

**City of Harrisburg**  
**Dauphin County, Pennsylvania**



**2020 Five-Year Financial Plan**

Submitted to:

**Intergovernmental Cooperation Authority of Harrisburg**

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## 1 Introduction

The City of Harrisburg (“Harrisburg” or the “City”) delivers this five-year financial plan as the City, state, nation, and world cope with an unprecedented health crisis, the economic and fiscal impacts of which are reaching all levels of government. The COVID-19 global pandemic resulted in a virtual shutdown of all economic activity for weeks in 2020 and continues to have severe negative effects. The area unemployment rate remains at elevated levels, local businesses are suffering significant losses, and commuters, who in normal times are eating in the City’s restaurants, parking in its garages, and shopping in local stores, are working from home instead.

There is a direct link between the shutdown and General Fund performance. Several key revenue sources, including Real Estate taxes and Local Services taxes were below budgeted levels in 2020. Parking related revenues were \$2.7 million under budget. Though these declines were partially offset with \$2.8 million in federal CARES Act reimbursement for COVID-related expenses, overall, 2020 General Fund revenues were \$65.2 million, which was about \$700,000 below budget.

The pandemic has not only had immediate consequences for the City’s finances but has also cast uncertainty on future revenue streams. The pace and extent of the economic recovery is unclear. Also unclear is the lasting impacts the COVID crisis will have on work trends, including more widespread telecommuting, which could have negative implications for key revenue sources and the City’s overall vibrancy.

The City is better positioned than most of its peers to manage this health crisis and the related fiscal challenges. The City has built a strong fund balance that provides a safety net for unanticipated budget shortfalls like the one it currently faces. Moreover, in the height of the crisis, the City took steps to solidify its fiscal position by implementing expense reduction initiatives, including imposing furloughs and instituting a hiring freeze. In addition, medical insurance expenses were much lower than anticipated as doctors and hospital visits declined during state imposed pandemic restrictions. During the pandemic, the City worked with its insurance brokers to achieve over \$1 million of recurring medical insurance cost savings.

The City faces the challenge of addressing near-term fiscal issues while at the same time moving towards structural budgetary balance. Recent accomplishments and new planned initiatives since the adoption of the 2019 five-year plan have made long-term fiscal stability a realistic and achievable goal.

### **Extension of Special Taxing Powers**

In November 2020, the state legislature passed and the Governor signed into law an amendment to the state fiscal code to extend the City’s special taxing powers, which accounted for 20% of General Fund revenue in 2020. Under provisions allowed under Act 47 and Act 124, the City imposed higher Earned Income Tax (“EIT”) and Local Services Tax (“LST”) rates than were otherwise allowed by law.

The City imposes an EIT on residents and non-residents. Under the Local Tax Enabling Act (Act 511), the EIT is capped at 1.0% and split equally with the School District, effectively limiting the tax to 0.5% for residents. The non-resident EIT is also capped at 1%. Under provisions allowed under Act 47 and recommended in its previous recovery plans, the City imposed an additional 1% EIT on its residents.



These special taxing powers were scheduled to expire with the termination of the ICA at the end of calendar year 2024, but, as noted above, the recent change to the state fiscal code extends the EIT taxing power indefinitely.

The City also imposes a \$52 LST on every person working in the City (whether they are a resident or not) that does not qualify for the low-income exemption (annual income below \$24,000). Among other amendments to Act 47 that were enacted in late 2014 was the ability of Act 47 communities to increase the LST from \$52 per year to \$156 per year. The City first implemented the increased LST in 2016. Similar to the EIT, this special taxing power was scheduled to expire with the termination date of the ICA at the end of calendar year 2024. However, the change in the fiscal code extends these full special taxing powers for 10 years and then extends 50% of the special taxing power for another 5 years.

In 2020, the City's special EIT and LST taxing powers generated approximately \$12.4 million (\$8.2 million in EIT and \$4.2 million in LST). The expiration of these taxing powers would have resulted in a fiscal cliff that might have required draconian budget cuts, which will now be avoided without any increases in existing tax rates.

The change to the fiscal code resolves the most serious, immediate budgetary issue facing the City and the benefit cannot be overstated.

