaining a better understanding about a delinquent tax lien sale. Council President Williams asked Mr. Lynch to arrange this meeting.

- Mr. Lynch noted he would be happy to set up a meeting.

Mayor Thompson noted she also was glad Mr. Lynch presented his suggestion and offered to have someone come to discuss the benefits a sale of delinquent tax liens will have for the City. It will help everyone gain a better understanding and produce immediate revenue. Mayor Thompson explained the County has a process in place to recover payment from delinquent taxes which are owed to the City but the end result is that it can take up to 2-3 years. The City currently is waiting to receive \$2.8M in delinquent taxes from the County since 2011. A delinquent tax lien sale would be a temporary means to get the City through its current financial struggles until a full comprehensive plan is put in place and implemented.

Mayor Thompson noted she is aware that the Comptroller and Treasurer have expressed their opposition to a delinquent tax lien sale but believes these tax lien sales could be an avenue that will assist the City in receiving immediate cash which is a critical concern the City is currently facing. She asked that the Comptroller and Treasurer be more productive in coming up with alternatives to help find a solution to the City's current cash flow issues.

instead of opposing it for their own political agendas. She also expressed concerns about Council Member Koplinski's irresponsible motives regarding this issue as well.

Mayor Thompson is aware of a very stern letter Treasurer Campbell sent to Receiver Lynch indicating that he was looking to get an attorney who could advise him on how to achieve better collections on delinquent taxes. Mayor Thompson acknowledged she wasn't sure who Treasurer Campbell was going to get to make the County collect the money faster. The responsibility to collect delinquent taxes is mandated by the State for the County. The City has to come up with alternative ways to get these funds. Mayor Thompson recognized that through this process the City will lose some money to gain some upfront cash. The City is looking to sell the tax liens from 2011 and 2012. Mayor Thompson asked President Council Williams to welcome the expert that would come to Council who can better explain the benefits of a delinquent tax lien sale.

Public Comments

Bill Cluck, resident of Harrisburg

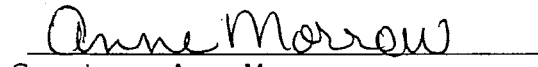
- Mr. Cluck announced the Harrisburg Authority is having a special meeting this evening at 5 p.m. to publicly review their proposed budgets for the incinerator and water and sewer systems. He noted there were no rate increases for these systems. This is an opportunity for the public to come and take a look at the proposed budgets and ask questions.
- Mr. Cluck inquired about an update on the implementation initiative chart. The last update was on September 4th. He would like to see an update on the websites showing the progress the City has made on those initiatives.
- Mr. Cluck inquired about a status report on the artifacts.
 - Mayor Thompson responded Judge Coates is presiding over the mandamus that the City filed against the Comptroller. The City's position is that we have a public argument and Comptroller Miller and his attorney argued the City doesn't have a public argument. The judge ruled in the City's favor and gave the City a public hearing two days ago. Mr. Hess represented the City and the City is now waiting on the judge's decision on this matter.
- Mr. Cluck inquired about when the earned income tax will take effect for those in the City that are self employed.
 - Mayor Thompson replied the EIT will take effect in 2013. The State has to post the tax rates on their website by December 15th notifying all employers that they are now required to begin to collect the increase effective January 1.
- Mr. Cluck inquired about the \$1.95M grant and where it came from.
 - Mr. Reddig responded it was a state grant that was provided through the Department of Community and Economic Development to assist the City with public safety needs through the end of the year.
- Mr. Cluck requested confirmation about the \$200,000 that was provided in the DCED grant for accounting assistance for the preparation work for the audits and if the Harrisburg Authority would be reimbursed for the \$40,000 they provided.
 - Mr. Reddig and Mayor Thompson both replied that the money would not be reimbursed.

Mr. Lynch asked if there were any other comments from the public. There were no other public comments.

Mr. Lynch called this meeting adjourned at 9:03 a.m.

Approved this 14th day of November 2012.


William B. Lynch
Receiver for the City of Harrisburg


Secretary - Anne Morrow

MINUTES

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE FOR THE CITY OF HARRISBURG

November 28, 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 8:34 a.m.

Mr. Lynch asked the Committee members if there were any corrections or edits to the minutes from the November 14, 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 a variety of operational and financial issues. The Receiver's team held another series of meetings last week with department heads to review and assist with plan implementation activities.
- A recent update to the initiative work plan chart has been posted to the Receiver's website and is available for the general public to view.
- No new positions have been advanced for review since the last meeting. The City previously received approval to fill the Accounting Manager position in the Bureau of Finance. There will be a reorganization of the Finance Bureau as part of the 2013 budget that will better integrate the work of the various professionals and will provide for cross-training and defined responsibilities. With the filling of two critical positions in the Finance Bureau (Accounting Manager and Senior Accountant), the City's financial capacity has been strengthened considerably.
- The new hires will work with Trout, Ebersole & Groff LLP staff with 2011 audit preparation work and then assume these responsibilities for the 2012 audit preparation.
- Several other positions involving DPW personnel are on hold due to the City's fiscal position.
- Maher Duessel, the City's CPA, continues to work on the 2010 audit with the completion date of approximately mid-December. The City has provided all the

information requested by the auditors in a timely manner. Trout, Ebersole & Groff LLP continue their work in preparing for the City's 2011 financial records for audit by Maher Duessel. Their work should be completed by approximately the time the 2010 audit is completed so that Maher Duessel can move forward with the 2011 audit.

- The review of the City's fleet operations continues. The result of this analysis is to provide recommendations on the elimination of excess equipment as well as the consolidation and improved efficiency in operations. This will result in direct and indirect savings such as with insurance cost.
- A position control system is being developed which will be integrated into the budget process to provide better control over position vacancies.
- The development of a draft RFP for sanitation service has been completed. Since the last meeting, it has been reviewed with City officials and has also been sent to LCSWMA and The Harrisburg Authority for their input. Feedback was received yesterday from The Harrisburg Authority and we are awaiting feedback from LSCWMA. This effort has a goal of cost containment within the City operations. We anticipate the RFP being out on the street by year-end.
- Negotiations were held with the Fire Fighters and AFCSME bargaining units last week and an additional round of negotiations with these bargaining units is scheduled for next week.

Cash Flow

- Mr. Reddig noted the Office of the Receiver continues to monitor expenditures including the review of payables on a biweekly basis. The Receiver's office reviewed the November 21st check-run and provided a response on the 16th of November. This check-run totaled \$744,896 with the largest payments being for various insurances which included Highmark and Worker's Compensation for November. The insurance payments totaled 70% of the total check-run. Following this check-run, as well as last week's payroll of approximately \$1.1M, the City has \$75,000 in available cash in the General Fund. The City also has \$2M available in the Sanitation Fund that will be transferred to the General Fund over the next 5 weeks.
- The City received a \$1.95M grant from the Commonwealth in October of which \$1.75M is available for fire and police salary and benefits through the end of the year. The City is also going to be receiving approximately \$757,000 from The Harrisburg Authority in December that is a result of how utility bills were posted by the City. The recent audit found discrepancies in how the amounts paid were applied to the utility accounts. This transfer is a result of that audit finding. The available cash along with the other revenues should be sufficient to meet payroll and critical vendor needs through the end of the year. The City, though, is still faced with a serious cash flow problem and will need interim financing to get through the early part of 2013 until tax revenues are received.
- The City currently is holding approximately \$2.8M in payables. Of this, approximately \$1.1M is over 30 days. The larger payments are for various medical insurance reimbursements to Capital Area Transit and to Rogele for sewer line maintenance.
- We reviewed actual expenditure and revenue numbers through September and preliminary numbers for October and projections for year-end. Based on this analysis we project that the City will experience an approximate \$10.2M structural deficit for fiscal year 2012. Considering the approximate \$2.8M deficit from last year the accumulative deficit is estimated to be approximately \$13M. At this point the

City will have sufficient cash to meet payroll and critical vendor payments through the end of the year.

- The Receiver's office has worked with Mayor's office on the preparation of the 2013 budget that was presented to City Council last night and has provided input into that process.

Asset Monetization

- Negotiations with Lancaster County Solid Waste Management Authority (LCSWMA) continue. Discussions have also involved the Office of the Receiver, LCSWMA and the Department of General Services on a service purchase agreement for the sale of electricity. This is a key component of the LCSWMA proposal. Sufficient progress has occurred over the last two weeks that should bring about a positive resolution. We expect to have something finalized with DGS within several weeks which will then get folded into the LCSWMA negotiations.
- The Receiver's office has moved forward with negotiations with Harrisburg First, the selected party for the parking monetization. Discussions have also continued with DGS in terms of the consolidation of the Commonwealth parking which will be folded into the parking monetization. The focus has been to negotiate a multi-year agreement with DGS. We see sufficient movement on the part of DGS in working towards a finalization this agreement. It creates an opportunity for DGS that they have not had before in terms of being able to better manage the Commonwealth parking needs.
- In terms of the parking monetization, we've had meetings with the Pennsylvania Economic Development Financing Authority (PEDFA) on their serving as the financing vehicle for the parking monetization. The approach taken by Harrisburg First is a tax-exempt model and hence, we need a financing vehicle and we're looking at PEDFA to fulfill that role. We are also looking at ways that the City's cash flow deficit can be addressed through part of the parking monetization process.
- The water and sewer monetization effort continues at a slower pace. There are ongoing discussions with surrounding municipalities and the City to determine an operational model moving forward that would address compliance with the Clean Water Act and the Chesapeake Bay initiative.
- Another meeting was held with the Department of Justice, EPA and DEP to further discuss an approach to regaining marketing access to address the Clean Water requirements.
- Discussions have continued with AGM and Dauphin County to keep them apprised of the asset monetization processes as well as what is happening on the operational front and in obtaining their input into the process. The Receiver's office has had in-depth meetings with AGM, their consultants and Dauphin County and has responded to various follow-up requests to review the operational and cash flow data.

Mr. Lynch asked Mr. Mendez-Saldivia, Chief Operations Officer and Chief of Staff, to provide an update on the Act 47 implementation for the City of Harrisburg.

- The Administration conducted individual reviews with the Act 47 implementation teams including Fire, Police, Public Works, Information Technology, Human Resources, Law Bureau, Parks & Recreation, Operations & Revenue, Financial Management and the Department of Building Housing and Development.

- We identified our challenges and provided direction to individuals accomplishing a comprehensive update on the implementation process and making sure that the City is on the right track and our progress aligns with the Plan's specific requirements.
- Last week the City conducted several meetings with three of the members of the Novak Consulting Group. We went over the plan, answered all of their questions, explained everything we have done, what we are doing and asked them a lot of questions. At the end of our meetings the following was accomplished:
 - A broader understanding of the plan requirements
 - Make the necessary adjustments needed to stay on track
 - Enhance our communications with The Novak Group
 - Address several challenges among the initiatives
 - Provide clear direction to the implementation teams
 - Reinforce the principles of team work, transparency and results oriented culture
- The 2010 Audit is on schedule. All of the following deliverables required by our auditors are on schedule for completion on or before our December 5 deadline:
 - Management's discussion and analysis
 - Introductory section
 - Statistical section
 - Mayor's foreword
 - Responses to any single audit findings
 - Responses to any management letter comments (optional)
- Regarding fiscal-year 2011, audit preparation is underway internally. An updated 2011 Audit Open Items List was emailed to all preparatory stakeholders. The 2011 Audit Open Items List was also sent to Trout, Ebersole & Groff LLP to use as a planning tool to schedule their staff to begin audit preparation field work. Trout indicated they would be on-site soon after the City was able to provide them with our December 31, 2010 Adjusted General Ledger Trial Balance (AGLTB).
- We have received all 2010 audit adjusting journal entries and posted them to our accounting system last week. All we need to do now is run the AGLTB and reconcile it to the draft 2010 financials. We expect that reconciliation to be completed today.
- Assuming that Trout, Ebersole & Groff LLP can get staff on-site beginning next week the City is hopeful for the completion of the 2011 audit preparation work, including the presentation of an AGLTB as of December 31, 2011, on or about January 15, 2013. Assuming that can be accomplished, there was discussion in the Mayor's Office about her desire to have Maher Duessel begin the 2011 audit field work on or about January 15, 2013 with anticipated completion and issuance of the 2011 audited financials on or about April 15, 2013. It should be noted that while both Trout, Ebersole & Groff LLP and Maher Duessel indicated their willingness to get the 2011 audit done promptly, both firms expressed staffing concerns over meeting this aggressive timeline for the completion of the 2011 audit due to the oncoming tax season between January 15 to April 15, 2013.
- The Finance Bureau's 2012 Third Quarter Report is on schedule.
- The City's 2013 Budget was delivered on schedule to City Council yesterday.

- We laid out our expectations to our new Sr. Accountant and Accounting Manager.
- We continue to prioritize payments and manage relationships with vendors.
- We are also meeting our reporting obligations and compliance including:
 - Material event Notices
 - Annual Statements
 - Annual Surveys of Financial Condition
 - Pension reporting obligations
 - Public Utilities
 - Certification renewals
 - Insurance Renewals
- Administration continues to make progress in the following fronts:
 - Implementation of the Act 47 initiatives
 - Completion of the 2010 and 2011 audits
 - Stabilization of the City's financial management operations

Committee Comments

There were no committee member comments from Council President Williams or Mr. Lighty.

Mr. Black asked Mr. Reddig about the \$13M cumulative deficit and how much of that is General Obligation debt.

- Mr. Reddig replied about \$8.5M.

Mr. Black replied that the debt will have to be addressed at some point in time and with the part of what the Receiver's team is doing and with negotiations with that set of bond holders.

- Mr. Reddig agreed and said we are also negotiating with AMBAC to reach resolution on the missed GO bonds.

Mr. Black asked Mr. Mendez-Saldivia if in his way of looking at the City government, is there a longer arrangement plan to change the look of City government. We've got to get through a few years and get the assets sold which is over there but to make it look small and more efficient than what it is or when you're recreating these departments are you looking for efficiencies. I heard the word "cross-training" which is a good thing that needed to be done.

- Mr. Mendez-Saldivia thanked the members of the advisory committee and the staff. Mr. Mendez-Saldivia responded by saying he believes in priorities and in a strategic management plan. There's a special circumstances in the City of Harrisburg. One of the City's challenges is addressing a long standing culture and that takes time. As we move forward we can use some of the same initiatives and some of the same systems by tailoring them for our other department needs. The City must identify and work on priorities which mean working on the City's resources accordingly. And I believe we can do it. Rome was not built in a day but once you change the perspective it will mean a great deal. In light of the efficiencies we're making a lot of adjustments to what is already in place. That can only be done with the support of the Mayor, like we have and everybody here. It's a team effort.

- Mr. Reddig also noted the confirmed Recovery Plan has a major focus on the operational side on establishing and creating as making City government as efficient as possible. Certainly, the reorganization within the Finance Bureau and building that capacity including the cross-training of staff is an element. There was already a change that occurred in how the park system is maintained that has resulted in a more efficient operation. The park system maintenance responsibility was moved into the Public Works department. The sanitation RFP that was discussed is another step in creating a leaner, more efficient government. We are reviewing the City's vehicles looking for efficiencies there. We have had discussions and hope to ramp up discussions with the County in pursuing shared service arrangements. Mr. Mendez-Saldivia's comment about Rome wasn't built in a day, was a good one but as we continue to move forward we want to build on the successes already achieved and continue to work to create as an efficient an operation as possible.

Mr. Black noted one of the reasons he asked the question was so that everyone understands that part of this committee's role is to ask questions on occasion so that people understand the huge job that the Mayor and her staff, Council and the Receiver's office have and that we are working on multiple tracks at the same time. You're solving the debt issue and you're also working on improving the efficiencies in City government.

