

2020 BUDGET PRESENTATION

Mayor Eric Papenfuse
City of Harrisburg
November 26, 2019





AGENDA

- Balancing the Budget
- Revenue and Expenditure Highlights
- Maintaining Critical Capacity
- Debt Management Initiatives
- Capital Improvements Projects and Updates
- Next Steps



BALANCING THE BUDGET

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
2019 Budget (operating)	\$ 64,849,177	\$ 64,823,206
2019 Budget (capital)	\$ 6,538,281	\$ 6,538,281
2020 5-Yr Plan (operating)	\$ 63,985,790	\$ 62,061,164
2020 5-Yr Plan (capital)	\$ 3,145,000	\$ 3,145,000
2020 Budget (operating)	\$ 64,959,105	\$ 64,958,478
2020 Add'l AMBAC Pmt	\$ 5,000,000	\$ 5,000,000
<u>2020 Budget (capital)</u>	<u>\$ 4,358,341</u>	<u>\$ 4,358,341</u>
2020 Total General Fund	\$ 74,317,446	\$74,316,819

Takeaways: - *Balanced budget for 7th consecutive year & no tax increase*
 - *City continues trend of moderate yet steady economic growth*



REVENUE HIGHLIGHTS

	<u>2019 Budget</u>	<u>2020 5-Yr Plan</u>	<u>2020 Budget</u>
Property Taxes	\$17,227,295	\$17,707,391	\$17,707,391
EIT	\$11,716,000	\$12,076,764	\$12,175,314
LST	\$ 6,207,785	\$ 6,714,405	\$ 6,714,405
MBT	\$ 7,135,050	\$ 7,468,030	\$ 7,953,082
Realty Transfer	\$ 649,000	\$ 649,000	\$ 800,000
PILOTs	\$ 676,797	\$ 676,797	\$ 826,797
Fines, Licenses	\$ 1,411,352	\$ 1,423,352	\$ 1,423,352
Pension Aid	\$ 2,885,853	\$ 2,943,251	\$ 3,310,806
Ground Lease	\$ 1,275,201	\$ 1,313,458	\$ 1,313,458
Priority Parking	\$ 2,241,682	\$ 1,057,258	\$ 1,057,258

Takeaways: - Budgeted revenues across most categories steadily higher y-over-y

- Projected revenues in line/higher than 5-Yr plan based on 2017-19 actuals

- Ground Lease and Priority Pkg payments decline in 2020 per indenture



EXPENDITURE HIGHLIGHTS

	<u>2019 Budget</u>	<u>2020 5-Yr Plan</u>	<u>2020 Budget</u>
Personnel (ex-medical):	\$ 32,724,425	\$ 33,033,830	\$ 33,753,020
Health care:	\$ 11,125,000	\$ 10,893,750	\$ 10,893,750
Debt Service:	\$ 9,833,638	\$ 10,276,819	\$ 15,238,747
Pension Expense:	\$ 4,210,537	\$ 4,294,747	\$ 4,160,871

Takeaways: - Moderate wage and personnel expense growth (outside of Police due to new contract structure)

- Health care and pension costs stabilizing

- Full debt service payment budgeted along with add'l AMBAC payment



MAINTAINING CRITICAL CAPACITY

FOP PAY SCALE SNAPSHOT – POLICE OFFICERS

YEARS OF SERVICE	2019 BASE PAY	2020 – 2025 BASE PAY
1	\$48,368	\$49,000/Academy \$53,000 / FTO
2	\$51,593	\$54,000/ Probation
3	\$54,817	\$56,500
4	\$64,491	\$64,500
5	\$64,491	\$66,000
6	\$64,491	\$70,000
7	\$64,491	\$70,250
8	\$64,491	\$70,500
9	\$64,491	\$70,750
10	\$64,491	\$72,000
11	\$64,491	\$72,250
12	\$64,491	\$72,500
13	\$64,491	\$72,750
14	\$64,491	\$73,000
15	\$64,491	\$73,250
16	\$64,491	\$73,500
17	\$64,491	\$73,750
18	\$64,491	\$74,000
19	\$64,491	\$74,500
20	\$64,491	\$75,000