### **Debt Reduction**

Harrisburg and one of its key creditors, Ambac Assurance Corporation ("Ambac"), reached an agreement regarding the City's Series 1997D&F General Obligation Bond forbearance liability and the Harrisburg Redevelopment Authority Series 2005A-2 Bonds ("Series 2005A-2 Bonds"), which are guaranteed by the City. The agreement requires the City to defease the Series 2005A-2 Bonds in exchange for a material reduction in the forbearance liability related to the Series 1997D&F General Obligation debt. The agreement also involves a temporary reduction in the interest rate applied towards the liability and an optional upfront prepayment from the City towards the forbearance liability in exchange for additional credit towards the overall liability. Finally, the agreement lays the groundwork to refinance debt and finance the Series 2005A-2 Bond defeasance, the net result of which will generate recurring budgetary savings and preserve fund balance.

### **Revenue Enhancement**

The City has improved collection rates for the Neighborhood Services Fund and reduced the number of delinquent accounts by 20% through notification letters. These efforts have increased revenue collection to the fund by over \$200,000. The City endeavors to build on this progress and secure new improvements in collections. The City has also improved its online service functionality, which has enabled it to process business license applications more efficiently. Finally, the City is also refocusing efforts on securing Payment in Lieu of Tax ("PILOT") revenues from local non-profits and developing a strategy to secure increased grant revenue.



### **Promote Economic Development**

The City's economic development efforts over the last several months were focused on helping the local business community cope with COVID-related pressures and hardships. In April 2020, the City partnered with Impact Harrisburg to establish a \$1.5 million (Impact Harrisburg provided additional funds) grant fund to help Harrisburg's small businesses impacted by the coronavirus shutdown. The City designed the Neighborhood Business Stabilization Program ("NBSB") to provide emergency cash flow to help small businesses cope with the COVID crisis. A total of 313 businesses were awarded \$5,000 grants (of which 62 were minority-owned businesses) to assist with operating costs, such as rental and mortgage payments, utility payments, outstanding vendor invoices, and payroll during this first funding round. A second round of this program began on December 1, 2020. Over 136 pre-applications have been received to date.

In July 2020, the City provided an opportunity for a one-time credit on future trash bills opportunity for commercial refuse account holders that were negatively impacted by the emergency closures and shutdowns due to the COVID pandemic. The City received 214 applications, of which 148 were approved. The total dollar amount credited for this program to date is approximately \$164,000.

A more detailed listing of the City's recent economic development efforts is included in Section 3 of this plan.

### **Workforce Stabilization**

The City and the Fraternal Order of Police, the City's largest union, entered into a new collective bargaining agreement that is fair to both the City and the workforce, addresses attrition concerns in the department, and provides budgeting certainty over the next three years. In addition, despite the COVID pandemic, the City was able to conduct a fire academy for 10 new hires. These new hires bring the Fire Bureau compliment to 90 personnel, which is a staffing level not reached since the mid-2000s. The new hires were accounted for in the projections developed in the 2019 five-year plan and are reflected in this plan, as well.

### **Capital Infrastructure Investment**

In the past year, the City has made significant investments in capital improvements, but understands that it still faces formidable deferred maintenance needs that far exceed current fiscal capacity. Recent completed capital improvement projects include:

- EV Charging stations project
- 13<sup>th</sup> Street Bridge repairs
- Mulder Square Ramp Project
- South Harrisburg Paving Project
- Market and Dewberry intersection project
- Pedestrian signal heads installation on 2<sup>nd</sup> Street; from Washington to North
- Front Street light base installation/rewiring
- "Sharrow" bike lane installation on 6<sup>th</sup> street
- Public Works Parking Lot lights rewiring/improvement
- 3<sup>rd</sup> Street Bike Lane delineators installation



- Overhead street name signs installation
- 4<sup>th</sup> and Maclay intersection rebuild
- 6<sup>th</sup> Street Road diet project
- Industrial Road delineator project

This report outlines a plan for the City to achieve structural budgetary balance while maintaining a strong fund balance. The plan involves restructuring debt and avoiding unnecessary cash outlays to preserve liquidity and operating flexibility. The City and the ICA share the common goal of developing and implementing a realistic plan that achieves Harrisburg's full financial recovery. The City looks forward to collaborating with the Authority, state and local elected leaders, City employees, and other stakeholders to reach this goal.

## 2 Historical Financial Results

This section presents a picture of Harrisburg's financial results since 2016 and provides the basis for revenue and expense growth expectations for the future. Based on historical operating results, trends, and existing contracts, this chapter develops the growth assumptions for revenues and expenses that are the foundation for the five-year financial forecasts.