Mayor Thompson responded to Mr. Black's question with government doing more with less. Mayor Thompson replied we started that particular behavior in 2010. We've laid out what this Administration has done since 2010 in the midst of all the things we have to do in terms of implementing the Act 47 Plan, working with the Receiver's office with the monetization of all the assets. This Administration started this way before we went into receivership. We reduced our government complement by 20%. We had 594 employees and now we are down to 494. We can't get any smaller without absolutely jeopardizing the public health, welfare and safety of citizens. We are required to have a certain amount of police officers, sanitation workers and firemen. We have been challenged even with the staff capacity we have now. Some of the recommendations in our discussions have been with exploring possible outsourcing. We are having those conversations diligently with the Receiver and other entities. I caution though about making government even smaller because with that comes critical challenges and also sacrifices that I don't think the taxpayers deserve. Mayor Thompson noted she thinks the most important part is how to get our creditors to understand that they play a critical role now that we've gotten to the 50 yard line and they need to take us to the goal line. There are still ways to make our government more efficient and better control of the resources we have. That's in the spirit of making government do more with less and we've been on that road since 2010.

Mayor Thompson noted in the last advisory committee minutes it was stated the City was waiting on the judge's ruling on the mandamus filing against the Comptroller. Mayor Thompson noted she was pleased to say the City won the case. The judge signed the order on November 15th, however, she advised that the Comptroller and his attorney have refused to sign the contract. Mayor Thompson advised the committee members that perhaps they may want to look into seeing if there's any criminal or unethical behavior on Mr. Miller's attorney's side. Mr. Miller's attorney called the Mayor's attorney, Solicitor Hess, yesterday and wanted Mr. Hess to cut a backdoor deal with him. This is unethical behavior and worse yet for Mr. Miller's attorney to advise his client to ignore this court order. Mayor Thompson advised the committee that the City, once again, is going to be challenged going forward since this issue is not completely resolved. The auctioneer will have access to the artifacts in the first quarter of 2013, get them cleaned up and prepared to have an auction in the spring of 2013. Mayor Thompson asked for the Committee's support until this matter is resolved.

Mayor Thompson applauded Receiver Lynch for his leadership and thanked him for his support of her and her Administration, for listening and accepting her input in moving the City forward and agreed the Governor couldn't have picked a more stellar man. Mayor Thompson also thanked the committee members and especially Council President Williams for her support in building relationships and for her leadership in helping to move the City forward and she also thanked Mr. Reddig for his hard work.

Receiver Lynch thanked Mayor Thompson for her kind words.

Council President Williams stated she is the head of the Legislative Committee and is President of Council. She doesn't intend to bring a piece of legislation out of that committee and knows Council Member Koplinski indicated he wanted to bring it off the floor. Council President Williams said she has talked to other Council Members about this issue and Council Member Koplinski does not have the votes to bring it out of her committee. Council President Williams informed Mayor Thompson she can move forward on the judges' decision regarding the artifacts.

Public Comments

Bill Cluck, resident of Harrisburg

- Mr. Cluck noted two weeks ago Mayor Thompson asked him where the City's \$2.5M was. Mr. Cluck admitted he didn't know what she was talking about but now does. There are reasons why audits are important such as this to catch things like the \$760,000 error.
- Mr. Cluck thanked the committee for updating the matrix and noted it's critical for the public to understand the implementation of the Plan. Too many times you read these stupid comments on PennLive that people are critical without having any idea of what they're talking about. Mr. Cluck also noted the City's website says October even though the matrix was updated in November. He feels that's an important change.
- Mr. Cluck inquired what the role of the Receiver is in relationship to the budget. Mr. Cluck acknowledged that Mr. Reddig said the Receiver gives input. Mr. Cluck said Mayor Thompson introduced the budget last night and he thought he heard her say there's a \$3M gap between revenue and expenses. Mr. Cluck said he doesn't think Council can pass a budget that's out of balance. Mr. Cluck wondered what will happen. Council's going to have budget rules but what's the role of the Receiver.
 - Mr. Lynch replied the budget is the City's budget. The role of the Receiver, in preparation of that budget, is to ensure that it facilitates moving forward with the confirmed Recovery Plan.
 - Mayor Thompson replied we are in uncharted waters. Everything is predicated on the monetization of the assets. Past habits have been to shut the billing down and not pay the vendors until the budget was balanced. That's not what we are doing here. We're telling everyone that there's no way to close that \$3M gap unless we lay off 20 police officers, 20 fireman and 20 public works employees. This is what Mayor Thompson advised Council before she came down to present the budget. Mayor Thompson also noted if the EIT had not been passed the City would be looking at a larger structural deficit.
- Mr. Cluck noted the City's Chief Operations Officer mentioned in their meeting between The Novak Group and his office that there were discussions and questions answered. Mr. Cluck noted he's not sure he heard him say that there were revisions

to the Plan but he said there are revisions to implementing the Plan. Mr. Cluck is not sure if that means that priorities have changed or that substance has changed. Mr. Cluck asked if it was possible to get and make available to the public what those questions were. He said the presentation was excellent but there was no substance to it and he's interested in, as a taxpayer and under the Authority, actually what's being discussed that's different or changing from the matrix or the Plan itself.

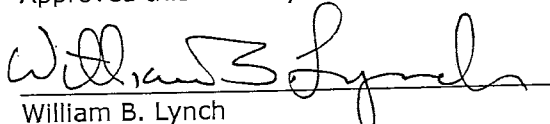
- Mayor Thompson responded that when The Novak Group was making their recommendations the City had already completed some of those items even before the matrix was created. This is what Mr. Mendez-Saldivia and his team are now advising The Novak Group of these updates.
- Mr. Mendez-Saldivia replied he and his team went through 100 initiatives. He doesn't believe this is the forum for him to go into detail on each initiative. It took 3 entire days to answer all the questions. Mr. Mendez-Saldivia noted he tries to provide a summary at these meetings but would be happy to share the details with Mr. Cluck and answer any questions he may have.
- To answer Mr. Cluck's second questions, Mr. Mendez-Saldivia noted there are different ways to accomplish a goal. The Plan has an initiative, it identifies the priorities and these priorities have not changed. The goals have not changed. It's just the way the City is achieving the implementation. If you look at the matrix there are certain implementation steps. We wanted to make sure that we were in line with what the Plan initiatives were asking, that we were using our resources effectively and that we were on the right track on getting things accomplished. The City started using the initiative steps. There were times when the City had already had a system or the City has already taken different steps but had accomplished the same goal. The Novak Group told us that the initiative steps are not written in stone. Therefore, they would make adjustments. Some of the initiatives were deemed completed.
- Mr. Cluck asked who prepares the next to the last column and the last column of the matrix that deals with status. Is that the City that prepares that?
 - Mayor Thompson and Mr. Mendez-Saldivia both replied that it's a team effort. Mayor Thompson continued The Novak Group structures the matrix and the Administration provides input into what has occurred. The Mayor noted she has a bi-weekly meeting with the entire cabinet and they go over every single initiative to make those updates.
- Mr. Cluck inquired about the Novak draft of Act 47, June 2011, that called out the City's Senior Citizen Tax Rebate Program as being unauthorized by law. Mr. Cluck sees that City Council had an ordinance that was introduced last evening. He hasn't seen the ordinance but has seen the summary of the ordinance and it appears that it's a continuation of a Senior Citizen Tax Deferral Rebate Program for City property taxes. Mr. Cluck looked at the State law and the State law doesn't authorize the City to rebate taxes for a selected group of people. The State can do it, the County can do it and even the City of Philadelphia can do it but as the Act 47 draft plan noted the City doesn't have the authority. Mr. Cluck questioned if the Receiver is involved in this aspect in giving that tax money to inherently 10 people, based on the statistics.
 - Mayor Thompson said it was duly noted. Mr. Hess may have used a prior piece of legislation and didn't realize it. If that's the case, we will have to send down an amendment to remove it.
- Mr. Cluck wondered if the City gave tax rebates last year or this year.

- Mayor Thompson replied the City did not give tax rebates last year and would have to verify if any were given this year.

Mr. Lynch asked if there were any other comments from the public. There were no other public comments.

Mr. Lynch called this meeting adjourned at 9:14 a.m.

Approved this 28th day of November 2012.


William B. Lynch
Receiver for the City of Harrisburg


Secretary - Anne Morrow

CITY OF HARRISBURG

CASH FLOW

City of Harrisburg 2012 Cash Flow													
	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual June	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Estimated Dec	Total
Section I - Revenue, Expenditures, Surplus(Deficit)													
Revenues without Transfers	1,250,169	4,497,639	11,368,121	2,020,892	3,637,898	2,299,354	1,714,934	1,403,593	1,209,648	5,201,738	1,994,619	2,995,983	39,614,588
Capital Fire Protection	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000
Sanitation Utility Fund	282,031	0	362,000	0	0	-365,673	0	0	0	0	0	2,002,653	2,646,684
Sewerage Utility Fund	643,325	0	0	0	0	540,434	0	0	0	0	0	277,652	703,078
Big Water Utility Fund	124,644	0	38,000	0	0	0	0	250,000	0	0	0	0	250,000
Hwy Pk Auth Coord Pkg	0	0	0	0	0	0	0	0	0	0	1,750,000	0	1,750,000
Adult Reconciliation	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from State Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	2,300,169	4,497,639	11,768,121	2,020,892	3,637,898	2,474,115	1,714,934	4,153,593	1,209,648	5,201,738	3,744,619	5,756,430	46,883,324
Expenditures without Debt Service	2,487,259	3,291,058	4,373,890	3,349,432	3,855,049	2,966,930	2,514,054	5,163,008	3,144,713	2,471,249	5,853,919	7,412,763	46,883,324
Debt Service Paid	0	0	332,836	654,122	1,011,416	0	0	0	3,772,394	0	279	0	2,018,633
Debt Service Not Paid (Not Included in detail Exp)	0	0	5,325,000	0	0	0	0	0	3,772,394	0	0	0	9,097,394
Total Expenditures	2,487,259	3,291,058	10,051,727	4,003,553	4,866,465	2,966,930	2,514,054	5,163,008	6,917,107	2,471,249	5,854,197	7,412,763	57,999,370
Operating Surplus(Deficit)	-187,091	1,206,581	1,716,395	-1,982,662	-1,208,567	-492,815	-799,120	-1,009,415	-5,707,459	2,730,489	-2,109,578	-1,656,333	-9,499,574
Section IIa - Cash Summary													
Unrestricted Cash Balance Beginning of Month	1,171,917	1,341,740	3,038,810	5,793,404	3,636,656	3,624,788	3,004,248	2,810,525	3,123,595	715,536	2,488,178	1,357,293	
Surplus(Deficit)	-187,091	1,206,581	1,716,395	-1,982,662	-1,208,567	-492,815	-799,120	-1,009,415	-5,707,459	2,730,489	-2,109,578	-1,656,333	
Change in Balance Sheet	356,913	510,490	1,018,199	1,174,086	1,196,698	-127,725	605,397	1,322,485	3,299,401	-957,848	978,294	1,000,000	
Unrestricted Cash Balance End of Month	1,341,740	3,058,810	5,793,404	3,636,656	3,624,788	3,004,248	2,810,525	3,123,595	715,536	2,488,178	1,357,593	701,260	
Section IIb - Cash Summary													
Beginning Balance Cash	7,209,074	6,916,683	8,554,090	11,361,693	9,712,442	9,445,063	8,797,085	5,144,104	6,065,420	4,852,164	5,471,651	4,410,586	
Restricted	6,037,156	5,574,944	5,495,280	5,568,288	6,072,786	5,792,837	5,291,826	3,036,223	2,941,826	2,983,474	3,052,993	3,052,993	
Unrestricted - Checking (110000)	1,171,917	1,341,740	3,038,810	3,636,656	3,624,788	3,004,248	2,810,525	3,123,594	715,536	2,488,176	1,357,593	701,259	
Surplus Deficit	-187,091	1,206,581	1,716,395	-1,982,662	-1,208,567	-492,815	-799,120	-1,009,415	-5,707,459	2,730,489	-2,109,578	-1,656,333	
Change in Balance Sheet	356,913	510,490	1,018,199	1,174,086	1,196,698	-127,725	605,397	1,322,485	3,299,401	-957,848	978,294	1,000,000	
Ending Balance Cash	6,916,683	8,554,090	11,361,693	9,712,442	9,445,063	8,797,085	5,144,104	6,065,420	4,852,164	5,471,651	4,410,586	3,754,253	
Restricted	5,574,944	5,495,280	5,495,280	6,072,786	5,820,275	5,792,837	5,291,826	2,941,826	2,983,474	2,983,474	3,052,993	3,052,993	
Unrestricted - Checking (110000)	1,341,740	3,058,810	5,793,404	3,636,656	3,624,788	3,004,248	2,810,525	3,123,594	715,536	2,488,177	1,357,592	701,259	
Note: This assumes the AP Balance remains at November Balance of \$4.6 million.													
Section III - Changes in Balance Sheet Affecting Cash													
Other unrestricted Cash	462,221	79,672	-73,000	-507,490	255,511	27,447	16,724	94,405	-1,194,785	1,133,162	-69,511	0	
Restricted Cash	-8	-9	-8	-8	19,815	14,324	-18,206	16,933	12,106	-8	18,609	0	
Lease Receivable	12,688	36,038	22,333	16,553	19,815	-48,715	3,664	-115,584	1,142,604	-1,560,087	46,403	0	
Prepaid Expenses	-109,235	529,414	45,330	-482,821	-281,041	-100,791	-865,301	1,391,739	-383,208	-550,409	994,215	0	
Accounts Payable	-8,752	-10,728	-3,597,095	-168,120	1,201,005	0	0	0	0	0	0	0	
Encumbrances	0	0	-704,360	2,158	0	0	0	0	0	0	0	0	
Fund Balance	0	0	0	0	1,132	0	0	0	3,772,394	0	0	0	
Due to Debt Service Mailed Payment	0	0	5,325,000	0	0	0	0	0	0	0	0	1,000,000	
Due to Pension Fund	0	0	0	0	276	-281	0	0	-49,693	-20,195	0	0	
Prior Period Adjustments	0	0	0	0	0	0	4,861,266	-65,000	0	0	0	0	
Total Balance Sheet Changes	356,913	510,490	1,018,199	-174,086	1,196,698	-127,725	605,397	1,322,485	3,299,401	-957,848	978,294	1,000,000	
Section IV - Accounts Payable													
Accounts Payable Beginning of Month	-6,157,717	-6,148,965	-6,678,379	-3,081,283	-2,913,163	-4,114,166	-4,013,378	-1,168,077	-4,559,816	-4,176,698	-3,626,198	-4,620,413	
Accounts Payable End of Month	-6,148,965	-6,678,379	-3,081,283	-2,913,163	-4,114,166	-4,013,378	-3,168,077	-1,391,739	-383,208	-550,409	994,215	-1,620,413	
Change in Accounts Payable	-8,752	529,414	-3,597,095	-168,120	1,201,005	-100,791	-845,301	1,391,739	-383,208	-550,409	994,215	0	