TAKEAWAYS:

- Fundamental restructuring of pay scale, in order to improve recruitment and retention

- Longevity embedded in pay rates, eliminating 2-tier scale

- Total contract cost frontloaded; represents over \$1m in budgeted personnel cost increases from 2019 to 2020

Note: Years of Service proceed thru year 30 with ending salary of \$79,500



MAINTAINING CRITICAL CAPACITY

HPD New Positions

School Resource Officers (2)	Cost 50/50 split with HBGSD
Civilianized Court Liaison	Returns one officer to patrol
Civilianized Accreditation Officer	Returns one officer to patrol
Additional Captain	1 for CID; 1 for Uniformed Patrol

Takeaway: - Total complement increases to 169 total; 153 uniformed



MAINTAINING CRITICAL CAPACITY

HFD New Positions

Firefighters (4):	Recruits (base salary of \$38k)
Reduction of OT budget:	\$200k

Takeaways: - Additions to pay for themselves within one fiscal year

- Bargaining unit complement increases from 82 to 86



MAINTAINING CRITICAL CAPACITY

Additions/Upgrades

<u>Department/Bureau</u>	<u>Position</u>
P, R &F/Parks Main/CDBG	Project Manager
Parks, Recs, Facilities/Events	Special Events Logistic Coordinator (PT)
Public Works/City Services	Special Assistant (from AA)
Public Works/City Services	Customer Service Rep
Public Works/City Services	Solid Waste Education & Enforcement Coordinator

Takeaway: - Aligning changing operating needs of the City with appropriate human resources



MAINTAINING CRITICAL CAPACITY

- New Pinnacle/UPMC PILOT agreement (additional \$150k annual contribution)
- New 2-yr HHRVB agreement (\$110k support annually)
- HBGSD School Resource Officer agreement (50/50 cost share, \$140k total value)



DEBT MANAGEMENT INITIATIVES

- As in 2018 & 2019, the 2020 budget anticipates that the City will make its scheduled GO debt payment in full, alleviating the need for taking a draw on AMBAC's facility, as originally proposed in the Strong Plan (\$2m in 2020)
- This will save the City hundreds of thousands of dollars in capitalized interest costs
- The City has been able to achieve this milestone through careful financial management procedures and strong fiscal policies over the past 6 years



DEBT MANAGEMENT INITIATIVES

- Negotiations with AMBAC concluded and a term sheet has been agreed to between both sides. Highlights:
 - *City budgeting \$5mm principal payment (from fund balance)*
 - *City will receive a 1.38x multiplier on this payment (\$6.9mm value)*
 - *Interest rate reduction from 6.75% to 5.00% in 2020 thru 2022*
 - *Settlement agreement will be amended to eliminate annual \$2m draw option*
- City plans to issue underwriter RFP in anticipation of contingent liability refinance in 2020 in order to achieve additional long term savings
- Marathon Capital Advisors to be retained to facilitate closure of agreement, advise on refinance of contingent liability and provide ongoing support for City on 5-yr plan design



DEBT MANAGEMENT INITIATIVES

- In accordance with last year's agreement with City Council, the Administration proposes transferring unfilled positional quarterly wage and salary appropriation in the general fund to the debt service fund for future debt service funding requirements
- Over the course of 2019 the City filled 34 non FOP and IAFF positions; there are currently 7 management and 14 AFSCME open positions



CAPITAL PROJECTS 2020

GENERAL FUND

ADMINISTRATION

BUREAU OF INFORMATION TECHNOLOGY

\$	264,000	VOIP Phone System Replacement - \$203k Gaming Grant (Approved in prior year but did not commence/complete)
\$	250,000	DCIT & DREV System Replacement *
\$	75,000	Printer Fleet Replacement
\$	61,525	Cisco Server & Nimble SAN Lease (Year 3 of 3)
\$	42,000	Office 365 *
\$	30,000	Security Cameras - Reservoir Park (15)
\$	25,000	Security Cameras - MLK Building (15)
\$	2,663	Sharp Electronics- Printer Lease