### 2.1 Summary of Principal Funds

The City accounts for its primary financial operating activity with two main governmental funds, which reflect the City's tax-supported activities:

- General Fund – Primary operating fund and accounts for all financial resources except those accounted for in another fund.
- Debt Service Fund – Accounts for the accumulation of resources, which are principally transfers from other funds, for the payment of general long-term obligation principal, interest, and related costs.

For the purposes of this plan, transfers to the Debt Service Fund are shown as General Fund expenses.

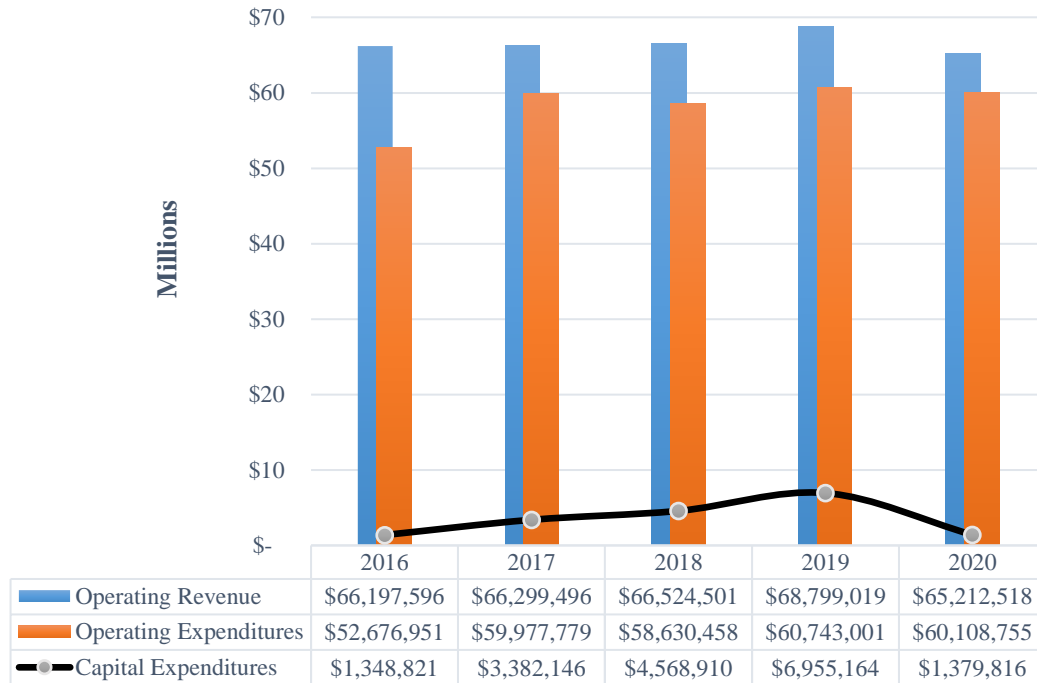
All City funds are audited in accordance with Government Accounting Standards Board ("GASB") standards. The Bureau of Financial Management makes annual adjustments for proper financial presentation within the audited Comprehensive Annual Financial Report (CAFR). However, for budgeting and internal financial management purposes, the City accounts for financial activity on a budgetary basis which includes a monthly cash basis reporting of total actual revenue and expenditures to the City Controller's office and other third-party stakeholders. This monthly reporting also includes year-to-date actuals compared to annual budget amounts as well as reflecting open encumbrance balances outstanding as of month-end; though not yet actually paid on the cash basis, the open encumbrance balances are viewed as a further committed reduction of available cash creating the transition from cash basis accounting to a reduced fund balance on a budgetary basis. Such reporting does not include any accruals for receivables or payables, nor any non-cash expenditures, as the budget is predominantly viewed internally as a working tool to monitor the City's ongoing changes in its critical available cash position. The financial schedules in this plan use the same basis of accounting.



## 2.2 Five-Year Operating History

As illustrated in the chart below, the City has achieved operating surpluses in each year from 2016 through 2020. The City has made modest contributions to capital improvements in recent years to help address a backlog of deferred maintenance projects.

**Operating Results  
2016-2020**



## 3 Revenues

The table below presents a five-year history of Harrisburg’s revenues by major category. From 2016 to 2019, overall revenues increased 4.7%. The City realized lower revenues for 2020 due to COVID-19 related impacts on the local economy.