Schedule A 2012

City of Harrisburg
2013 Cash Flow

12/18/2012
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Revenues, Expenditures, Surplus/(Deficit)	Projected Jan	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected Jul	Projected Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Total
Revenues without Transfers	2,230,058	5,086,504	11,996,107	1,713,129	3,602,938	2,587,916	2,600,229	1,301,325	2,460,987	5,373,159	1,809,746	4,216,330	44,978,428
Capital Fire Protection	0	0	0	0	0	0	0	2,500,000	0	0	0	0	2,500,000
Sanitation Utility Fund	0	283,210	363,513	0	0	0	0	0	0	0	0	2,011,022	2,657,745
Sewerage Utility Fund	846,131	0	0	0	0	0	0	0	0	0	0	0	846,131
Hwy Water Utility Fund	833,960	0	0	0	0	0	0	0	0	0	0	0	833,960
Hwy Pk Auth Coord Pkg	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit Reconciliation	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from State Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	3,910,149	5,369,713	12,359,620	1,713,129	3,602,938	2,587,916	2,600,229	3,801,325	2,460,987	5,373,159	1,809,746	6,227,352	51,816,264
Expenditures without Debt Service	3,940,401	3,274,657	4,035,088	4,478,292	5,000,389	3,862,871	3,762,380	4,966,673	3,932,996	4,433,599	3,434,884	4,390,338	49,554,768
Debt Service Paid	348,791	0	5,560,405	0	502,805	0	348,791	0	3,702,194	0	347,562	0	10,810,347
Debt Service Not Paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	4,289,191	3,274,657	9,595,493	4,478,292	5,503,194	3,862,871	4,111,371	4,966,673	7,635,191	4,433,599	3,802,446	4,390,338	60,365,315
Operating Surplus/(Deficit)	-379,042	2,095,056	2,764,127	-2,765,163	-1,900,256	-1,274,955	-1,511,142	-1,165,348	-5,194,204	937,561	-1,992,700	1,837,015	-8,549,051

Cash Summary

Unrestricted Cash Balance Beginning of Month	701,260	322,218	2,417,274	5,181,401	2,416,239	515,983	-758,972	-2,270,114	-3,435,462	-8,629,666	-7,692,106	-9,684,805	
Surplus/(Deficit)	-379,042	2,095,056	2,764,127	-2,765,163	-1,900,256	-1,274,955	-1,511,142	-1,165,348	-5,194,204	937,561	-1,992,700	1,837,015	
Change in Balance Sheet	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Cash Balance End of Month	322,218	2,417,274	5,181,401	2,416,239	515,983	-758,972	-2,270,114	-3,435,462	-8,629,666	-7,692,106	-9,684,805	-7,847,791	

Accounts Payable

Accounts Payable Beginning of Month	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	
Accounts Payable End of Month	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	-4,620,413	
Change in Accounts Payable	0	0	0	0	0	0	0	0	0	0	0	0	

Pension Payable

Due to Pension Beginning of Month	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	
Due to Pension End of Month	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	
Change in Pension Payable	0	0	0	0	0	0	0	0	0	0	0	0	

Schedule B City of Harrisburg General Fund Surplus/(Deficit) 2012 January - November Actuals, December Estimated											
	General Fund Operating Revenues	Revenue Anticipated from City Utilities	Parking Authority Transfer	Transfer From State Grant	Total Revenues	General Fund Expenditures	General Fund transfers to DSR	Debt Service Payment Not Made	Total Expenditures	Monthly Surplus/ (Deficit)	Cumulative Surplus/(Deficit)
2011 Balance											
JANUARY	\$1,250,169	\$1,050,000	\$0	\$0	\$2,300,169	\$2,487,259	\$0	\$0	\$2,487,259	(\$187,091)	(\$3,018,435)
FEBRUARY	\$4,497,639	\$0	\$0	\$0	\$4,497,639	\$3,291,058	\$0	\$0	\$3,291,058	\$1,206,581	(\$1,811,854)
MARCH	\$11,368,121	\$400,000	\$0	\$0	\$11,768,121	\$4,373,890	\$352,836	\$5,325,000	\$10,051,727	\$1,716,395	(\$95,459)
APRIL	\$2,020,892	\$0	\$0	\$0	\$2,020,892	\$3,349,432	\$654,122	\$0	\$4,003,553	(\$1,982,662)	(\$2,078,120)
MAY	\$3,657,898	\$0	\$0	\$0	\$3,657,898	\$3,855,049	\$1,011,416	\$0	\$4,866,465	(\$1,208,567)	(\$3,286,687)
JUNE	\$2,299,354	\$174,761	\$0	\$0	\$2,474,115	\$2,966,930	\$0	\$0	\$2,966,930	(\$492,815)	(\$3,779,502)
JULY	\$1,714,934	\$0	\$250,000	\$0	\$1,714,934	\$2,514,054	\$0	\$0	\$2,514,054	(\$799,120)	(\$4,578,622)
AUGUST	\$3,903,593	\$0	\$0	\$0	\$4,153,593	\$5,163,008	\$0	\$0	\$5,163,008	(\$1,009,415)	(\$5,588,037)
SEPTEMBER	\$1,209,648	\$0	\$0	\$0	\$1,209,648	\$3,144,713	\$0	\$3,772,394	\$6,917,107	(\$5,707,459)	(\$11,295,496)
OCTOBER	\$5,201,738	\$0	\$0	\$0	\$5,201,738	\$2,471,249	\$0	\$0	\$2,471,249	\$2,730,489	(\$8,565,007)
NOVEMBER	\$1,994,619	\$0	\$0	\$1,750,000	\$3,744,619	\$3,853,919	\$279	\$0	\$5,854,197	(\$2,109,578)	(\$10,674,585)
DECEMBER	\$2,995,983	\$2,760,447	\$0	\$0	\$5,756,430	\$7,412,763	\$0	\$0	\$7,412,763	(\$1,656,333)	(\$12,330,919)
TOTAL	\$42,114,588	\$4,385,207	\$250,000	\$1,750,000	\$48,499,796	\$46,883,324	\$2,018,653	\$9,097,394	\$57,999,270		

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

Schedule B City of Harrisburg General Fund Surplus/(Deficit) 2013 Projected Baseline*** with Additional EIT											
	General Fund Operating Revenues	Revenue Anticipated from City Utilities	Parking Authority Transfer	Additional EIT	Total Revenues	General Fund Expenditures	General Fund transfers to DSR	Debt Service Payment Not Made	Total Expenditures	Monthly Surplus/ (Deficit)	Cumulative Surplus/(Deficit)
2012 Balance											
JANUARY	\$2,230,058	\$1,680,091	\$0	\$0	\$3,910,149	\$3,940,401	\$348,791	\$0	\$4,289,191	(\$379,042)	(\$3,709,961)
FEBRUARY	\$5,086,504	\$283,210	\$0	\$0	\$5,369,713	\$3,274,657	\$0	\$0	\$3,274,657	\$2,095,056	(\$1,614,905)
MARCH	\$11,996,107	\$363,513	\$0	\$0	\$12,359,620	\$4,035,088	\$5,560,405	\$0	\$9,595,493	\$2,764,127	(\$7,830,778)
APRIL	\$1,713,129	\$0	\$0	\$0	\$1,713,129	\$4,478,292	\$0	\$0	\$4,478,292	(\$2,765,163)	(\$10,615,940)
MAY	\$3,602,938	\$0	\$0	\$0	\$3,602,938	\$5,000,589	\$502,805	\$0	\$5,503,394	(\$1,900,256)	(\$12,516,196)
JUNE	\$2,587,916	\$0	\$0	\$0	\$3,848,531	\$3,862,871	\$0	\$0	\$3,862,871	(\$14,340)	(\$12,530,536)
JULY	\$2,600,225	\$0	\$0	\$0	\$3,289,309	\$3,762,580	\$348,791	\$0	\$4,111,371	(\$872,062)	(\$13,402,598)
AUGUST	\$3,801,325	\$0	\$0	\$141,095	\$3,942,420	\$4,966,673	\$0	\$0	\$4,966,673	(\$1,024,253)	(\$14,376,851)
SEPTEMBER	\$2,460,987	\$0	\$0	\$0	\$3,247,139	\$3,952,996	\$3,702,194	\$0	\$7,655,191	(\$4,408,051)	(\$18,784,903)
OCTOBER	\$5,373,159	\$0	\$0	\$849,725	\$6,222,884	\$4,435,599	\$0	\$0	\$4,435,599	\$1,787,285	(\$16,997,618)
NOVEMBER	\$1,809,746	\$0	\$0	\$292,265	\$2,102,011	\$3,454,384	\$347,562	\$0	\$3,802,446	(\$1,700,435)	(\$18,698,053)
DECEMBER	\$4,216,330	\$2,011,022	\$0	\$1,126,068	\$7,353,420	\$4,390,338	\$0	\$0	\$4,390,338	\$2,963,083	(\$15,734,970)
	\$47,478,428	\$4,337,836	\$0	\$5,145,000	\$56,961,264	\$49,554,768	\$10,810,547	\$0	\$60,365,315		

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

***2013 Budget Adjusted By:

Additional EIT expected June - December
Transfers from HPA removed.
Anticipated Concessions not included.
Three payrolls assumed January, August.

City of Harrisburg
2012 General Fund Revenues

Revenue Group	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Estimated December	Projected FY 2012
Real Estate Taxes Current	95,907	2,941,014	9,895,347	60,032	792,666	139,115	131,129	124,974	72,701	54,513	55,910	905,616	15,268,924
Real Estate Taxes Delinquent	83,417	913	56,857	134,153	228,487	120,070	373,076	0	440,448	324,461	0	752	1,762,635
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
Elit	487,789	147,084	450,161	0	623,509	543,159	327,358	-1,791	0	888,843	240,067	280,202	3,986,401
EMS/LST	9,528	356,670	0	168,156	294,108	268,408	14,569	0	0	501,642	262,807	181,237	2,057,124
Merchandise Business Privilege	128,166	210,455	358,658	1,044,428	391,070	35,988	123,750	107,488	69,092	155,076	58,406	74,048	2,756,626
Parking Taxes	40,735	30,534	-373,826	152,167	584,600	313,232	60,537	351,967	1,050	75,463	308,468	153,878	1,698,804
Other Act 511 Taxes	40,283	75,971	76,880	25,228	26,091	181,016	246,083	68,530	83,623	12,843	184,986	313,776	1,335,312
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	93,521	17,944	39,596	171,263
District Justice Fees	39,519	79,928	105,905	0	55,952	87,594	0	0	94,837	36,265	38,497	0	538,496
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	117,713	140,317	83,174	189,852	1,355,713
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	0	0	0	0	0
Interest	3,609	8,221	5,384	4,469	5,985	3,676	4,679	4,183	3,950	4,119	4,624	8,915	61,813
License	0	18,500	134,928	0	124,227	0	0	144,423	10,240	0	130,981	0	573,299
Miscellaneous	45,799	11,146	1,633	4,978	27,906	29,809	3,117	3,999	48,305	13,608	3,125	19,886	213,311
Parking Fees	155	535	0	0	0	0	2,269	0	0	0	-124	2,959	5,794
Parking Tickets	68,649	101,834	111,960	95,375	97,039	84,630	85,929	93,846	83,921	78,031	54,598	79,357	1,035,171
Pension System State Aid	0	0	0	0	0	0	0	18,900	0	2,524,734	0	0	2,543,634
Public Safety Fees/Permits	25,175	19,065	37,405	29,081	33,040	25,595	33,914	34,197	21,497	37,401	21,121	12,506	329,997
Public Safety Grants	9,743	25,604	29,675	15,645	89,842	14,563	66,829	6,680	34,280	7,712	90,389	386,995	777,966
Public Safety Reimbursements	15,950	71,111	46,596	32,449	45,420	52,855	29,068	45,685	36,894	42,654	291,717	0	710,400
Public Works Fees/Permits	0	0	0	0	17,055	0	0	94,667	0	812	0	0	112,534
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	163	163	163	18,155	24,074
Recreation Fees	0	10	0	243	5	3,618	10,145	15	-3,484	0	20	1,162	11,735
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	18,557	49,105	87,486	129,882	980,966
PLOTS	0	96,189	107,445	47,820	0	0	27,978	10,478	10,478	38,884	10,478	22,334	372,082
Pub Utility Realty Tax	0	0	0	0	0	0	0	0	0	35,704	0	0	35,704
Sewer Maint Charge	50,335	64,375	68,859	58,077	63,869	69,008	69,993	73,194	65,197	85,188	49,706	87,012	804,831
Sewer Maint Liens-Penalty	4	20	7	2	3	11	111	3	23	508	1	0	694
Sewer Maint Liens-Princp	230	185	162	29	17	109	215	75	165	169	65	0	1,420
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	0	0	0	2,002,653	2,646,684
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 Pk Auth Coord Pkg	0	0	0	0	0	0	0	250,000	0	0	0	0	250,000
Transfers from Other Funds	0	0	0	0	0	0	0	0	0	0	1,750,000	757,794	2,507,794
Total	2,300,169	4,497,639	11,768,121	2,020,892	3,657,898	2,474,115	1,714,934	4,153,593	1,209,648	5,201,738	3,744,619	5,756,430	48,499,796

City of Harrisburg 2012 Expenditures	Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual October	Estimated December	Estimated Total 2012
Office of City Council Personnel	17,053	17,088	25,632	17,088	17,088	17,088	17,088	25,793	17,323	17,323	17,323	17,323	223,212
Office of City Council Operating	0	1,185	7,829	3,060	578	662	298	4,373	3,521	937	6,608	10,000	39,049
Office of City Council	17,053	18,273	33,461	20,148	17,666	17,750	17,386	30,166	20,844	18,261	23,931	27,323	262,262
Office of Mayor Personnel	20,909	15,443	23,165	15,443	15,443	15,443	15,443	22,872	15,151	15,151	15,151	15,151	204,764
Office of Mayor Operating	835	60	290	110	181	46	735	185	4,972	52	215	1,926	9,608
Office of Mayor	21,743	15,504	23,454	15,553	15,624	15,489	16,178	23,058	20,123	15,203	15,366	17,077	214,372
Office of City Controller Personnel	10,818	10,890	16,292	10,893	10,817	10,870	10,872	16,298	10,845	10,858	10,871	10,871	141,194
Office of City Controller Operating	0	40	2,223	2,223	1,638	2,067	13,728	3,175	682	1,782	3,317	3,500	39,517
Office of City Controller	10,818	10,930	18,515	12,247	12,455	12,937	24,600	19,473	11,527	12,640	14,199	14,371	174,711
Office of City Treasurer Personnel	28,145	28,372	42,558	28,372	28,372	28,372	28,372	42,558	28,372	28,372	30,365	30,365	372,598
Office of City Treasurer Operating	0	509	58,238	3,073	26,781	20,572	12,505	2,479	4,681	1,339	136,142	5,000	135,442
Office of City Treasurer	28,145	28,881	100,796	31,445	54,633	48,944	40,878	45,037	29,712	33,054	31,850	35,365	508,740
Office of City Solicitor Personnel	9,491	9,491	14,237	9,491	9,491	9,491	9,491	14,237	11,768	14,045	14,045	14,045	139,324
Office of City Solicitor Operating	-51	13	155,974	2,392	72,583	11,429	1,425	61,824	42,529	3,496	9,096	36,420	397,130
Office of City Solicitor	9,440	9,504	170,210	11,883	82,074	20,920	10,916	76,060	54,297	17,542	23,142	50,465	536,454
Office of Business Administrator Personnel	3,395	3,395	5,093	4,761	12,504	12,504	12,504	18,587	12,335	13,825	15,481	15,481	129,866
Office of Business Administrator Operating	-156	423	1,734	0	802	433	1,181	225	62	147	2,393	2,293	9,504
Office of Business Administrator	3,239	3,818	6,826	4,762	13,306	12,937	13,685	18,811	12,397	13,972	17,842	17,774	139,370
Bureau of Financial Management Personnel	23,330	21,310	31,965	21,310	21,310	21,430	21,917	37,443	21,521	21,538	23,700	23,700	285,474
Bureau of Financial Management Operating	0	341	21,399	366	727	20,313	443	194	989	10,360	1,097	6,000	62,259
Bureau of Financial Management	23,330	21,651	53,364	21,706	22,037	41,743	22,360	32,637	22,510	31,898	24,797	29,700	347,733
Bureau of Information Technology Personnel	28,640	28,694	43,041	28,694	28,694	28,694	28,694	42,972	28,625	28,625	28,625	28,625	372,623
Bureau of Information Technology Operating	0	2,539	46,754	5,548	3,349	2,431	21,422	7,919	2,515	7,673	1,971	50,000	152,121
Bureau of Information Technology	28,640	31,233	89,795	34,242	32,043	31,125	50,116	50,891	31,140	36,298	30,596	78,625	524,744
Bureau of Human Resources Personnel	24,976	24,976	37,465	24,976	24,976	24,976	24,976	37,039	24,551	24,551	24,551	24,551	322,567
Bureau of Human Resources Operating	7,854	187	4,315	2,589	3,168	2,432	3,003	5,314	2,652	2,870	2,843	5,324	42,551
Bureau of Human Resources	32,830	25,164	41,780	27,566	28,145	27,409	27,979	42,353	27,203	27,421	27,394	29,875	365,119
Operations and Revenue (Office of the Director) Personnel	32,394	32,757	49,099	30,276	29,245	29,231	29,234	43,878	29,309	27,920	26,510	26,510	346,362
Operations and Revenue (Office of the Director) Operating	1,028	19,127	57,937	22,752	17,908	8,795	11,904	26,981	5,554	12,764	18,305	30,687	293,742
Operations and Revenue (Office of the Director)	33,421	51,884	107,036	53,028	47,154	38,026	41,138	70,859	42,073	49,064	44,815	57,197	620,104
General Expenses Personnel	46,140	875,632	208,421	539,651	1,600,616	575,117	69,512	1,670,592	862,175	1,735,048	1,735,048	1,735,048	9,917,016
General Expenses Operating	245,122	157,340	115,749	46,662	110,861	79,930	42,774	167,562	41,621	155,006	26,814	40,197	1,229,639
General Expenses	291,263	982,972	324,170	586,313	1,711,477	655,047	112,286	1,838,153	903,797	1,761,863	1,761,863	1,775,245	11,146,655
Transfers to Other Funds Operating	0	0	352,836	654,122	1,011,416	0	0	0	0	0	279	0	2,018,653
Transfers to Other Funds	0	0	352,836	654,122	1,011,416	0	0	0	0	0	279	0	2,018,653
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	9,569	6,339	6,339	6,339	6,335	80,363
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	9,569	6,339	6,339	6,339	6,335	80,363
Bureau of Planning Personnel	3,271	1,267	1,900	1,267	1,267	887	0	0	0	0	0	0	9,860
Bureau of Planning Operating	0	6	13	11	997	330	330	14,016	0	0	0	0	19,968
Bureau of Planning	3,271	1,273	1,914	1,278	1,267	1,883	330	14,016	0	0	0	0	29,828