\$ 750,188

TOTAL - ADMINISTRATION

\$ 750,188

PARKS AND FACILITIES

BUREAU OF FACILITIES & PARKS & RECREATION

\$	250,000	GESA *
\$	226,803	4th and Dauphin Playground (Approved in prior year but did not commence/complete)
\$	65,000	Life Safety - ATS replacement of non-working transfer switch for emergency power back-up
\$	22,000	Access Control - Public Works Building
\$	17,975	Access Control - MLK Building
\$	17,075	Access control - Public Safety Building
\$	17,000	Security Cameras - Brownstone and Masion Buildings
\$	15,000	Brownstone security & shelving
\$	11,300	Elevator Access Control - Public Safety Building
\$	10,000	Repairing & Replacing Fencing

\$ 652,153

TOTAL - PARKS AND FACILITIES

\$ 652,153

* = 5 Year Plan funded projects
Without asterisk = 5-yr Plan Priority One projects



311 Reception Desk



- *More welcoming & customer service focused*
- *Safety improvements*
- *Improved accessibility*



Atrium





Council Chambers



- *Increased public interaction with Council and the Administration*
- *Increased public participation in the legislative process*



CAPITAL PROJECTS 2020

GENERAL FUND

PUBLIC SAFETY

BUREAU OF POLICE

\$	260,000	Patrol Vehicles *
\$	100,000	Patrol Command Van (if grant funded 50%)
\$	113,000	Vice Surveillance Van (if grant funded)
\$	43,000	Community Policing Van (50% cost covered by 2018 JAG grant)
\$	25,000	Renovation/Re-Purpose old Communications Center For Patrol use
\$	15,000	Street Crimes Unit - Used Cars

\$ 556,000

BUREAU OF FIRE

\$	128,000	Lease purchase of new apparatus *
\$	80,000	Equipment for new apparatus (Amkus vehicle rescue tools)
\$	25,000	Fire Station capital repairs

\$ 233,000

TOTAL - PUBLIC SAFETY

\$ 789,000

BUREAU OF VEHICLE MANAGEMENT

\$	470,000	VMC Vehicle Leasing *
\$	12,000	Flooring

TOTAL - PUBLIC WORKS

\$ 482,000

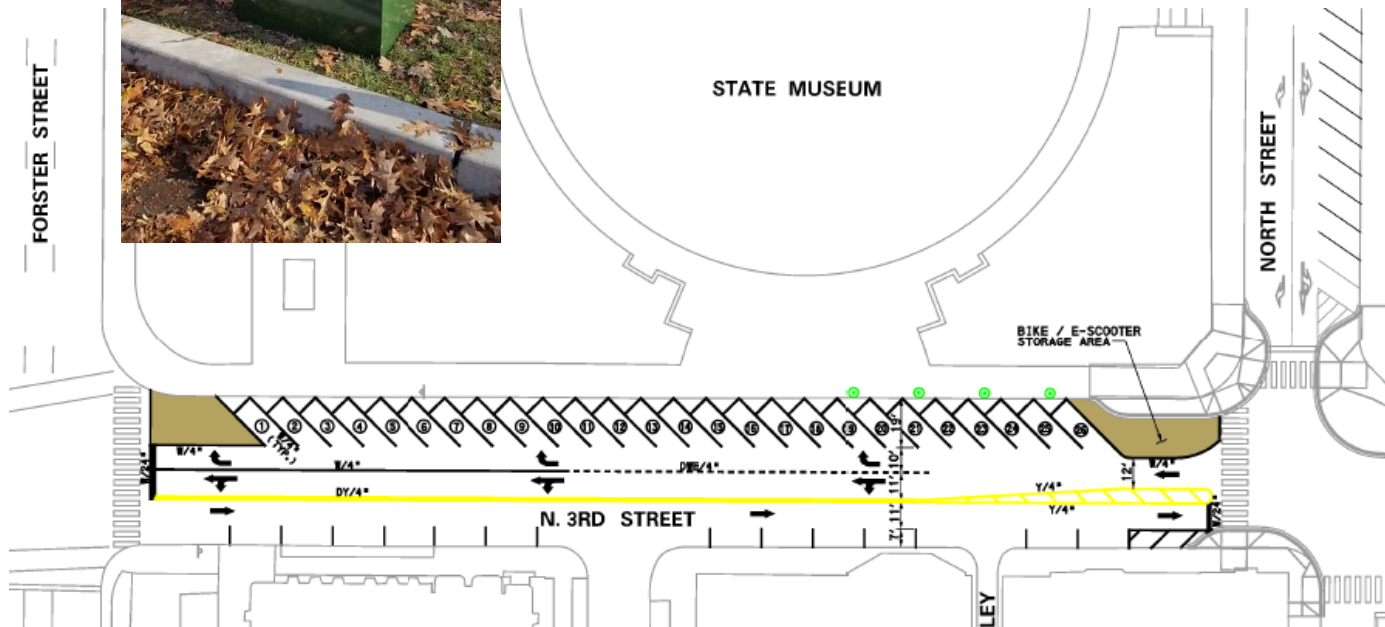
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EV Charging Stations