Real Estate taxes are the City’s primary revenue source representing 26% of all revenues. The City’s three highest revenue sources, Real Estate, Earned Income, and Local Services taxes, combined comprise 55% of Harrisburg’s operating revenues. The percentage of these sources’ share of total revenues is larger than usual in 2020 due to steep declines in parking related income.





**Key Operating Revenues  
2016-2020**

	2016	2017	2018	2019	2020	Pct of Rev
Real Estate Taxes	17,323,448	17,594,105	17,659,922	17,240,236	16,879,692	26%
EIT - Act 511 (est)	3,863,927	4,006,443	4,163,356	4,466,620	4,458,689	7%
EIT - Act 124 (est)	7,175,864	7,440,537	7,731,946	8,295,152	8,280,423	13%
LST - Act 511 (est)	1,534,982	2,594,606	2,354,177	2,388,538	2,270,929	3%
LST - Act 124 (est)	2,850,680	4,818,553	4,372,042	4,435,856	4,217,440	6%
Mercantile Business Taxes	3,436,378	3,646,714	3,756,958	3,943,111	3,866,588	6%
Realty Transfer Tax	560,998	642,804	1,026,603	1,026,697	843,880	1%
Hotel Fee	840,000	0	0	900,000	900,000	1%
Parking Taxes	3,783,428	3,967,513	3,961,779	4,255,144	3,523,170	5%
Ground Lease	1,093,623	974,526	1,460,125	1,275,290	287,388	0%
Priority Payment	1,717,788	1,457,735	2,097,494	2,241,682	231,331	0%
Parking Tickets	447,119	423,493	422,889	381,107	259,533	0%
State Public Safety Contribution	5,000,000	5,000,000	5,000,000	5,162,039	5,128,284	8%
Pension Aid	2,545,914	2,639,729	2,894,903	3,310,806	3,163,377	5%
Fees/Permits	1,971,941	2,781,236	2,568,695	2,298,779	2,189,743	3%
TV Franchise License	572,217	607,259	564,392	570,000	522,963	1%
Medical/Employee Contribution	598,009	641,211	765,967	773,195	785,864	1%
Police Extra Duty	660,784	715,040	881,981	769,502	1,064,919	2%
PILOTS	728,031	542,364	809,462	654,938	728,893	1%
Vehicle Maint. Charge Backs	375,030	396,092	363,793	338,222	333,477	1%
Transfers from Other Funds	857,166	811,103	1,088,847	811,063	0	0%
Other	8,260,269	4,598,431	2,579,171	3,261,042	5,275,934	8%
<b>Total</b>	<b>\$66,197,596</b>	<b>\$66,299,496</b>	<b>\$66,524,501</b>	<b>\$68,799,019</b>	<b>\$65,212,518</b>	<b>100%</b>

The following is a description of each major operating revenue source followed by an annual growth assumption for the multi-year financial forecast.

**Real Estate Taxes** – In 2019, the City collected approximately \$17.2 million in Real Estate taxes, including \$15.1 million in current Real Estate taxes and \$2.1 million in delinquent taxes. The City





collected \$16.9 million in Real Estate tax revenue in 2020 including \$14.9 million in current and \$1.96 million in delinquent collections.

The City's Real Estate tax millage is split into the assessed value of the land (30.97 mills) and the value of improvements or structures (5.16 mills). The blended land and improvement components result in an effective millage rate of 10.955 mills.

The City is home to many non-profit and governmental entities and, thus, tax-exempt properties represent a large portion of Harrisburg's real estate value. Total combined land and value components are almost 50% tax-exempt, with state property representing approximately 60% of that total.

*Projection* – Current collections for 2021 are projected to rebound modestly from 2020. Current collections are projected to grow 0.5% annually from 2022 to 2024, reflecting limited increases in assessed values and a constant collection rate. No change in millage rate is assumed. Delinquent collections are projected to remain flat in 2021 and then increase by 1% annually through 2024.

**Earned Income Taxes** – The City imposes an Earned Income Tax on residents and non-residents. Under the Local Tax Enabling Act (Act 511), the EIT is capped at 1.0% and split equally with the School District, effectively limiting the tax to 0.5% for residents. The non-resident EIT is also capped at 1%.

Under provisions allowed under Act 47 and recommended in its previous recovery plans, the City imposed an additional 1% EIT on its residents. These special taxing powers were scheduled to expire with the termination of the ICA at the end of calendar year 2024, but, as noted above, the recent change to the state fiscal code extends the EIT taxing power indefinitely.