City of Harrisburg 2012 Expenditures													
	Actual Jan	Actual Feb	Actual Mar	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual October	Estimated December	Estimated Total 2012
Bureau of Codes Personal	37,562	37,970	56,955	41,282	41,687	41,282	41,282	61,695	41,054	41,054	41,054	41,054	523,933
Bureau of Codes Operating	0	1,136	-2,977	1,141	5,374	1,085	846	1,292	407	362	1,782	9,268	19,716
Bureau of Codes	37,562	39,106	53,978	42,423	47,060	42,367	42,129	62,988	41,461	41,416	42,836	50,322	543,649
Economic Development Personal	3,312	3,312	4,969	2,484	0	0	0	0	297	0	3,024	3,024	20,125
Economic Development Operating	0	0	148	0	0	0	0	650	0	435	0	1,047	2,577
Economic Development	3,312	3,312	5,117	2,484	0	0	0	650	297	435	3,024	4,071	22,702
Office of the Police Chief Personal	939,245	960,550	1,463,350	1,161,494	923,401	939,786	1,043,604	1,401,615	949,990	909,192	2,636,689	3,636,689	16,965,604
Office of the Police Chief Operating	158,893	25,554	93,932	19,671	23,497	19,654	22,868	24,104	48,860	67,440	9,055	35,946	549,475
Office of the Police Chief	1,098,138	986,104	1,557,283	1,181,165	946,898	959,440	1,066,473	1,425,719	998,850	976,632	2,645,743	3,672,635	17,515,079
Uniformed Patrol Personal	0	0	0	0	0	0	0	0	0	0	0	0	0
Uniformed Patrol Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Uniformed Patrol	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical Services Personal	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical Services Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Criminal Investigation Personal	0	0	0	0	0	0	0	0	0	0	0	0	0
Criminal Investigation Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Criminal Investigation	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Fire Personal	560,975	526,473	981,827	885,050	534,943	544,829	650,234	878,319	539,219	504,241	670,739	820,739	8,097,586
Bureau of Fire Operating	-115	17,279	10,795	10,118	2,896	10,698	44,054	24,086	9,525	23,880	10,383	88,600	252,139
Bureau of Fire	560,860	543,752	992,622	895,168	537,839	555,527	694,288	902,405	548,744	528,121	681,122	909,339	8,349,785
Office of the Director of Public Works Personal	36,215	36,642	55,126	34,899	30,300	30,243	30,152	36,233	29,207	29,218	29,633	29,633	407,503
Office of the Director of Public Works Operating	0	149,919	83,662	17,688	20,379	37,142	34,352	48,609	46,699	129,515	126,283	126,283	820,532
Office of the Director of Public Works	36,215	186,561	138,788	52,587	50,679	67,385	64,503	84,943	75,906	158,734	155,917	155,917	1,228,035
Bureau of City Services Personal	116,229	123,952	175,690	120,964	121,215	124,060	128,786	177,376	125,744	115,580	129,315	156,467	1,515,376
Bureau of City Services Operating	0	169	34,833	43,818	28,344	22,121	16,931	24,302	35,833	26,352	30,980	45,000	308,683
Bureau of City Services	116,229	124,120	210,522	164,782	149,559	146,181	145,716	201,678	161,577	141,932	160,295	101,467	1,824,059
Bureau of Vehicle Management Personal	34,748	36,083	52,914	35,266	33,553	29,237	33,278	52,970	35,290	35,285	37,123	37,123	452,870
Bureau of Vehicle Management Operating	74,920	147,615	355,921	132,012	22,557	207,631	11,549	91,831	75,411	120,245	86,751	328,522	1,656,965
Bureau of Vehicle Management	109,668	183,699	408,835	167,278	56,110	236,868	44,826	144,801	110,701	155,529	123,874	365,645	2,109,834
Office of the Director of Parks, Recreation and Enrichment Personal	15,623	16,447	24,662	16,684	17,249	27,525	70,942	68,515	24,872	17,742	16,416	16,416	333,492
Office of the Director of Parks, Recreation and Enrichment Operating	0	11	1,075	231	953	968	868	327	343	537	558	600	6,470
Office of the Director of Parks, Recreation and Enrichment	15,623	16,858	25,736	16,915	18,202	28,493	71,809	68,842	25,215	18,279	16,974	17,016	339,962
Bureau of Recreation Personal	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Recreation Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Parks Maintenance Personal	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
Total Expenditures	2,487,259	3,291,058	4,726,727	4,003,553	4,866,465	2,966,930	2,514,054	5,163,008	3,144,713	2,471,249	5,854,197	7,412,763	48,901,976

City of Harrisburg
2013 Estimated General Fund Revenues

	Estimated January	Estimated February	Estimated March	Estimated April	Estimated May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Projected 2013
Revenue Group	96,928	2,972,333	10,000,722	60,671	801,107	140,596	132,525	126,305	73,476	55,094	56,505	915,260	15,431,522
Real Estate Taxes Current	83,380	913	56,833	134,096	228,387	120,018	372,913	0	440,266	324,319	0	752	1,761,866
Real Estate Taxes Delinquent	0	0	0	0	0	0	0	0	0	0	0	0	0
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
EIT	286,204	262,757	489,438	58,276	202,048	522,654	285,694	58,498	325,941	352,298	121,174	466,871	3,441,854
Act 47 EIT	0	0	0	0	0	1,260,615	689,080	141,095	786,152	849,725	292,265	1,126,068	5,145,000
EMS/ST	9,973	373,319	0	176,006	307,836	280,937	15,249	0	0	525,058	275,075	189,696	2,153,149
Merchandise Business Privilege	129,603	212,816	362,662	1,056,144	395,457	36,392	125,138	108,694	69,867	156,816	59,061	74,879	2,787,550
Parking Taxes	1,141,052	380,358	38,682	-262,303	863,261	-148,101	280,699	66,688	47,291	304,635	-99,652	17,864	2,030,474
Other Act 511 Taxes	39,138	73,812	74,694	24,511	25,349	175,870	239,087	66,582	81,246	12,478	179,727	304,856	1,297,349
Capital Fire Protection	0	0	0	0	0	0	0	2,500,000	0	0	0	0	2,500,000
Cdog Reimb. - Demolition	0	0	9,437	0	0	0	0	0	0	43,685	8,382	18,496	80,000
District Justice Fees	51,602	104,366	138,286	0	73,059	114,377	0	0	123,834	47,354	50,267	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	89,240	149,359	78,107	78,753	45,300	188,891	51,881	171,419	121,751	145,131	86,027	196,365	1,402,223
Government Grants	0	0	0	0	0	10,000	0	0	0	0	0	0	10,000
Grants Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	3,798	8,652	5,666	4,704	6,298	3,868	4,924	4,402	4,157	4,335	4,867	9,382	65,053
License	0	18,665	136,132	0	135,425	0	0	145,712	10,331	0	132,151	0	578,416
Miscellaneous	95,303	23,193	3,398	10,359	58,070	62,029	6,486	8,321	100,518	28,317	6,503	41,381	443,878
Parking Fees	83	266	0	0	0	0	1,214	0	0	0	-66	1,583	3,100
Parking Tickets	70,229	104,177	114,536	97,570	99,272	86,577	87,906	96,008	85,852	79,827	55,854	81,183	1,058,992
Pension System State Aid	0	0	0	0	0	0	0	15,952	0	2,130,875	0	0	2,146,827
Public Safety Fees/Permits	24,074	18,231	35,769	27,809	31,595	24,475	32,430	32,701	20,556	35,765	20,197	11,959	315,560
Public Safety Grants	9,835	25,844	29,953	15,791	90,685	14,700	67,456	6,742	34,601	7,784	91,247	390,625	785,264
Public Safety Reimbursements	16,840	75,080	49,196	34,260	47,955	55,805	30,650	48,234	38,953	45,035	307,997	0	750,045
Public Works Fees/Permits	0	0	0	0	9,556	0	0	53,044	0	455	0	0	63,055
Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	3,630	163	828	163	163	163	163	163	163	163	163	18,159	24,080
Recreation Fees	0	12	0	281	6	4,186	11,736	17	-4,031	0	23	1,345	13,575
Sale Of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle Maintenance Charges	17,254	105,901	178,022	81,661	116,438	162,868	60,875	63,497	20,973	55,497	98,873	146,787	1,108,645
PLOTS	0	109,976	122,846	54,674	0	0	31,988	11,979	11,979	44,458	11,979	25,535	425,415
Pub Utility Realty Tax	0	0	0	0	0	0	0	0	0	36,327	0	0	36,327
Sewer Maint Charge	51,727	66,157	70,764	59,684	65,656	70,917	71,929	75,219	67,001	87,545	51,081	89,419	827,100
Sewer Maint Liens-Penalty	1	3	1	0	0	1	14	53	3	64	0	0	87
Sewer Maint Liens-Princp	164	131	115	20	12	78	153	0	117	121	47	0	1,011
Sewer Utility Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Sanitation Utility Fund	0	283,210	363,513	0	0	0	0	0	0	0	0	2,011,022	2,657,745
Landfill/Inch Utility Fd	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewerage Utility Fund	846,131	0	0	0	0	0	0	0	0	0	0	0	846,131
Hbg Water Utility Fund	833,960	0	0	0	0	0	0	0	0	0	0	0	833,960
Hbg Pk Auth Coord Pkg	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Other Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3,910,149	5,369,713	12,359,620	1,713,129	3,602,938	2,587,916	2,600,229	3,801,325	2,460,987	5,373,159	1,809,746	6,227,352	51,816,264