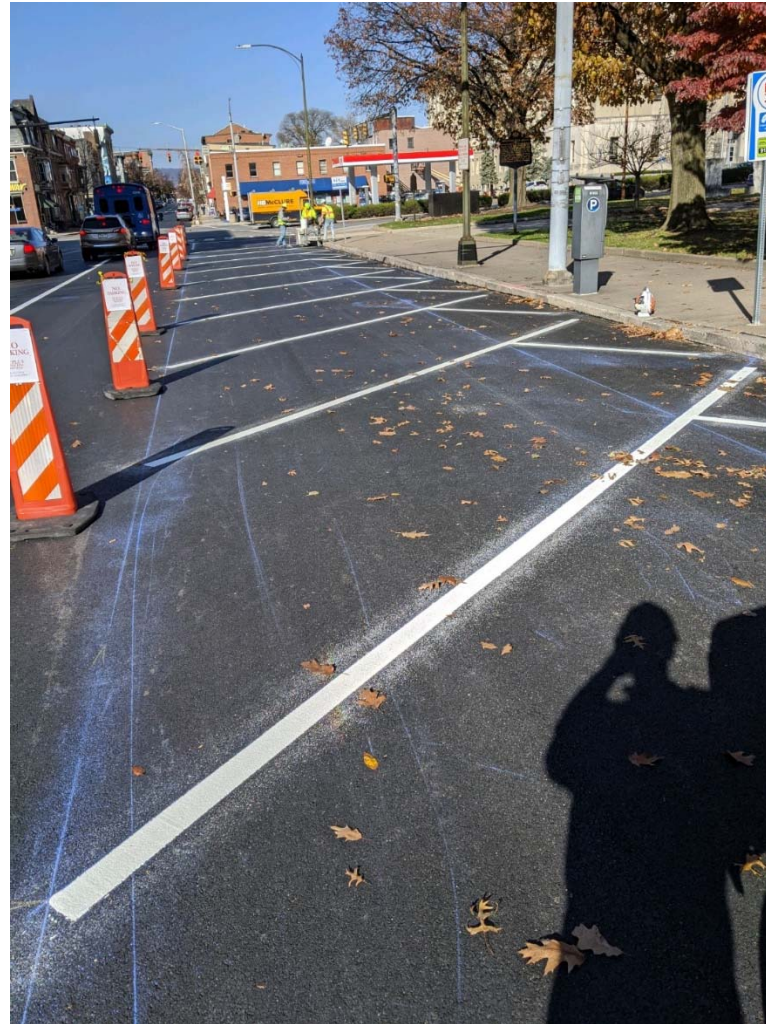


- 4 dual port charging stations / 8 parking spaces
- Funded by DEP / DGS





EV Charging Stations





CAPITAL PROJECTS 2020

NEIGHBORHOOD SERVICES

BUDGET UNIT: 25062562 CITY SERVICES

\$	550,000	2 bulk items collection trucks to replace 2 aging trucks (via DEP Grant of \$467,500)
\$	354,810	Lease payment of 7 refuse trucks (Year 2 of 5)
\$	211,415	Lease payment of 6 dump trucks (Year 3 of 5)
\$	129,588	Lease payment of 2 front-end loaders (Year 3 of 5)
\$	250,000	Outsourced demolition
\$	120,000	Small Packer - To assist with waste collection in alleys, City parks, and Steelton
\$	100,000	remaining 902 grant for glass recycling program
\$	78,000	Cameras for sanitation fleet (13)
\$	4,350	Lease payment of backhoe (Year 5 of 5)

BUDGET UNIT: 25062584 PARK MAINTENANCE

\$	150,000	1-ton dump truck w/brine uplife & V body
\$	120,000	Flatbed with drop sides
\$	34,066	TORO 7500 96" 37HP DIESEL
\$	14,000	Two (2) UTVs
\$	12,025	74946 TORO 6000 34HP 60" GAS
\$	12,700	7497 TORO 6000 34HP 72" GAS
\$	9,875	Equipment replacement

\$ 2,150,830

CAPITAL PROJECTS 2019

Repaved in 2019 – City Forces



Location	Tons	Date(s)	Total Expense
Maclay Street Bridge (potholes)	2.83	4/25/19	\$1,065.70
Clark Street Alley 2600 btw Lexington & 6 th	21.1	4/24/19 – 4/26/19	\$4,859.13
Turner Street	8.95	4/22/19	\$1,394.00
Bresinger Street	8.95	4/23/19	\$1,394.00