The City collected \$12.7 million in 2020, which, despite the COVID pandemic, was in line with 2019 collections.

*Projection* – The City's 2020 EIT projection was based on the following assumptions: the Harrisburg-Carlisle metropolitan area unemployment rate, which was 11.6% in June of 2020, will decline gradually to 8.0% by the year end. In preparation for a slow economic recovery, the City budgets a decline in revenue to \$12.5 million in 2021. The five-year projections assume a stronger recovery in 2022, with a 5% unemployment rate by year end. The projections also assume 1% annual growth in the labor force beginning in 2022 and 1% annual wage growth from 2022 through 2024.

**Local Services Taxes** – The Local Services Tax is an annual \$52 tax (or \$1 per week) charged to every person working in the City that does not qualify for the low-income exemption (annual income below \$24,000). The LST is imposed on individuals who work within a municipality as compensation for the services provided by the municipality irrespective of the person's residency.

Among other amendments to Act 47 that were enacted in late 2014 was the ability of Act 47 communities to increase the LST from \$52 per year to \$156 per year. The City first implemented the increased LST in 2016. Similar to the EIT, this special taxing power was scheduled to expire with the termination date of the ICA at the end of calendar year 2024. However, the change in the fiscal code extends these full special taxing powers for 10 years and then extends 50% of the special taxing power for another 5 years.



Harrisburg's LST collections were approximately \$6.8 and \$6.5 million in 2019 and 2020, respectively.

*Projection* – LST projections from 2020 through 2024 are based on the same employment level assumptions described in the EIT assumption above.

**Parking Taxes** – The City imposes a 20% tax on all revenues generated from off-street parking lots and garages (not meters). In 2019, the City realized \$4.3 million in Parking Tax revenues; however, 2020 revenues were just \$3.5 million.

*Projection* – This plan projects Parking Tax revenues to rebound in 2021, but not reach 2019 levels until 2022. The projections assume 0.5% annual growth in 2023 and 2024; however, these revenues are at risk with the prospect of increased telecommuting and reduced parking activity in the City.

**Mercantile Business Privilege Tax** – The Mercantile Business Privilege Tax (“BPT”) is a tax on gross receipts on business activity conducted in the City. Revenues from this tax has increased from \$3.2 million in 2015 to \$3.9 million in 2019.

*Projection* – The City collected \$3.9 million in 2020. However, because of the timing of BPT filing and payment of taxes, the negative COVID-related impacts on this revenue source will not be fully realized until 2021. The projections assume 2021 revenue equal to \$2.8 million. The projections also assume a gradual recovery to 2019 levels by 2023 and 0.05% growth in 2024.

**Realty Transfer Tax** – This is a 1% tax on real estate transactions within the City. The City and the School District split the proceeds from this tax.

*Projection* – This revenue source has averaged \$800,000 annually over the last five years. Based on year-to-date collections, the City collected \$843,000 for 2020 and projects \$800,000 annually from 2021 through 2024.

**State Public Safety Contribution** – The Commonwealth provides a \$5 million annual payment to the City to defray the costs of fire service. This payment is not guaranteed and may be discontinued at any time. Also in this category are various public safety fees and income, which usually amount to about \$100,000.

*Projection* – The projection assumes the \$5 million payment from the Commonwealth will be constant.

**State Pension Aid** – Harrisburg, like other Pennsylvania municipalities that provide pension benefits to their police officers and firefighters, receives aid from the Commonwealth to support its pension funds. Funding levels are determined by beneficiary headcount, workforce size, pension costs, and how much the state takes in as foreign insurance tax revenue (the primary state funding source for state aid).

*Projection* – The multi-year projection assumes 2% annual increases in pension aid, consistent with recent trends.

**Ground Lease/City Priority Payments** – The monetization of the parking system resulted in two revenue streams to the City, including a ground lease for long-term access to the parking structure and payments to compensate the City for revenues lost when the previous arrangement was eliminated. These



payments are determined by an asset transfer agreement, but are still conditional on the level of parking activity and revenues generated by the parking system, both of which were decimated by the COVID pandemic.

*Projection* – Per the asset transfer agreement, the City was to receive \$2.3 million in 2020, but only realized \$519,000. Because of the “waterfall” arrangement of parking revenues and the requirement to replenish depleted reserves, revenue in 2021 and beyond are also at risk. These projections assume \$0 in Ground Lease/City Priority Payments in 2021 and just 50% of the contracted amount in the asset transfer agreement for 2022 before returning to the full contracted amounts in 2023.