City of Harrisburg 2013 Estimated Expenditures													20
	Estimated Jan	Estimated Feb	Estimated Mar	Estimated Apr	Estimated May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Estimated Total
Office of City Council Personnel	32,233	21,489	21,489	21,489	21,489	21,489	21,489	32,233	21,489	21,489	21,489	21,489	279,552
Office of City Council Operating	0	-42	413	1,545	10,324	28,484	1,089	2,135	4,527	4,527	1,995	68,831	120,918
Office of City Council	32,233	21,447	21,901	23,033	31,813	49,973	22,577	34,566	23,108	26,015	23,483	90,320	400,270
Office of Major Personnel	31,053	20,702	20,702	20,702	20,702	20,702	20,702	31,053	20,702	20,702	20,702	20,702	289,125
Office of Major Operating	1,288	334	818	324	6,796	828	1,071	4,381	1,264	427	427	1,133	20,514
Office of Major	32,841	20,309	21,520	21,026	27,498	21,528	21,773	35,434	21,966	22,781	21,129	21,834	289,639
Office of City Controller Personnel	16,659	11,106	11,106	11,106	11,106	11,106	11,106	16,659	11,106	11,106	11,106	11,106	144,375
Office of City Controller Operating	0	72	11,107	2	12,782	2	0	2	0	0	2	36,032	50,795
Office of City Controller	16,659	11,178	11,107	11,108	23,888	11,127	12,986	16,660	11,106	11,106	11,107	47,138	195,171
Office of City Treasurer Personnel	50,296	33,530	33,530	33,530	33,530	33,530	33,530	50,296	33,530	33,530	33,530	33,530	435,866
Office of City Treasurer Operating	0	0	21,165	5,887	5,887	22,577	1,682	9,574	4,184	1,816	1,816	24,578	147,400
Office of City Treasurer	50,296	33,530	54,695	39,418	38,699	35,213	35,213	54,259	37,714	35,346	35,006	58,108	583,296
Office of City Solicitor Personnel	31,472	20,981	20,981	20,981	20,981	20,981	20,981	31,472	20,981	20,981	20,981	20,981	272,755
Office of City Solicitor Operating	0	0	9,520	20,981	22,054	49,514	70,956	78,075	109,546	19,674	16,464	68,372	440,451
Office of City Solicitor	31,472	20,981	30,501	76,550	48,035	39,245	20,981	31,472	20,981	40,655	39,445	89,353	713,207
Office of Business Administrator Personnel	24,346	16,230	16,230	16,230	16,230	16,230	16,230	24,346	16,230	16,230	16,230	16,230	210,999
Office of Business Administrator Operating	0	632	3,569	1,070	3,569	4,507	613	613	3,298	1,135	3,298	393	16,320
Office of Business Administrator	24,346	16,230	16,862	17,301	19,800	17,876	20,538	24,958	16,606	17,425	19,529	16,642	228,099
Bureau of Financial Management Personnel	45,812	30,542	30,542	30,542	30,542	30,542	30,542	45,812	30,542	30,542	30,542	30,542	397,04
Bureau of Financial Management Operating	0	0	60,490	2,343	91,189	7,626	495	45,812	1,674	3,923	1,833	29,155	200,255
Bureau of Financial Management	45,812	30,542	91,032	32,885	121,731	38,168	31,037	47,336	41,104	34,464	32,375	59,696	597,229
Bureau of Information Technology Personnel	51,396	34,264	34,264	34,264	34,264	34,264	34,264	51,396	34,264	34,264	34,264	34,264	445,413
Bureau of Information Technology Operating	0	0	54,684	12,396	36,446	13,588	1,333	5,350	6,840	628	18,829	52,898	729,117
Bureau of Information Technology	51,396	34,264	88,947	46,660	90,711	53,832	35,797	56,746	41,104	34,892	53,093	87,162	674,606
Bureau of Human Resources Personnel	37,465	24,976	24,976	24,976	24,976	24,976	24,976	37,465	24,976	24,976	24,976	24,976	324,66
Bureau of Human Resources Operating	0	0	98	3,827	10,888	3,93	393	37,465	3,097	1,902	7,639	11,881	47,956
Bureau of Human Resources	37,465	24,976	25,074	26,003	35,855	27,077	25,370	43,838	28,073	26,879	32,615	36,857	372,606
Operations and Revenue (Office of the Director) Personnel	49,554	33,036	33,036	33,036	33,036	33,036	33,036	49,554	33,036	33,036	33,036	33,036	429,48
Operations and Revenue (Office of the Director) Operating	0	19,447	19,447	27,258	52,284	24,795	16,169	290,296	18,673	18,878	22,439	27,417	259,38
Operations and Revenue (Office of the Director)	49,554	43,375	52,483	60,294	85,420	57,831	49,205	70,392	51,709	51,914	56,495	60,182	688,88
General Expenses Personnel	224,272	435,527	566,387	1,269,306	1,149,133	728,155	698,626	591,315	966,696	1,531,367	384,273	967,559	9,513,88
General Expenses Operating	420	185,755	374,214	44,126	137,716	186,282	32,298	290,296	107,686	118,261	45,846	23,423	1,546,26
General Expenses	224,692	622,283	940,601	1,313,433	1,335,415	865,871	730,924	881,611	1,074,341	1,649,629	430,568	990,783	11,060,11
Transfers to Other Funds Operating	348,791	0	5,560,405	0	502,805	0	348,791	0	3,702,194	0	347,562	0	10,810,55
Transfers to Other Funds	348,791	0	5,560,405	0	502,805	0	348,791	0	3,702,194	0	347,562	0	10,810,55
Office of the Director for the Department of Building and Housing Personnel	9,689	6,459	6,459	6,459	6,459	6,459	6,459	9,689	6,459	6,459	6,459	6,459	83,39
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	9,689	6,459	6,459	6,459	6,459	6,459	6,459	9,689	6,459	6,459	6,459	6,459	83,39
Bureau of Planning Personnel	1,900	1,267	1,267	1,267	1,267	1,267	1,267	1,900	1,267	1,267	1,267	1,267	16,46
Bureau of Planning Operating	0	0	0	0	0	0	99	1,549	151	11,332	4,927	43,83	43,83
Bureau of Planning	1,900	1,267	4,313	1,839	1,702	1,358	1,366	3,449	6,453	11,599	1,418	6,194	60,30
Bureau of Planning	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Codes Personnel	73,837	49,225	49,225	49,225	49,225	49,225	49,225	73,837	49,225	49,225	49,225	49,225	639,9
Bureau of Codes Operating	0	504	1,138	828	1,722	828	12,151	4,031	7	537	1,060	1,542	23,77
Bureau of Codes	73,837	49,729	50,363	50,363	50,957	50,353	61,376	77,868	49,232	49,762	50,285	50,767	603,65
Economic Development Personnel	4,968	3,312	3,312	3,312	3,312	3,312	3,312	4,968	3,312	3,312	3,312	3,312	43,41
Economic Development Operating	1,227	1,103	1,103	1,103	1,654	1,103	1,103	724	703	724	1,086	1,086	12,75
Economic Development	6,195	4,415	4,415	4,415	4,967	4,415	4,415	5,693	4,015	4,015	4,389	4,037	55,45
Office of the Police Chief Personnel	1,907,465	1,271,644	1,271,644	1,271,644	1,271,644	1,271,644	1,271,644	1,907,466	1,271,644	1,271,644	1,271,644	1,271,644	16,531,1
Office of the Police Chief Operating	0	68,397	82,300	25,082	123,574	76,908	12,938	18,925	15,321	15,321	25,338	25,015	556,55
Office of the Police Chief	1,907,466	1,340,041	1,354,974	1,296,726	1,395,218	1,284,552	1,284,552	1,907,466	1,271,644	1,271,644	1,296,982	1,296,659	17,088,8
Uniformed Patrol Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0
Uniformed Patrol Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Uniformed Patrol	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical Services Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical Services Operating	0	0	0	0	0	0	0	0	0	0	0	0	0

City of Harrisburg 2013 Estimated Expenditures	2013												
	Estimated Jan	Estimated Feb	Estimated Mar	Estimated Apr	Estimated May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Estimated Total
Criminal Investigation Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0
Criminal Investigation Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Fire Personnel	969,014	646,009	646,009	646,009	646,009	646,009	646,009	969,014	646,009	646,009	646,009	646,009	8,398,123
Bureau of Fire Operating	3,091	763	6,159	24,959	38,992	17,991	6,335	9,440	4,806	8,192	12,632	20,851	153,750
Office of the Director of Public Works Personnel	972,105	646,772	652,169	670,968	684,901	665,601	652,584	978,454	650,815	654,201	658,642	666,860	8,551,873
Office of the Director of Public Works Operating	60,530	40,353	40,353	40,353	40,353	40,353	40,353	60,530	40,353	40,353	40,353	40,353	524,592
Office of the Director of Public Works	3,375	31,883	108,053	151,859	187,958	135,331	191,808	63,982	76,405	30,661	123,227	136,670	1,202,650
Bureau of City Services Personnel	63,905	72,236	148,406	192,122	226,511	176,694	232,161	124,512	76,405	71,014	163,981	177,123	1,225,650
Bureau of City Services Operating	204,248	136,165	136,165	136,165	136,165	136,165	136,165	204,248	136,165	136,165	136,165	136,165	1,770,148
Bureau of City Services	2,201	20,791	206,628	99,029	122,570	88,251	125,080	41,773	23,510	45,975	80,358	89,225	783,225
Bureau of City Services	206,449	156,956	206,628	235,194	259,735	224,416	261,246	245,971	159,675	156,159	216,523	225,420	2,353,373
Bureau of Vehicle Management Personnel	56,214	37,476	37,476	37,476	37,476	37,476	37,476	56,214	37,476	37,476	37,476	37,476	487,185
Bureau of Vehicle Management Operating	50,110	185,506	185,506	264,995	369,611	98,909	133,219	117,071	184,638	108,489	232,820	326,994	2,072,320
Bureau of Vehicle Management	0	87,586	222,982	302,430	407,986	136,385	170,695	173,285	222,113	145,964	270,295	364,470	2,559,505
Office of the Director of Parks, Recreation and Enrichment Personnel	45,878	30,585	30,585	30,585	30,585	30,585	30,585	45,878	30,585	30,585	30,585	30,585	397,606
Office of the Director of Parks, Recreation and Enrichment Operating	103	103	103	90	312	336	347	337	4,871	3,806	870	12,170	12,170
Office of the Director of Parks, Recreation and Enrichment	45,878	30,585	30,688	30,675	30,897	30,721	31,982	46,214	35,457	30,832	31,455	34,391	409,776
Bureau of Recreation Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Recreation Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Bureau of Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
Bureau of Parks Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	4,289,191	3,274,657	9,595,493	4,478,292	5,503,194	3,862,871	4,111,371	4,966,673	7,655,191	4,435,599	3,802,446	4,390,338	60,365,315

ASSET MONETIZATION SUMMARIES/STATUS

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 September 24, 2012:

The advisors to the Office of the Receiver, The Harrisburg Authority's ("THA") legal counsel and representatives of the Lancaster County Solid Waste Management Authority ("LCSWMA") further developed and negotiated a term sheet containing the material terms of the proposed disposition of the HRRF. Negotiations with respect to certain terms occurred both in person and through telephone conferences. THA's Board was briefed on a regular basis as to material terms and aspects of the negotiations on which their input was sought.

The Term Sheet assumes that tipping fees for the City of Harrisburg will be reduced slightly and will be held constant for several years, after which a cost-of-living adjustment will commence. The tipping fees for Dauphin County will increase and also will be subject to a cost-of-living increase after several years.

The Office of the Receiver had meetings with representatives of the Commonwealth's Department of General Services in an effort to establish a long-term power purchase agreement pursuant to which the Commonwealth of Pennsylvania would purchase all of the electricity generated by the HRRF. The combination of a government purchaser of the output (which enables tax exempt financing of the acquisition to occur) and the long-term commitment to purchase at agreed upon prices, greatly enhances the price of the HRRF. Negotiations as to the structure and pricing of this arrangement have progressed over the last several months and are expected to conclude successfully in the near future.

The two largest secured creditors of the HRRF (Assured Guaranty and Dauphin County) were provided with the draft term sheet for the sale of the HRRF. Assured Guaranty and Dauphin County then met with representatives and advisors of the Office of the Receiver, Governor's Office of the General Counsel and THA to discuss the draft term sheet. Subsequently, Assured Guaranty and Dauphin County submitted a joint letter requesting certain changes to the draft term sheet aimed at increasing the price paid by LCSWMA for the HRRF. Counsel for THA is in the process of drafting an asset purchase agreement based upon the draft term sheet.

The Receiver continues to obtain regular updates on the status of the HRRF, its related issues, and the monetization process and has participated in numerous meetings and conference calls relating to the HRRF.

Harrisburg Parking Assets

The following is a chronological summary of the progress made with respect to the Harrisburg Parking Authority assets since September 24, 2012:

On September 27, 2012, the SET met to discuss a recommendation to the Receiver for a parking asset finalist. The SET formed a consensus and the Advisors to the Office of the Receiver compiled a summary of the considerations and recommendation of the SET. This summary was presented to the Office of the Receiver and, on October 15, 2012, the Office of the Receiver announced that Harrisburg First was chosen as the finalist for the Parking Assets.

Harrisburg First is comprised of Guggenheim Securities, Piper Jaffray, Standard Parking and AEW, which are all nationally-recognized firms in their areas of expertise. Weekly conference calls with Advisors to the Office of the Receiver and Harrisburg First have commenced and are on-going. Meetings in Harrisburg with the Harrisburg Parking Authority have taken place and due diligence has continued.

An Exclusive Negotiation Agreement was entered into with Harrisburg First and approved as to form by the Office of Attorney General. Harrisburg First has circulated a first draft of a Term Sheet and the Advisors to the Office of the Receiver have been meeting with respect to proposed revisions to the Term Sheet. A meeting between the Receiver and the Advisors to the Office of the Receiver and Harrisburg First to further negotiate terms for the Term Sheet has taken place.

Confidentiality Agreements for the County, the City and certain Creditors were drafted, negotiated and entered into (or are being entered into) in order to enable briefings of the aforementioned parties with respect to the parking monetization approach

In addition, a consolidation of Commonwealth of Pennsylvania parking is being developed as part of the monetization. The Harrisburg First team, the Office of the Receiver team and the Department of General Services have met to discuss potential terms of a long-term agreement that would be beneficial to the Commonwealth and the City. Last week, a proposal was developed by Harrisburg First and circulated to the Advisors to the Office of the Receiver. This week a first draft of the proposal will be delivered to DGS and a meeting is currently scheduled for this Friday to discuss the proposal with DGS and further modify the proposal. It is expected that a Term Sheet on the parking consolidation will be completed in the near term.

It is currently anticipated that overall transaction will be accomplished by the Pennsylvania Economic Development Finance Agency entering into a long-term lease with the City and issuing tax exempt bonds, the proceeds of which will be used in the first instance to pay off the HPA's existing debt.

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 September 24, 2012:

The Harrisburg Authority and the Commonwealth sought additional resources to assist the City with completion of 2010 and 2011 audits for the City. 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 2010 audit is expected to be released shortly. The outside accounting firm is continuing audit preparation work for the 2011 audit and expects this work to be complete during the first quarter of 2013.

Significant analysis continues 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 exploring a consolidated operating structure designed to gain the confidence of the credit markets which would enable the local operating authority to finance the federally-mandated Biological Nutrient Removal project and other upcoming projects. This consolidated structure 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.

A term sheet outlining the details of the creation of a local operating authority has been developed and has been reviewed with the Mayor and her staff. Staff has made recommendations and this process is moving forward. Updates to counsel to the Suburban Communities are ongoing in an effort to continue a cooperative effort with them. Meetings with the Department of Justice, EPA and DEP are also continuing in order to foster a cooperative effort.

Because of the delay caused by the audits and the need to focus on the immediate need of creating a local operating authority to facilitate financing, the Office of the Receiver is contemplating suspending indefinitely or terminating the RFP process with respect to the water and sewer systems and does not anticipate a near-term management agreement with a for-profit operator.

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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"> Develop meeting agenda and process Schedule meetings 	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"> Identify key staff, consultants, and subject matter experts Develop management and reporting protocol Assemble teams 	Act 47 Team is meeting with departments regularly to review initiatives.
PI03	Develop a performance management system	N/A	Business Administrator	In Process	Priority 3	December 2012	<ul style="list-style-type: none"> Review City programs and develop outcomes by program Develop detailed work plans for the City's executive team Schedule regular meetings to review work plan progress and program outcomes Develop protocol for results and outcomes to be communicated to elected officials and the public 	Mayor Thompson conducts monthly one-on-one meetings with Department Directors. The fourth session of the City's Leadership Institute will be held on December 19, 2012. The topic for the session will be Performance Management – i.e. job descriptions, performance standards, and performance evaluation for management and executive staff.

¹ 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

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

Pending	In Process	Complete	Progress not tracking
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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"> Consult with legal counsel to determine approach Implement approach 	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"> N/A 	The Mayor has hired and is using outside counsel. Having labor counsel engage 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"> Meet with Union(s) to develop charter for committee Develop committee structure and processes for bringing items before the committee Develop committee work plan Schedule committee meetings 	The Labor/Management Meetings with all three (3) unions continue to be held on a monthly basis. In the process of developing a Charter for each Labor/Management group.
WF04	Limit new contract enhancements	N/A	Mayor	Pending	Priority 1	Ongoing	<ul style="list-style-type: none"> Implement 	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"> Adopt a practice of vetting each negotiation proposal against the approved Receiver's Plan 	Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.