5 th Street (Radnor to Division)	45.94	4/29/19 - 5/7/19	\$10,283.44
Calder Street (patch job for traffic)	8.7	5/6/19 – 5/8/19	\$5,157.64
Logan Street (2300 block)	3.91	5/14/19 – 5/15/19	\$3,032.95
4th Street (Hamilton to Kelker)	24.09	5/16/19 – 5/23/19	\$10,715.48
Logan Street (2400 block)	7.96	5/30/19 – 5/21/19	\$2,801.95
N. 16 th Street (1100 block- Cumberland to Herr)	15.02	7/2/19 – 7/30/19	\$5,155.58
N. 16 th Street (1000 block – Herr to Boas)	18.02	8/5/19 – 8/6/19	\$4,421.17
Verbeke Street (13 th to 17 th)	143.43	8/19/19 – 9/27/19	\$37,218.45
Grand Total:	308.93 Tons		\$87,459.49



CAPITAL PROJECTS 2020

Paving Plan Priorities – City forces

- 15th St. Project
- Hatton St.
- 16th St. btw State & Boas
- Hale St. btw Market & Harris Terrace
- Berryhill St. Alley (2100 – 2400)
- Kensington St. Alley (2100 – 2400)
- Swatara St. Alley (2100 – 2400)
- Getz Alley btw Sycamore & Paxton
- Ione Alley btw Sycamore & Paxton
- Helen Alley btw 17th & 19th
- Fair Alley btw Shellis & 22nd
- Reese Alley 1300 block



DEMOLITION STATUS REPORT

Completed in 2019

1. 1416 William St.	10. 310 Muench St.
2. 2404 N. 6 th St.	11. 312 Muench St.
3. 2406 N. 6 th St.	12. 335 Peffer St.
4. 22 Argyle St.	13. 337 Peffer St
5. 1433 Swatara St.	14. 1828 Walnut St.
6. 1435 Swatara St.	15. 1625 Sycamore St.
7. 414 Maclay St.	16. 1312 Walnut St.
8. 628 Peffer St.	17. 1308 S. 12 th St.
9. 1318 Kittatinny St.	18. 31 N. 18 th St.