***Fees/Permits*** – The City collects fees and permits revenue for a variety of functions. Building permits, rental inspections, and street cutting inspections are the three main revenue sources in this category.

*Projection* – These projections assume 2021 revenues about even with 2020, but will not return to 2019 levels until 2022. These revenues are projected to grow 1.5% annually from 2023 to 2024.

***TV Franchise License*** – The City receives fees from private cable television companies as compensation for using public property as right-of-way for its cable.

*Projection* – Projected 2021 revenue is modestly higher than 2020 collections. These revenues are projected to be flat from 2022 through 2024.

***Employee Medical Contribution*** – These receipts are from regular employee contributions towards insurance premiums.

*Projection* – The projected annual growth rate is consistent with projected salary growth rate.

***Police Extra Duty*** – The City receives reimbursement for providing police service at certain special events and facilities.

*Projection* – Projected Extra Duty income is based on past performance and 2% annual increases.

***Transfers from Other Funds*** – These are transfers from the Neighborhood Services Fund to reimburse the General Fund for certain equipment expenses.

*Projection* – The City will eliminate transfers from the Neighborhood Services Fund beginning in 2022. The City projects future transfers from the Senators Fund, which is discussed further in Section 3.1, Revenue Initiative 1.

***Other Revenues*** – Other Revenues include miscellaneous items such as contributions and donations, demolition collections, and others. One-time \$2.8 million in COVID relief from Dauphin County and a \$150,000 reimbursement from Capital Blue Cross are part of Other Revenues in 2020. In 2021, the City budgets \$2.5 million for a one-time federal grant to fund a sink hole project that is categorized as Other Revenue in this plan.



### 3.1 Revenue Initiatives

#### **1) Redirect Park Permit Revenues to General Fund**

In 2004, the City issued a Park Permit for use of the minor league baseball stadium facilities to an affiliate of the Baltimore Orioles to relocate and play its home games at the improved stadium facility. Revenues paid pursuant to the Park Permit from the Orioles affiliate were pledged to pay debt service on the Harrisburg Redevelopment Authority, Series 2005A-2 Bonds. The City assigned Park Permit revenues to the Harrisburg Civic Baseball Club (“HCBC”) to make these debt service payments.

If the City is successful in defeasing the Series 2005A-2 Bonds, it should terminate the assignment of the Park Permit revenues to the HCBC for the benefit of the General Fund. The Park Permit has generated approximately \$400,000 in annual revenue in recent years; however, future revenues are largely contingent on minor league baseball resuming at the stadium. The projections reflect an additional \$400,000 in Transfers from Other Funds beginning in 2022 to account for these revenues. No revenue from this source is assumed for 2021.

#### **2) Continue to Pursue Increased Payment in Lieu of Tax (PILOT) Agreements (2019 Plan Initiative)**

Approximately 50% of assessed value in Harrisburg is non-tax revenue generating because it is used for tax-exempt purposes. The City will endeavor to enhance existing PILOT agreements and seek new ones, with the proceeds dedicated to supporting capital improvements.

Prior to the COVID pandemic, the City sent approximately 18 letters to non-profit entities to solicit PILOT contributions and received one voluntary payment as a result. The City successfully renegotiated a large PILOT and Municipal Services agreement increasing the contribution by \$150,000.

Post-COVID, the City will send additional letters and continue to work through existing agreements to renegotiate increased PILOT contributions. The City is initially focusing on those entities that have recently completed new construction projects and expanded their footprint in Harrisburg, as well as potential increases in the assessed value of the property in Dauphin County.

#### **3) Improve Collection Rates in the Neighborhood Services Fund**

The collection rate (combined current and delinquent fees) for the Neighborhood Services Fund is about 85%. The City will set the goal of improving the collection rate by 3% to 88% by 2022 and an additional 5% to 93% beginning in 2023. An 88% collection rate will generate approximately \$500,000 in incremental revenue and a 93% rate will generate \$1.3 million compared to current levels. A 93% collection rate is achieved in other communities and is a reasonable goal. The benefit of this initiative is assumed to be realized over time, rather than instant short-term improvement.