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WF06	Implement a three year wage and step freeze	N/A	Mayor	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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. Pending direction from Office of the Receiver and outside legal counsel before any action can be taken.
WF11	Adjust overtime eligibility thresholds to reflect hours actually worked	N/A	Mayor	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	Pending direction from Office of the Receiver and

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								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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	Mayoral Executive Order 8-2012 Vacation Leave Carry-Over was sent to all management employees on June 5, 2012. Reducing vacation leave for bargaining unit employees subject of mandatory collective bargaining that is being undertaken by outside labor counsel.
WF14	Reduce sick leave allotments	N/A	Mayor	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	Bonus sick leave deposits for management employees was abolished by Executive Order 6 of 2011. Any additional sick leave reductions are awaiting outcome of union negotiations.
WF15	Implement a court-related overtime reduction strategy	N/A	Police Chief	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	Pending direction from Office of the Receiver and outside legal counsel

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								before any action can be taken.
WF17	Contain post-retirement healthcare cost	N/A	Business Administrator	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	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"> Initiate discussions with labor union(s) 	This initiative is on hold pending labor negotiations.
RET02	Freeze benefit levels for all plans	NA	City Solicitor	Complete	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussions with labor union(s) 	Benefit levels are currently frozen.
RET03	Consolidate administration of the City's three retirement plans	NA	City Solicitor	Pending	Priority 3	January 2013	<ul style="list-style-type: none"> Conduct a study comparing the fully loaded cost of administering the City retirement plans Consolidate plan management under the most cost effective trust 	Law Bureau is researching whether consolidation of assets is possible. Any change would also need to be voted on by the unions in the collective bargaining process. Therefore, implementation is pending the results of

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								labor negotiations. Inquiry sent to Novak on November 19 regarding whether this recommendation refers to consolidation of assets or simply placing all pension plans under same administrative body. Awaiting response.
RET04	Seek IRS determination letter for Police Plan	NA	City Solicitor	Pending	Priority 1	January 2013	<ul style="list-style-type: none"> Review Police Plan against the IRS Employee Plan Compliance Resolution System and bring any plan defects, if they exist, into compliance Complete IRS application for determination Submit application for legal review and revise as appropriate Submit application 	Law Bureau is performing the preliminary work to have the IRS determination letter filed.
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"> Review Police Plan ordinance to determine if it has been amended to reflect the 2007 agreements If not, do not amend the ordinances If yes, initiate process to prospectively cap service increments at 60% of final salary 	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.
RET06	Aggressively defend an appeal, if applicable, regarding the 2009 enhanced service increments	NA	City Solicitor	Complete	Priority 1	Complete	<ul style="list-style-type: none"> Implement 	The Law Bureau aggressively defended the appeal by the FOP and recently obtained a

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								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"> Revise ordinance to reflect relevant amendments Submit ordinance to City Council for consideration 	HR obtained proposed amended agreement by PMRS. Law Bureau currently reviewing for legality before circulating for signatures.
RET08	Resolve discrepancies between the Non-Uniformed Plan and the Non-Uniformed PMRS Agreement	N/A	City Solicitor	In Process	Priority 1	January 2013	<ul style="list-style-type: none"> Conduct comparative review of uniformed and non-uniformed plans Identify discrepancies and appropriate amendments Revise ordinance to reflect relevant amendments Submit ordinance to City Council for consideration 	<p>HR sent a follow-up to PMRS on November 13, 2012, requesting a status update on where they stand with the draft of the updated contract for the Non-Uniformed Pension Plan.</p> <p>When PMRS accepts the amendments, they will return the agreement to the City and Law Bureau will circulate for signatures.</p>
RET09	Amend Non-Uniformed collective bargaining agreement	N/A	City Solicitor	Complete	Priority 1	January 2013	<ul style="list-style-type: none"> Amend plan ordinances to reflect collective bargaining changes that went into effect in 2009 	The contract changes made to the CBA re. pension improvements at the end of 2009 were

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							<ul style="list-style-type: none"> Submit ordinance to City Council for consideration 	conditioned upon Council approval within 120 days. Council approval was not obtained rendering those changes to the contract null and void. This initiative is invalid and unable to be implemented.
RET10	Establish Other Post Employment Benefits (OPEB) Trust	N/A	City Solicitor	Pending	Priority 1	January 2013	<ul style="list-style-type: none"> Identify procedure to establish OPEB Trust Develop timeline, process and implementation plan 	Assistant Solicitor is researching the process for establishing an OPEB Trust. Research is underway and contact has been made with Steven Goldfield of Public Resources Advisory Group to identify resources for development and implementation.
I&RM01	Fund risk management services	N/A	Director of Financial Management	In Process	Priority 1	October 2012	<ul style="list-style-type: none"> Contact the City's Third Party administrator to schedule safety trainings Schedule training events 	The City has contracted with Inservco, our workers compensation third-party administrator to provide safety training. A certified Training was held on 9/17/12 - Safe Driving Awareness. 21 employees from Public Works & Parks attended. Public Works Director conducted a training on 10/1/12, 17 employees

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								attended. The City is in the process of working with Inservco and Marsh USA to jointly identify other high-risk areas to focus future annual training sessions.
I&RM02	Revise terms of brokerage service agreement	N/A	Director of Financial Management	In Process	Priority 1	July 2013	<ul style="list-style-type: none"> Develop and issue RFP Assemble RFP review committee Review proposals and select the lowest responsible bidder 	RFP has been developed and finalized. Public issuance was withheld for the 10/1/12 and 11/1/12 renewals as the Act 47 Team and Mayor determined it would be better to pursue flat-level renewals through a negotiations process with the incumbent brokers at this time. The RFP is developed and will be issued in July 2013, in time for the 2014 renewal period.
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	Pending	Priority 2	January 2013	<ul style="list-style-type: none"> Evaluate necessity of initiative based on the City's new insurance program. Develop and issue RFP Assemble RFP review committee Review proposals and select the lowest responsible bidder 	Novak Group is determining if this initiative is still applicable and within the context of the City's current insurance program and, if so, to reassess the value added within the context of the City's broader financial and operational issues. The Director of Financial Management will provide a contact for AIA insurance to the

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								Novak Group to further research the issue.
I&RM04	Revise collective bargaining agreements to allow for flexible Light Duty Program	N/A	Mayor, Business Administrator, City Solicitor, and Human Resources Director	Pending	Priority 2	March 2013	<ul style="list-style-type: none"> Develop working committee consisting of representatives from management and each labor union Conduct best practice research to define light-duty program options Develop program Draft and adopt MOUs establishing flexible light duty program 	he first bullet point of this initiative (Develop working committee consisting of representatives from management and each labor union) will be placed on the agenda for the upcoming AFSCME, FOP and IAFF in-house Labor/Management Meetings pursuant to the Act 47 Recovery Plan. Full implementation of Initiative I&RM04 is dependent upon successful negotiations with all three unions.
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"> Conduct research to identify best practice safety programs Develop process to regularly review motor vehicle records of employees who operate motor vehicles Develop review process for city vehicles involved auto accidents, and associated disciplinary process Communicate program, policy and procedures to employees/labor groups 	The City relies upon Inservco, its contracted safety training service provider, to provide certified trainers who conduct the research to identify best practices safety programs as relates to the specific kinds of risk City employees are exposed. Eighteen employees of the Public Works Department participated in a Defensive Driving

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							<ul style="list-style-type: none"> Conduct training for employees and initiate program 	Training Session on Sept. 17, 2012, conducted by Chuck Baker from Inservco. The City will be contacting Inservco and Marsh USA to begin a dialogue requesting their assistance in developing and implementing the 2nd, 3rd, and 4th bullets. Final implementation will require negotiations with the Unions.
I&RM06	Conduct a cost benefit analysis to determine adequate Umbrella Excess Liability coverage	N/A	Director of Financial Management	N/A	Priority 1	January 2013	<ul style="list-style-type: none"> Evaluate necessity of initiative based on the City's new insurance program. Conduct analysis to determine existing liability Identify cost associated with increasing liability coverage to cover estimated risk in the interim Evaluate and implement actions to decrease liability and risk (e.g., create a safety program) Adopt a practice, as part of the Director of Financial Management's work plan, of assessing risk and coverage levels on an annual basis 	Follow-up conference call was held between the Receiver's Team & David Parada of Marsh USA. City will request a range of quotes from Marsh to potentially expand Umbrella Excess Liability Coverage, as well as benchmarks to help conduct a cost benefit analysis.
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"> Convene a working group, staffed with the Business Administrator, to identify the types of information 	

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							<p>that should be communicated (e.g., cash flow, financial statements, performance data), when, how often, and in what level of detail</p> <ul style="list-style-type: none"> • Develop and adopt processes to institutionalize communication • Develop agenda, reports, etc., for monthly meetings • Schedule regular meetings 	
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"> • Develop agenda, reports, etc., for monthly meetings • Schedule meetings 	
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"> • Revise ordinances • Submit ordinances to City Council for consideration and approval 	Council adopted a 5% Parking Tax increase and .8 mill. real estate tax increase in 2012 budget. Residential Parking increase and Parking Meter Rate increase are 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"> • Schedule meetings with elected officials from other governments and agencies (local and State) to identify opportunities for intergovernmental cooperation • Develop prioritized list of opportunities and deliver to respective City staff for analysis 	

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							<ul style="list-style-type: none"> Conduct feasibility, cost, and operational impact analysis Implement opportunities 	
ADMIN01	Implement quarterly financial reporting and associated review process	N/A	Director of Financial Management	In Process	Priority 1	March 31, 2013	<ul style="list-style-type: none"> Develop quarterly department budget review process, and revenue review process managed by the Bureau of Financial Management Develop and document internal revenue and budget analysis process Develop reporting process to elected officials Develop budget amendment process to be included as a contingency option in the review and reporting process 	The 1st, 3rd, and 4th bullets have been developed and implemented. A quarterly departmental budget review process and revenue review process managed by the Bureau of Financial Management has been developed. The Budget Office has established and implemented procedures beginning with the Mid-Year Fiscal Report as of June 30 2012, to review budgetary performance (revenues and expenditures) on a quarterly basis with all individual department heads/bureau chiefs, prior to the compilation and issuance of a formal Quarterly Fiscal Report. The Quarterly Fiscal Report will be provided to all elected officials within 45 days of each quarter-ended and be made available on the

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								City's website. City has filed its Mid-Year and Third-Quarter Fiscal Reports on July 14 and November 14, 2012, respectively. A formal budget amendment process is currently in place in the form of a Line-item Budget Reallocation Plan development and public issuance and review process. However, the Administration will endeavor to review and discuss the possibility of limiting the frequency and amounts of Reallocation Plans by seeking City Council's approval through change in Ordinance to either increase the \$20,000 threshold maximum line-item transfer allowed between the most restrictive category established by Ordinance, or to increase the legal level of budgetary control from the current line-item level to a higher categorical level as part of the 2013 budget approval process. Internal processes to be

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								documented by March 31, 2013.
ADMIN02	Develop comprehensive Citywide financial policies	N/A	Director of Financial Management	Pending	Priority 2	August 2013	<ul style="list-style-type: none"> Conduct research of best practice financial policies (begin with GFOA) Develop draft policies Assess existing financial practices against draft polices and develop action plan to amend practices as appropriate Submit draft policies to the City Solicitor's Office for legal review Submit policies as amended, for review and adoption by City Council Conduct staff training 	With the assistance of the newly hired Senior Accountant and Accounting Manager positions, we will endeavor to implement this by March 31, 2013. The Novak Consulting Group will provide assistance to update and develop the policies in the first quarter of 2013.
ADMIN03	Implement a standard budget development calendar	N/A	Director of Financial Management	Complete	Priority 1	N/A	<ul style="list-style-type: none"> N/A 	Budget Development calendar has been established.
ADMIN04	Establish standard position control system	N/A	Director of Financial Management	In Process	Priority 1	January 2013	<ul style="list-style-type: none"> Develop tool (software or Excel) that compares budgeted positions to actual positions in the personnel system (should include cost projections by pay period) Develop quarterly position control review process to identify discrepancies and eliminate unfunded/unbudgeted positions from the personnel system Eliminate all unbudgeted positions from the 	Receiver's Implementation teams will provide assistance in completing an Excel based position control tool. The Act 47 Implementation Team met with City staff to identify the systems and data that must be integrated to create Excel based position control tools. The Team is currently developing alternative approaches. The Novak Consulting

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							personnel system	Group met with City IT, finance and budget personnel and identified options to revise the City's PERDAILY HR Mainframe report. City IT will develop a revised PERDAILY budget format by December 8 and The Novak Consulting Group will develop an approved budget upload document to show budgeted position data in the HR system. .
ADMIN05	Conduct comprehensive review of City purchasing policies	N/A	Director of Financial Management	Complete	Priority 2	July 2013	<ul style="list-style-type: none"> Conduct research of best practice purchasing policies (take Pennsylvania rules into account) Develop draft policies Assess existing purchasing practices against draft policies and develop action plan to amend practices as appropriate Submit draft policies to the City Solicitor's Office for legal review Submit policies as amended, for review, and adoption by City Council Conduct staff training 	The current Purchasing Policies are in accordance with the State of Pennsylvania Regulations and the Third Class City Code. The Public Bid Limit for all Third Class Cities was increased to \$18,500.00, signed into law by the Governor and went into effect January 1, 2012. This directive was approved by the Solicitor's Office and circulated to all City employees and officials. It did not have to be approved by City Council. Due to the current fiscal condition of the City, it has been determined that the City's purchase

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								order limit of \$1,000.00 will not be increased at this time. One-on-one training on purchasing procedures is provided whenever needed. If it is deemed necessary, a training seminar for all staff involved in the purchasing function will be held early in 2013.
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"> N/A 	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.
ADMIN07	Revise the job description and increase hiring salary range for Chief of Staff/Business Administrator		Mayor & Director of Human Resources	Complete	Priority 1		<ul style="list-style-type: none"> N/A 	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	In Process	Priority 2	January 2013	<ul style="list-style-type: none"> Develop crosswalk between the Pentamation and the DREV system Test crosswalk in a test environment Conduct pilot, redundant process in live environment Assess and address crosswalk problems Fully implement process 	Crosswalk has been developed. However, upon testing, the data download and upload process proved to be equally manual-input driven to achieve the desired results. Financial Management and IT will meet to discuss a re-

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								designed approach to eliminate these manual data-entry processes following the hiring of the vacant Network Administrator and vacant Senior Accountant positions
ADMIN09	Hire a Senior Accountant position to the Bureau of Financial Management	-	Director of Financial Management	Complete	Priority 1	November 2012	<ul style="list-style-type: none"> Conduct recruitment and hiring process Hire and train employee 	Senior Accountant hired on November 5, 2012.
IT01	Replace mission critical IT components	N/A	Director of Information Technology	In Process	Priority 1	Ongoing	<ul style="list-style-type: none"> Develop inventory of existing IT infrastructure, life cycle, and replacement priority Develop corollary target replacement schedule Incorporate schedule into budget development process 	Partial inventory list has been developed and a full list should be completed by December 31, 2012. Target replacement schedule should be completed by December 31, 2012. IT's proposed 2013 budget includes 2 Air conditioners and a UPS.
IT02	Replace outdated personal computers	(60,000)	Network Administrator	In Process	Priority 2	July 2013	<ul style="list-style-type: none"> Develop inventory of existing PCs, life cycle, and replacement priority Develop corollary target replacement schedule Incorporate schedule into budget development process 	Partial inventory list has been developed and a full list should be completed by November 30, 2012. Target replacement schedule should be completed by November 30, 2012. IT's proposed 2013 budget includes 10 computers, and 50 more were put in General expenses.
IT03	Eliminate all personal printers and maintenance	N/A	Network Administrator	In Process	Priority 2	September	<ul style="list-style-type: none"> Inventory all personal 	Inventory of personal

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	on printers					2013	<ul style="list-style-type: none"> printers Develop alternative network printing options, if they do not exist, for those with personal printers Eliminate personal printers 	printers has been completed. (20 Identified) Alternative network printing options were provided for the 6 printers that were removed. 7 printers are used for special purposes (Photo ID, Fax, and Scanner). The remaining personal printers will be eliminated as supplies are used up.
IT04	Develop custom Interface between County dispatch system and METRO	N/A	Director of Information Technology & Police Chief	Closed-N/A	Priority 3	December 2013	<ul style="list-style-type: none"> Seek grant funding from the Commonwealth Contract with an IT vendor to develop custom interface Test interface in a redundant environment Address interface problems Fully implement interface 	N/A – No longer needed.
IT05	Conduct a needs assessment for an Enterprise Resource Planning system	(80,000)	Director of Information Technology and Director of Financial Management	Pending	Priority 3	April 2013	<ul style="list-style-type: none"> Seek grant funding from the Commonwealth Develop RFP for consultant to complete needs assessment Assemble RFP review committee Review proposals and select the lowest responsible bidder 	Commonwealth ACT 47 funding is being sought to hire a consultant to undertake a needs assessment. The City's Grants Manager has been assigned the task of writing the Grant request. IT met with the Grants Manager on 11/14/12 to discuss potential grant funding opportunities. Initiative on hold due lack of