DEMOLITION STATUS REPORT

Priorities for 2020

1. 305 Daisy St
2. 420 Reilly St
3. 126 N Summit St
4. 128 N Summit St
5. 114 N Summit St
6. 49 N 14th St
7. 12 N 15th St
8. 1540 N 6th St
9. 550 Camp St
10. 1709 Carnation St
11. 1711 Carnation St
12. 39 N 18th St
13. 75 N 18th St
14. 55 N 18th St
15. 83 N 18th St
16. 82 N 18th St
17. 2544 Lexington St
18. 2552 Lexington St
19. 320 S 14th St
20. 1189 Bailey St
21. 1203 Bailey St
22. 1205 Bailey St
23. 339 Nectarine St
24. 341 Nectarine St
25. 342 Crescent St
26. 346 Nectarine St
27. 348 Nectarine St
28. 414 Crescent St
29. 416 Crescent St
30. 418 Crescent St
31. 536 Curtin St
32. 1141 Derry St
33. 2504 Agate St
34. 2506 Agate St
35. 2514 Agate St
36. 2516 Agate St
37. 1348 Liberty St
38. 346 Muench St
39. 623 N 18th St
40. 418 S 13th St
41. 1535 Berryhill St
42. 1537 Berryhill St
43. 1539 Berryhill St
44. 2503 N 6th St