Prior to the COVID pandemic, the City mailed letters to all delinquent residential trash accounts. A sampling of 500 letters were sent out in November 2019, resulting in 37% of those accounts making a payment. In January of 2020, an additional 2,778 letters were mailed out to delinquent residential trash accounts, resulting in 22% of those accounts making a payment. The City’s Communications/Marketing team also began to notify the public via various social media platforms, along with sending out inserts in



the trash bills. The communications were established over several months and informed the billpayers of the various methods in which payment can be made to the City, which lead to notification that the City will be actively pursuing delinquent accounts. The Public Works team reviewed returned mail to find more accurate billing addresses. The City also began the process of combining the filing of civil complaints for delinquent trash bills and delinquent mercantile taxes and/or landlord licenses. The City recently received judgements on some of these accounts.

Post-COVID, the City plans on continuing the letter campaign, working with Public Works employees to ensure correct addresses for trash accounts, and filing civil complaints and liens.

#### **4) Review Service Delivery Alternatives (2019 Plan Initiative)**

The City has an established track record of collaborating with other governmental and non-governmental entities to deliver services cheaper and more efficiently. Examples of such arrangements include:

- A transfer of the Communications Center for emergency calls to Dauphin County.
- A transfer of the operation of the Harrisburg Resource Recovery Center from The Harrisburg Authority (now Capitol Regional Water “CRW”) to the Lancaster County Solid Waste Management Authority.
- The transfer of the partial City ownership and operation of water and sewer services exclusively to CRW.
- The long-term lease and operation of the City’s parking garages and on-street metered parking system to the Pennsylvania Economic Development Financing Authority (“PEDFA”) and the Pennsylvania Department of General Services (“DGS”).

#### *Police Services*

The City is exploring possibilities of intergovernmental agreements with surrounding municipalities for police services to determine if shared services would mutually benefit the City and neighboring municipalities in both police service and the cost of policing. In the past, the City participated in a countywide study of regionalizing policing services that ultimately showed the number of police calls in the City far exceeded the calls elsewhere in Dauphin County. Those facts make shared policing with other municipalities a difficult operational change for other municipal police departments, as their additional availability on City calls would predictably outpace the City’s ability to respond to calls in neighboring townships and boroughs.

#### *Fire Services*

The City participates in mutual aid agreements for fire protection services and provides fire protection services to the Commonwealth for structures in and outside the City. The Fire Bureau is exploring the potential for regionalized fire protective services, as there is a nationwide crisis in volunteer firefighting. Providing professional fire services has the potential to both provide better protection to more people and property in the areas surrounding the City, but also assist with cost-sharing of equipment and operations.

#### *Procurement*

The City joined the Capital Area Procurement Council of Government (“CAPCOG”), which provides advantages in certain (but far from all) categories of purchasing. Also, the City frequently participates in



the Costars Program operated by DGS for more efficient purchasing. Similarly, the City participates in electrical purchases on a brokered platform provided by the Commonwealth.

#### *Information Technology*

The City has worked with a series of Information Technology professionals through teams at Harrisburg University to explore stabilizing, operating, and modernizing essential governmental computer services. The City shares certain technologies relating to policing; utilizes County web-based information for aspects of property and tax data; and routinely accesses the data of other governmental entities to improve efficiencies.

#### *Waste Removal*

The City upgraded its solid waste and recycling services to better satisfy public health needs through its Neighborhood Service Fund and thereby tackle significant blight and trash issues. The City has entered into a successful partnership with Steelton Borough whereby Steelton residents pay Harrisburg a flat fee for trash and recycling services. Providing the service to the Borough has resulted in additional annual revenues of about \$640,000 to the Neighborhood Services Fund compared to annual costs of about \$456,120 (not including one-time start-up expenses of about \$186,000). The City has entered into similar agreements with Penbrook Borough and Paxtang Borough.

The City will endeavor to forge new arrangements with other entities with the goal of reaching an agreement similar in budgetary impact as the Steelton partnership by 2022.

### **5) Seek Increased Federal Grant Funding**

The City is refocusing its efforts on identifying and pursuing federal grant funding opportunities. The revised five-year projections conservatively assume \$25,000 in new annual federal grant funding. The City will also refocus efforts to secure grants for the Neighborhood Services Fund to defray fleet maintenance costs. The City plans on taking a more active approach to identifying and pursuing grants. The City's departments will have a central role in working with the administration to decide which projects and priorities to move forward in a given year and then determine appropriate grant programs.