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								funding.
IT06	Complete a needs assessment and audit of existing phone system and components	(50,000)	Director of Information Technology	Pending	Priority 2	April 2013	<ul style="list-style-type: none"> Seek grant funding from the Commonwealth Develop RFP for consultant to complete needs assessment Assemble RFP review committee Review proposals and select the lowest responsible bidder 	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. The City's Grants Manager has been assigned to the task of writing the Grant request. IT met with the Grants Manager on November 14, 2012.
IT07	Pursue long-term strategic IT initiatives	N/A	Director of Information Technology	Pending	Priority 3	N/A	<ul style="list-style-type: none"> N/A 	As the City's financial condition improves, this initiative 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"> N/A 	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"> Incorporate positions into the budget development process as funds are available 	The Assistant City Solicitor started employment with the City on 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"> Develop code Submit code for approval by City Council 	Consultant was hired by Clerk's Office to complete process in 2009; however, the process has

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								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. General Code submitted draft of codified Ordinances to City Clerk on 11/19/12 and the City Clerk and Solicitor have 30 days to review and then submit an adopting ordinance to City Council.
POL01	Restructure the Patrol Duty Schedule	131,250	Police Chief	In Process	Priority 1	TBD	<ul style="list-style-type: none"> Develop alternative schedule options Initiate discussion with the FOP 	Information regarding a 4-10 schedule was provided to the Novak Group. A follow up meeting was held on November 20, 2012. At the meeting The Novak Group presented analysis indicating that the 4-10 schedule was more costly to implement than the

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								current 8-hour schedule and that, in light of the City's fiscal constraints, the schedule change is not recommended at this time.
POL02	Implement a vehicle replacement policy	(803,232)	Police Chief, Director of Public Works, & Director of Financial Management	In Process	Priority 1	March 2013	<ul style="list-style-type: none"> Conduct fleet condition and utilization analysis, based on life-cycle, maintenance costs, and the pre-defined utilization standards Reassign or dispense of underutilized vehicles Develop target replacement plan with prioritization Incorporate replacement plan into budget development process 	Fleet survey has been completed. Met with Public Works Director and discussed the disposal of 20 damaged/unusable vehicles. A resolution authorizing disposal has been approved by City Council. The current plan calls for the replacement of 4-6 vehicles per year. Application has been made for \$409,000 in Dauphin County Local Share Gaming Funds to purchase 10 vehicles. The proposal was presented to the Local Share Board on November 8, 2012 and we are awaiting a decision on funding. \$200,800 will be requested in the 2013 budget as per the Receiver's plan. Marked Uniformed Patrol vehicles with greater than 75,000 miles are the priority for replacement.

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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"> Draft new salary schedule Initiate discussions with the FOP 	Initiative is on hold pending the outcome of the negotiations between the City's outside legal counsel and the Receiver's team with the FOP.
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"> Develop crime analysis software Assign personnel as dedicated crime analyst(s) Develop crime pattern analysis and reporting process Develop information sharing and deployment processes tied to real time crime analysis and data 	Crime Analyst position was created and assigned in 2012. Crime mapping system up and operational, May 2012.
POL05	Increase complement of VICE Unit	N/A	Police Chief	Complete	Priority 1	Sept 2012	<ul style="list-style-type: none"> Assess ability to reassign officers from specialty units and/or officers made available from a shift schedule adjustment (Initiative POL1). Reassign officers to VICE if operationally feasible In the interim, develop a "90 day career advancement" placement to increase VICE resources and provide professional development opportunities 	Career Development program in place. District Attorney's Office to pay ongoing 5% stipend. An officer is assigned to Vice and paid for from the 5% stipend.

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POL06	Assign representative to the District Attorney's Office Narcotics Task Force	N/A	Police Chief & District Attorney	In process	Priority 2	January 2013	<ul style="list-style-type: none"> Coordinate with District Attorney's office to assign personnel 	Vice Unit short of personnel, Police desire to keep vice operations within bureau operations. Novak Group requested more data from Police department regarding City vs. County utilization and personnel commitment required for participation on County Team
POL07	Participate in Dauphin County Forensic Team	N/A	Police Chief & District Attorney	In process	Priority 1	January 2013	<ul style="list-style-type: none"> Coordinate with District Attorney's office to assign personnel 	Police concerned that City forensics personnel training exceeds those on county forensic team. Novak Group requested more data from Police department regarding City vs. County utilization and personnel commitment required for participation on County Team
POL08	Transfer prisoner booking responsibility to Dauphin County	N/A	Police Chief	In Process	Priority 3	July 2013	<ul style="list-style-type: none"> Coordinate with County to formalize booking procedure Train sworn officers on booking process Transition booking process and reassign personnel assigned to booking 	The Dauphin County Booking Center is scheduled to be fully operational on May 1, 2012. It will be staffed entirely by Dauphin County personnel. The Harrisburg officers currently assigned to booking duties will be reassigned to patrol. No further action is needed on the part of the Bureau

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								of Police.
POL09	Appoint a Civilian Manager for Parking Enforcement Office	N/A	Police Chief & Director of Human Resources	In Process	Priority 2	December 2012	<ul style="list-style-type: none"> Conduct recruitment and hiring process Hire and train employee 	Awaiting feedback from the Office of the Receiver as to whether they will be approving the City's request to fill this position.
POL10	Replace electronic parking ticketing devices	(112,200)	Police Chief & Director of Financial Management	Complete	Priority 1	November 2012	<ul style="list-style-type: none"> Fund replacement of devices Identify and select vendor Purchase/lease and activate devices Train parking enforcement officers 	The devices have arrived and are being tested. Full implementation should take place on or about November 26, 2012
POL11	Increase operational efficiency in Parking Enforcement Office	480,480	Police Chief	In Process	Priority 1	Oct 2012	<ul style="list-style-type: none"> Establish targets for increased efficiency and relay targets to staff Adopt a practice of accessing employee productivity against targets 	The importance of productivity is stressed to enforcement personnel during unit meetings. Ticket count and time/location reports are reviewed daily. Booting productivity year to date has doubled compared to the same period in 2011. The unit currently has three members on long-term medical or disability leave and two in training. Once the unit is fully staffed, personnel schedules will be restructured to provide more meters and permit enforcement later in the day. Tickets issued

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								<p>year-to-date are down 2,000 from similar period last year.</p> <p>To develop proper targets for increased efficiency on establishing targets, Parking personnel are communicating with Parking Enforcement Units in other cities to determine best practices. A meeting with Mayor Thompson to seek further direction has been requested.</p>
POL12	Implement a new schedule for Parking Enforcement Officers	N/A	Police Chief	In Process	Priority 1	Oct 2012	<ul style="list-style-type: none"> Create new schedule Meet with affected employees to discuss schedule change 	Scheduling adjustments are pending a proposed change to meter enforcement hours addressed in legislation before City Council. Legislation has been in the Budget and Finance Committee since January 20, 2012.
POL13	Increase current parking ticket fees	4,500,000	Mayor & City Council	In Process	Priority 1	Oct 2012	<ul style="list-style-type: none"> Develop new schedule of fees Submit revised fee schedule to City Council for adoption Conduct public information process Begin enforcement 	Fee increase proposal has been in Budget and Finance Committee since January 20, 2012.
POL14	Evaluate the consolidation of Specialized Units	N/A	Police Chief	Complete	Priority 2	Complete	<ul style="list-style-type: none"> Evaluate efficacy of special units on an ongoing basis, 	Units have been absorbed into patrol

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							depending on crime profile and community need	platoons to meet staffing needs, except street crimes unit and traffic unit
POL15	Enhance leave supervision	N/A	Police Chief	Complete	Priority 1	April 2012	<ul style="list-style-type: none"> Develop chronic sick and injury-related leave policy and sanctions, with advisory input from the FOP Educate staff on policy and related expectations Adopt policy enforcement into the performance management system 	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.
POL16	Evaluate false alarm fee for burglar alarms and aggressively collect fees due	N/A	Police Chief and Director of Bureau of Operations and Revenue	In Process	Priority 1	September 2012	<ul style="list-style-type: none"> Develop monthly review process of Dauphin County communications' records to identify calls eligible to be billed Assess false alarm fees in the City-wide fee study and adjust as appropriate 	DEMA records are reviewed weekly by a Police Data Technician and forwarded to Operations and Revenue for billing. A review of the fee study showed a significant proposed increase in the false alarm fee. Further information is being gathered regarding comparable fee schedules in other 3 rd Class cities; direction is being sought from the Administration.
FIRE01	Change current shift schedule	N/A	Fire Chief	Pending	Priority 1	December 2012	<ul style="list-style-type: none"> Develop alternative schedule options Initiate discussion with the IAFF 	Pending negotiations

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FIRE02	Eliminate premium pay	N/A	Mayor, Fire Chief, & Business Administrator	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Initiate discussion with the IAFF 	Pending negotiations
FIRE03	Evaluate the tradeoffs of taking a piece of apparatus out of service and increasing staffing on remaining apparatus	N/A	Fire Chief & Business Administrator	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Identify alternative apparatus/deployment structures Determine service impact associated with each and corollary impact on response capability Develop preferred option and initiate discussions with the IAFF Implement preferred alternative 	Pending negotiations
FIRE04	Implement an engine company inspection program	N/A	Fire Chief	In Process	Priority 2	April 2013	<ul style="list-style-type: none"> Review inspection inventory and identify company-based inspection plan Develop inspection guidelines and procedures Train inspectors Incorporate inspection work plan into daily company activities 	In order to complete this initiative, nine (9) officers need to be trained. Funding has been requested in the 2013 Budget. Once the Officers are trained the inspection plan will be implemented.
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"> Develop fee schedule Submit fee schedule to City Council for adoption Notify insurance companies of fee change Aggressively bill and collect fees from insurance companies 	Ordinance No.13 (Bill NO. 16-2012) passed as amended. Extrication fee of \$500 by Extrication. The Tax & Enforcement office will aggressively bill the insurance companies once notified and provided details of the extraction from the Fire Bureau.

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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"> Identify fully loaded cost (salary, benefits, vehicle use, and fuel, administrative/ billing overhead, etc.) of each false alarm response Revise fee schedule to recover costs and provide disincentive of multiple false alarms Submit fee schedule to City Council for adoption Develop citizen education plan (include Commonwealth) 	Maximus Fee Study was delivered on October 26, 2012 and was subsequently disseminated to all office/department/ bureau chiefs for review and update of all their existing fees by November 19, so that legislation can be formulated and submitted to City Council in time for implementation of new rates effective January 1, 2013. City is developing implementation plan to adopt the revised fee schedule as part of the 2013 budget process, if possible.
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"> Revise job description Incorporate position into budget development process Recruit and hire Confidential Secretary to the Fire Chief Reassign firefighter to suppression duties 	Initiative is on hold pending the outcome of the negotiations between the City's outside legal counsel and the Receiver's team 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"> Develop and adopt administrative policy Develop work related injury review process Educate employees on the process 	HR sent a follow-up email to the Novak Group on November 15, 2012, requesting an update on where they are in developing an

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								administrative policy for the City's Workers' Compensation and IOD injury review. The Novak Consulting Group responded that this item will be discussed during meetings with the Fire Chief and Director of Human Resources the week of November 19, 2012, and their plan is to have the process established and adopted by year-end, in accordance with deadline laid out in the plan matrix. <i>The Novak Consulting Group met with Fire Chief on November 19 to discuss the current policy and practice. The Novak Group will revise the current practice and policy to reflect a proactive training practice.</i>
FIRE09	Establish a formal in-house training program, including a shift swap system, that allows in-house trainers to lead events	N/A	Fire Chief	Complete	Priority 3	December 2013	<ul style="list-style-type: none"> Develop charter and membership for in-house training committee Conduct inventory of in-house expertise Identify and train in-house trainers Develop training curriculum 	All implementation steps have been accomplished.

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							<ul style="list-style-type: none"> and training schedule • Work with IAFF to develop a short-term shift swap system for in-house trainers 	
FIRE10	Continue discussions with Harrisburg Area Community College Public Safety Center regarding possible training collaboration	N/A	Fire Chief	Complete	Priority 2	Complete	<ul style="list-style-type: none"> • Schedule regular formal and informal interaction with the college to identify training opportunities for City firefighters 	Currently being done. As part of evaluation for Water Rescue we are scheduling an instructor training swap with our mutual aide allies.
FIRE11	Revise turnout gear replacement practices in current collective bargaining agreement	N/A	Business Administrator, City Solicitor, & Fire Chief	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> • Initiate discussions with the IAFF 	Pending negotiations
FIRE12	Revise IAFF collective bargaining agreement to allow more efficient and effective use of resources	N/A	Business Administrator, City Solicitor, & Fire Chief	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> • Initiate discussions with the IAFF 	Pending negotiations
FIRE13	Eliminate minimum manning upon expiration of current collective bargaining agreements	N/A	Business Administrator, City Solicitor, & Fire Chief	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> • Initiate discussions with the IAFF 	Pending negotiations.
PW01	Implement container based collection system for residential solid waste and recycling	N/A (Should result in General Fund savings)	Director of Public Works	In Process	Priority 1	September 2012	<ul style="list-style-type: none"> • Conduct route optimization study and identify routes that can be automated • Assess capital investment required to automate select routes • Issue revenue bonds for capital expenses • Purchase carts and equipment • Train employees on routes and equipment use • Conduct public information campaign and define public inquiry triage process • Conduct cart distribution 	The Residential Collection System Information has been provided to the Novak Group and they have provided a draft RFP. PW is in the process of reviewing and recommending initial questions/concerns delivered at a meeting on November 20, 2012. Current routes have been modified and we resumed a five day a

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								week service.
PW02	Enforce City's right to commercial collection and contract with private collector for collection of commercial waste	N/A	Director of Public Works	In Process	Priority 1	July 2013	<ul style="list-style-type: none"> Identify all active businesses in the City (may require coordination with the Department of Revenue) Mail letters to all businesses indicating commercial waste hauling requirements Issue bills to all Harrisburg businesses Aggressively collect money owed 	All active businesses in the city have been identified. All Commercial System Information has been provided to the Novak Group. The RFP does request commercial collection as an option. Based upon the meeting on November 20, 2012 the Novak Group will draft a letter to be sent by the City to businesses that have not complied with the local ordinance. We will review and a tentative implementation date of 1 July 2013 has been set.
PW03	Increase recycling through education, accessibility, and enforcement - Sanitation Fund	N/A	Director of Public Works	Complete	Priority 2	December 2012	<ul style="list-style-type: none"> Develop recycling education process Evaluate implementation of recycle bank program to incentivize recycling 	We have a recycling grant which we have qualified for the last six years. There are planned education events through the Parks and Recreation Department, primarily through the Youth As

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								Restorers (YAR) program. A draft flyer for recycling has been prepared and will be sent for print. The Keep Dauphin County Program will provide an education program at three (3) Harrisburg Public Schools during 2013. There is also an educational component of the refuse RFP.
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"> • Develop detailed inventory of City fleet that includes key identifying data, life cycle data, mileage/utilization, use profile, etc. • Develop process of tracking and assessing utilization data, maintenance costs, fuel costs, etc. • Conduct fleet utilization analysis based on pre-defined utilization standards • Move underutilized vehicles/equipment out of service • Identify target fleet size and composition and incorporate into a vehicle replacement plan that fits within financial constraints 	Fleet inventory has been developed. A tracking and utilization process is in place. Outmoded vehicles are currently in the process of being sold and the fleet will be evaluated quarterly in 2013 to get a better handle on this developing program. Updated list provided on November 20, 2012. Once complete, these data will be sent to the Novak Group for recommended modifications.