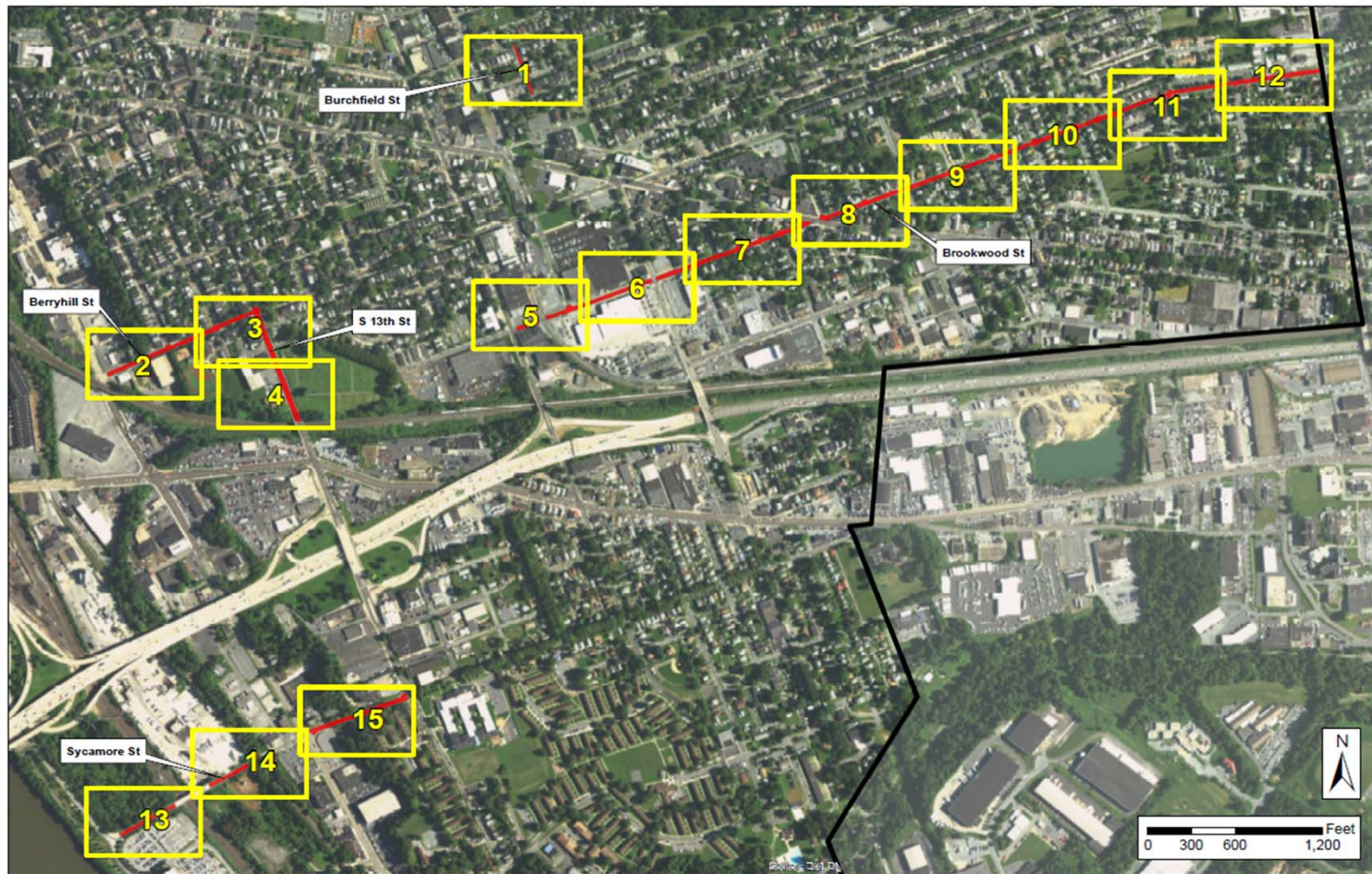
CAPITAL PROJECTS 2019

ROAD CONSTRUCTION

- South Harrisburg Paving Project
- Riverwalk
- Herr St. - Accessible Route Project
- Maclay St. – Accessible Route Project



South Harrisburg Paving





South Harrisburg Paving



- *112 ADA Ramps*
- *Paved 11,185 LF of roadway*
- *Completed 1-Year Early*
- *16 new inlets*
- *6 trees removed*





Riverwalk



- *Approximately 2 miles of new walk*
- *Approximately 170 concrete trucks*



Herr St. Accessible Route



- **15 ADA Ramps**
- **4 Bus Stops**
- **5,000 Square Feet of Sidewalk**



Maclay St. Accessible Route



- **46 ADA Ramps**



CAPITAL PROJECTS 2020

STATE LIQUID FUELS AND CAPITAL PROJECTS FUNDS

\$	908,070	Grant match and design for Chestnut St and Walnut St (East West Connector)
\$	821,119	Vision Zero (2nd street) *
\$	1,729,189	
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\$	3,650,000	7th st construction - \$517k City share (Approved in prior year but did not commence)
\$	1,600,000	Vision Zero (2nd Street) *
\$	500,000	CFA grant for Chestnut St and Walnut St (East West Connector)
\$	305,000	2nd Street Final Design (Professional Fee - Approved in prior year but did not complete)
\$	300,000	7th st. - Design and Inspection Fees (Approved in prior year but did not commence)
\$	270,000	MulDer Sq construction costs (non RCAP eligible - approved in prior year but did not commence)
\$	205,000	3rd St EV charging Stations
\$	163,000	Herr St ADA curb ramps (contingent on PennDOT grant supplement)
\$	150,000	Maclay St. ADA curb/ramps overruns (Approved in prior year but did not complete)
\$	150,000	Green Light Go Project 2 (Forster St. signal improvements - Approved in prior year but did not complete)
\$	140,000	MulDer Sq construction inspection (Professional Fee - approved in prior year but did not complete)
\$	65,000	Green Light Go Proj 1 overruns (PennDOT)
\$	85,000	Vision Zero (high Impact Area signal upgrades) *
\$	50,000	Herr St. Underpass - City Share (Approved in prior year but did not commence)
\$	7,633,000	

* = 5 Year Plan funded projects



CAPITAL PROJECTS 2020

ROAD CONSTRUCTION

- North Seventh St. Project
- MulDer Square Project
- State St. Rapid Response
- East-West Connection
- North Second St. Two-Way conversion



North Seventh Street



- *Improved pedestrian safety with raised crosswalks and roundabout*
- *Partially protected two-way cycle track*
- *Create a downtown/mid-town gateway*
- *Calm traffic to improve safety*



MulDer Square



- *Remove the cul-de-sac and curbing to create green space*

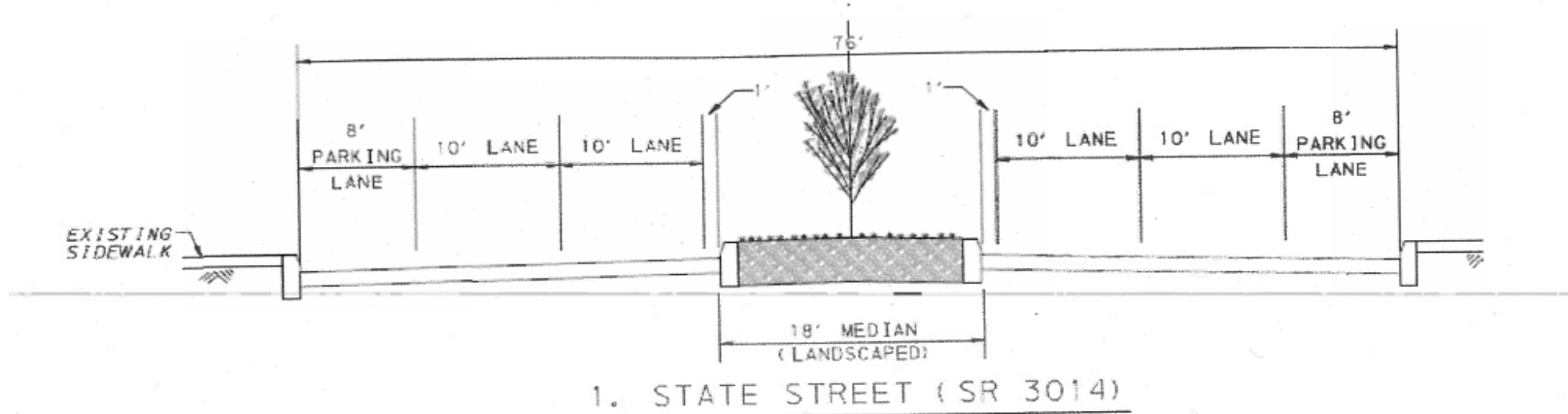
- *Reconfigure the intersection of Mulberry Street and Derry Street*
- *Create a neighborhood gateway*
- *Calm traffic to improve safety*





State Street Rapid Response

- *Working with PennDOT on concepts*
- *Calm traffic to improve safety*
- *Create a neighborhood gateway*





East-West Connection



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Senator John DiSanto
15th Senatorial District

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NEWS RELEASE

For Immediate Release
November 12, 2019

DiSanto Announces \$1.2 Million for Three Dauphin County Transportation Projects

Harrisburg – [State Senator John DiSanto \(Dauphin/Perry\)](#) today announced the approval of \$1.2 million in state grants to help pay for three transportation projects in Dauphin County.

The funding was approved by the Commonwealth Financing Authority through its Multimodal Transportation Fund Program.

“These projects include a bridge replacement, transportation corridor upgrades and the construction of a sidewalk to increase safety for high school students,” DiSanto said. “These improvements are very important, but also very expensive. It is critical that the state works with our local communities to help fund these upgrades, and I am thankful some of the limited dollars available were directed to important projects in the 15th District.”





2ND Street Two-Way





NEXT STEPS

CAPITAL IMPROVEMENTS PROJECTS/5-YR PLAN

- Modifications/revisions will commence in Q1 of following fiscal year
- Submission to City Council by April 30
- Subsequent submission to ICA for its approval by June 30



NEXT STEPS

THROUGH YEAR-END

- Public budget hearings scheduled for December 10th and 12th
- Anticipated 2020 Budget passage on December 17th