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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"> Develop organization structure, bureau mission, programmatic responsibilities, and performance targets Develop bureau work plan by program Communicate change to impacted employees Create internal service fund and associated chart of accounts Incorporate structural and fund change into budget process and pursue City Council approval Recruit and hire bureau director position Incorporate work plan into the performance management system 	This position is on HOLD.
BH01	Increase fees, fines, and charges based on fee study results	N/A	Mayor & City Council	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Develop revised fee schedule Submit fee schedule to City Council for review and approval 	Fees and study completed by Maximus. Mayor has reviewed study and fees must be adopted by Council.
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"> Conduct internal evaluation of inspection backlog by type Identify target efficiency standards per inspection by type Assess staffing needs based on inspection backlog and 	Increased targeted efficiency standards have been achieved through enforcement of the new Rental Permit Program. Per Mayoral directive: 2 additional Codes Enforcement Officers have been included in the

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							incorporate additional position requests into the budget process	2013 budget. Staffing needs are determined by the number of projected annual inspections and State wide building inspections Current backlog for new rental inspection program is two to three weeks (40 units).
BH03	Contract for demolition of blighted structures	N/A	Director of Building and Housing Development	In process	Priority 2	July 2012	<ul style="list-style-type: none"> Develop and issue RFP Assemble RFP review committee Review proposals and select the lowest responsible bidder Develop demolition schedule based on safety priority 	RFP is not required to obtain bids for emergency demolitions. There is no formal RFP Review Committee. RFPs are reviewed by: DBHD, the Purchasing Manager, Office of the Mayor and if needed the Law Bureau. RFP bid responses are awarded to the lowest and most qualified bidder. All properties scheduled for demolition that are based on public safety are reviewed and triaged by the Codes Administrator and staff. Requests for demolition bids are also based on available funds.
BH04	Assemble and systematically deploy code enforcement teams	N/A	Deputy Codes Administrator	Complete	Priority 2	December 2012	<ul style="list-style-type: none"> Develop composition and structure of teams Conduct assessment of "problem areas" Based on assessment, 	The Bureau of Codes has 5 Codes Enforcement Officers and 1 plumbing inspector for the entire City. At the present time

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							develop work plan and measurable goals for teams	with limited staff, the Codes Administrator has been utilizing Police assistance in addressing illegally occupied properties. The Codes Administrator has identified/assessed census tracks 212 and 213 as the most problematic areas. The Bureau's priority Code Enforcement properties list, serves as a "work plan." Goals are measured against annual pro forma number of: inspections, permits, revenues, demolitions, citations and complaints brought into compliance.
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"> Draft ordinance and associated fine structure Develop registration process Submit ordinance to City Council for consideration Conduct public notification and registration campaign before effective date 	The measure was passed by City Council in October 2011, Ordinance 9-2011. In lieu of a registration process, Bureau of Codes maintains an electronic database of rental unit applications. Public notification was accomplished prior to passage of Ordinance.
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"> Conduct recruitment and hiring processes 	Currently on hold due to lack of HUD funding.

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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"> Develop and issue RFP Assemble RFP review committee Review proposals and select the lowest responsible bidder Conduct public engagement and planning processes 	Implementation steps/bullets 1 -3 are complete. A meeting with M and L was held on October 23, 2012. M and L's role in updating the Comprehensive Plan was discussed . A copy of the Recovery Plan was forwarded to M and L for referencing in the updates. Additional funding is being sought from PA State grant programs. Public engagements will commence with completion of the draft plan. A follow up meeting /teleconference is scheduled for the week of November 19, to provide further detail for the Comprehensive Plan.
HS01	Designate a Housing Coordinator	N/A	Mayor	Complete	Priority 1	July 2013	<ul style="list-style-type: none"> Identify and evaluate interested candidates Designate a Housing Coordinator 	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.
HS02	Develop a comprehensive Housing Strategy	\$10,000	Mayor, Business Administrator, & Housing Coordinator	In process	Priority 2	December 2013	<ul style="list-style-type: none"> Convene a working group to guide strategy development Develop working group charter and objectives 	DBHD has previously developed neighborhood development plans/strategies for

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							<ul style="list-style-type: none"> Develop project plan and process to develop housing strategy Develop draft plan for review and comment by elected officials and partner agencies Finalize plan based on feedback Incorporate plan elements into the work plan of the housing coordinator and other relevant staff 	<p>Central Allison Hill, South Allison Hill, the Southern Gateway area and Northern Gateway areas. DBHD held a meeting with Mullin and Lonergan on October 23, 2012 in which a project plan, housing strategy, objectives and draft plan were discussed. On November 8, 2012 the City's contracted real estate agent forwarded a marketing plan /market analysis to DBHD. DBHD will include the Housing Strategy as part of the November 19 meeting agenda.</p> <p>Housing Strategy should be coordinated with the development of the Comprehensive Plan.</p>
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"> Develop work plan and goals for the board based on comprehensive housing strategy Develop implementation plan to engage private redevelopment groups and civic groups 	<p>DBHD and HRA are in the process of recommending the activities of the Vacant Property Reinvestment Board. DBHD has developed a list of properties to rehab and market. DBHD held a meeting with HRA on October 23 to discuss housing strategies, work plan and goals. A follow</p>

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								up meeting with DBHD and HRA was held on November 15 th to discuss CAC's request to utilize a strip of land for parking.
ED01	Designate an Economic Development Coordinator	\$75,000	Mayor	In process	Priority 1	July 2012	<ul style="list-style-type: none"> Develop position work plan and priorities Conduct recruitment and hiring process 	<p>Receiver is required. Funding sources have been identified and forwarded to HUD. These will be a part of CDBG funding. They are currently pending HUD approval.</p> <p>The Deputy Director will be responsible for developing a work plan. The Deputy Director for Economic Development position is proposed under an amendment to the 2012 Annual Action Plan for funding under CDBG and HUD approval is required. The amendment is pending a public hearing and City Council approval.</p>
ED02	Develop a coordinated long-term economic development strategic plan	N/A	Mayor & City Council	Pending	Priority 2	April 2013	<ul style="list-style-type: none"> Develop and issue RFP Assemble RFP review committee Review proposals and select the lowest responsible bidder Conduct planning processes 	DBHD is waiting for the formal hiring of a Deputy Director of Economic Development/Contract Compliance to assist with the completion of a long term economic

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							<ul style="list-style-type: none"> Incorporate planning process results into the Economic Development work plan 	development strategy and planning. In the interim period DBHD has emphasized the neighborhood development plans/strategies for addressing economic development. No RFPs are needed for the above position and work tasks. The Deputy Director will be responsible for developing an Economic Development Work Plan
ED03	Evaluate the City's tax abatement strategy	N/A	Mayor & City Council	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Conduct best practice research to identify successful tax abatement programs Develop tax abatement strategy alternatives Submit alternatives to City Council for consideration Finalize abatement packages and strategies Conduct proactive education and recruitment campaign to solicit program participants 	DBHD earlier developed and submitted a tax abatement proposal and schedule to the City Council. The Law Bureau has since developed a new Tax Abatement program. Until the new Tax Abatement program is approved by City Council, educational and recruitment programs are postponed
ED04	Improve management of the City's MOED Loan Portfolio	N/A	Mayor, Business Administrator, & Economic Development Coordinator	Complete	Priority 2	January 2013	<ul style="list-style-type: none"> Evaluate options available to centralize management of the MOED portfolio Develop monitoring and enforcement processes and contract with vendors/partners as appropriate 	DBHD has developed revised loan policies and loan underwriting guidelines. DBHD has initiated monthly loan reports and loan "work out" plans with some delinquent borrowers.

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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	In Process	Priority 2	July 2013	<ul style="list-style-type: none"> Conduct inventory and condition assessment of existing capital assets Prioritize capital improvement needs based on key considerations such as infrastructure use, condition, safety, cost, etc. Identify long-term Improvement plan based on resource estimates Conduct capital budget development process and incorporate 5-7 year CIP development into the process 	An inventory of capital assets is being prepared by Public Works & Finance for distribution. The "draft" will be distributed to the Administration for their input. The combined data will be forwarded to the Novak Group for review. That reviewed data will then be consolidated and presented to the Mayor as a "draft Plan."
CIP02	Establish a CIP development process	N/A	Director of Financial Management, with assistance from the Director of Public Works & Department Directors	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Develop calendar to include resource estimates, target development, department budget submission, internal review and amendment, executive review, internal budget hearing, and recommended budget formulation Develop associated templates and processes Communicate processes to staff, the public, and elected officials in advance Train staff on capital budget schedule, process, roles, responsibilities, and obligations 	A Capital Improvement Plan (CIP) is being developed with CIP01 initiative. This process will be documented, evaluated, adjusted, and forward for adoption, which will produce our future CIP process. Plan was discussed during our November 20, 2012 with the Novak Group in which verified we are implementing the right steps. I have received

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								permission to start inventory of capital items within the accounting system.
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"> Develop infrastructure condition rating systems and processes and incorporate into department work plans Conduct inventory and condition assessment of existing capital assets Incorporate infrastructure condition assessments into the capital budget development process 	A current list of vehicles (fixed assets) has been identified. It requires consolidation with permanent assets and reviewed on a periodic basis. As other inventories are completed, those assets will be added to the list to develop asset management program
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"> Identify City facilities that may have a market for sale and/or lease back Assess operating implications of sale and/or lease back for each facility If operationally feasible, place facilities on open market Negotiate sale/lease back agreements and submit to City Council for consideration and approval 	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. City

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								has selected real estate broker; the real estate broker is developing marking plan.
OA01	Establish a stormwater utility fee	N/A	THA	Pending	Priority 1	January 2013	<ul style="list-style-type: none"> Determine legal ability of an Authority to establish a stormwater fee Conduct fee study Develop fee schedule and submit to appropriate legislative body for consideration and approval Develop billing and collection process Conduct public education process Implement billing process 	
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"> Define PILOT structure and calculation methodology Initiate discussions to establish PILOT agreements Submit draft agreements to City Council for consideration and approval Develop payment schedule and processes 	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"> Draft ordinance amendments Submit to City Council for consideration and approval Communicate ordinance changes to the development community 	The draft amendments of the Stormwater management ordinance are currently being compiled. The Solicitor will assist in the review of the first draft and was contacted October 16. The City Engineer will

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								finalize draft ordinance by December 7, 2012, and forward to City Solicitor.
REV01	Increase the Earned Income Tax (EIT) rate as required to eliminate operating deficits	N/A	City Council & City Tax Administrator	Complete	Priority 1	July 2013	<ul style="list-style-type: none"> Draft enabling ordinance Submit to City Council for consideration and approval Communicate rate change to the public Adjust revenue projections 	City Council approved the EIT tax increase on October 24, 2012. The new tax rate will be effective on January 1, 2013.
REV02	Increase the Real Estate Tax rate as required to eliminate	NA/	Mayor & City Council	Complete	Priority 1	July 2013	<ul style="list-style-type: none"> Draft enabling ordinance Submit to City Council for consideration and approval Communicate rate change to the public Adjust revenue projections 	.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"> Initiate discussions with partner governments Develop assessment plan and funding structure Conduct reassessment Evaluate revenue impact and revise revenue 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"> Adopt a practice of evaluating property tax revenue impact associated with selling city owned property to non-profits Identify and analyze opportunities to create new pilot agreements with tax exempt agencies that heavily utilize City services Initiate discussions to 	Will await the findings of the Mayor's PILOT Task Force.

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							<ul style="list-style-type: none"> establish PILOT agreements and draft agreements Submit draft agreements to City Council for consideration and approval Develop payment schedule and processes 	
REV05	Increase business license fees; improve compliance with Business Privilege and Mercantile Tax	N/A	City Council & City Tax Administrator	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Develop new schedule of fees Increase penalties for non-payment Submit revised fee schedule to City Council for adoption Conduct public information process Institute amnesty period for delinquent remittances Begin enforcement 	Business Privilege license fee is currently in line with the Maximus fee study results. An ordinance to increase penalties for non-payment has been placed on the agenda of the November 27th City Council meeting. Contracted with MuniServices to improve compliance; contract currently in the Controller's office.
REV06	Increase enforcement of the Local Services Tax	N/A	City Council, Mayor & Business Administrator	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Increase penalties for non-payment Conduct public information process Institute amnesty period for delinquent remittances Begin enforcement 	The Mayor, Business Administrator and Tax Enforcement Administrator met with the Capital Tax Collection Bureau to discuss increasing penalties, conducting public information processes and instituting an amnesty period for the LST tax. Decisions to be forthcoming (no later than the end of

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								December 2012) on these items once Capital Tax Collection Bureau researches the items further.
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"> Work with local legislator(s) to draft legislation to increase Local Services Tax 	
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"> Contact Department of Revenue to clarify process Develop agreement with the Department of Revenue Submit agreement and cost benefit analysis to City Council for consideration and approval Develop administrative process Train relevant personnel on process 	City Solicitor advised after consulting with Novak group that the intent of this initiative is not to increase the realty transfer tax. This is currently collected at time of property transfer by Dauphin County Further discussion required.
REV09	Increase Interest & Penalty Provisions Where Permitted	90,000	City Council & Tax Administrator	In Process	Priority 1	July 2012	<ul style="list-style-type: none"> Conduct benchmark analysis of interest and penalty provisions Develop revised interest and penalty framework Submit ordinance to City Council for consideration and approval Conduct public information process Institute amnesty period for delinquent remittances Begin enforcement 	The Law Bureau has drafted new language in the form of an ordinance to reflect the increase in penalty and interest directed by the Act 47 Plan. This item will be placed on the agenda of the November 27, 2012, City Council meeting.
REV10	Improve Taxpayer Information	N/A	Tax Enforcement Administrator & IT Director	Complete	Priority 2	July 2012	<ul style="list-style-type: none"> Create repository of tax related documents and forms 	Website updated

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							<ul style="list-style-type: none"> Design tax webpage and add tax document and forms Test webpage Go live with webpage and conduct public outreach process 	
REV11	Improve real estate taxpayer collection rate	N/A	City Treasurer, Business Administrator, & Tax Enforcement Administrator	In Process	Priority 1	September 2012	<ul style="list-style-type: none"> Evaluate opportunities to increase the collection rate Develop implementation plan and associated targets Develop improved system for notification of unpaid tax accounts Meet quarterly to review real estate tax collections, identify issues, and develop interventions where possible to maintain to improve collections 	
REV12	Generate revenue through Market Based Revenue Opportunities	800,000	Business Administrator	Pending	Priority 1	July 2012	<ul style="list-style-type: none"> Develop and issue RFP for broker to identify potential City assets for an MRBO program Assemble RFP review committee Review proposals and select the lowest responsible bidder Develop policy framework and market MRBO opportunities Enter into agreements with potential partners 	
REV13	Sell City acquired historical assets	500,000	Mayor & City Council	In Process	Priority 1	September 2012	<ul style="list-style-type: none"> Conduct asset value study Develop parameters for 	Dauphin County Court ruled on 11/15/12 in

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							<p>determining whether a property should be sold or maintained as a City asset</p> <ul style="list-style-type: none"> Place eligible properties on the market 	Mayor vs. City Controller in favor of the Mayor, granting a motion for Mandamus ordering the Controller to sign the contract. Upon execution of the auction & valuation of Artifacts contract the awarded bidder will be notified to proceed with haste to achieve a Spring 2013 auction.
REV14	Revise Host Fee agreement between the City and the Harrisburg Authority	N/A	Mayor, City Council, & THA	In Process	Priority 1	September 2012	<ul style="list-style-type: none"> Amend waste disposal agreement Submit revised agreement to City Council for consideration and approval Develop environmental compliance programs that will be supported by the host fee 	Law Bureau drafted an amendment to the agreement between THA and the City. Amendment was ratified by City Council. Waiting for THA's approval.

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

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) Docket No. 569 MD 2011
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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):

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