Below is a summary of federal grants that the City is pursuing. The summary does not include Housing and Urban Development ("HUD") or Community Development Block Grant funds. It also does not include sinkhole grants, some of which are federal funds from Federal Emergency Management Agency ("FEMA") and HUD, or COVID-related funds.

- FEMA - The City regularly applies for and is awarded money from FEMA through various Assistance to Firefighters Grant programs. Grants specific to fire generally range \$30,000 to \$50,000. The City will continue to apply for these grants every year, but there is no expectation for large grant awards. Awards are about \$50,000 maximum.
- Department of Justice ("DOJ") – The City has received federal DOJ money in the form of Community Oriented Policing Services ("COPS") grants. The City will consider applying for COPS grants in the future.
- Food and Drug Administration ("FDA")/National Institutes of Health ("NIH") – The City received a \$70,000 grant from the FDA/NIH for a health standards planning grant. The City





would like to pursue additional, and even larger, grants for the implementation of some of the measures that the planning study uncovers.

- Better Utilizing Investments to Leverage Development (“BUILD”) – The City has applied unsuccessfully for these grants; however, the City will continue to apply. The City will attempt to build a coalition among private sector and local/regional planning agencies in new applications.

### 3.2 Revenue Forecasts

Below is the multi-year revenue forecast based on historical growth trends, planned initiatives, and other available data. The 2021 Projection refers to the adjusted budget approved by City Council in January 2021.

#### Revenue Forecast, 2021-2024

	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Real Estate Taxes	16,879,692	17,379,267	17,368,628	17,466,231	17,564,430
Earned Income Taxes	12,739,112	12,337,933	13,018,369	13,621,000	13,893,439
Local Services Taxes	6,488,369	6,775,107	6,829,652	6,897,949	6,966,928
Mercantile Business Taxes	3,866,588	2,817,100	3,299,936	3,779,703	3,798,451
Realty Transfer Taxes	843,880	800,000	800,000	800,000	800,000
Hotel Fee	900,000	500,000	900,000	900,000	900,000
Parking Taxes	3,523,170	3,810,000	4,258,883	4,280,178	4,301,579
Ground Lease	287,388	0	696,724	1,435,251	1,435,251
Priority Payment	231,331	0	543,173	1,101,546	1,101,546
Parking Tickets	259,533	425,102	425,102	425,102	425,102
State Public Safety Contribution	5,128,284	5,100,000	5,100,000	5,100,000	5,100,000
Pension Aid	3,163,377	3,306,117	3,372,239	3,439,684	3,508,478
Fees/Permits	2,189,743	2,190,112	2,294,395	2,321,894	2,349,812
TV Franchise License	522,963	550,000	541,774	541,774	541,774
Medical/Employee Contribution	785,864	801,582	817,613	833,965	850,645
Police Extra Duty	1,064,919	1,000,000	1,020,000	1,040,400	1,061,208
PILOTS	728,893	840,000	865,000	865,000	865,000
Vehicle Maintenance Charge Backs	333,477	283,500	338,222	344,947	351,807
Transfers from Other Funds	0	162,000	400,000	400,000	400,000
Other	5,275,934	5,238,039	2,468,554	2,481,429	2,495,711
<b>Total</b>	<b>\$65,212,518</b>	<b>\$64,315,859</b>	<b>\$65,358,263</b>	<b>\$68,076,053</b>	<b>\$68,711,161</b>





## 4 Expenses

The table below presents a five-year history of the City’s expenses by major category. Personnel and medical expenses are the primary cost drivers, representing 68% of 2020 operating expenses. In 2020, personnel and medical expenses, along with debt service, comprised 85% of total operating expenses, which limits budget flexibility.

### Key Operating Expenses 2016-2020

	2016	2017	2018	2019	2020	Pct of Budget
Personnel	26,301,230	28,605,023	29,517,938	30,447,220	31,457,827	52%
Medical	9,042,604	10,034,106	9,157,579	10,107,539	9,387,608	16%
Services	4,310,520	4,951,820	6,833,348	5,917,302	5,587,092	9%
Supplies	1,777,104	1,789,366	2,347,103	2,138,482	2,061,570	3%
Debt Service <sup>1</sup>	9,217,206	9,962,755	10,098,957	11,175,421	10,541,705	17%
Other Operating	2,028,287	1,683,043	329,665	434,473	1,072,954	2%
Transfers	0	2,951,666	345,868	523,241	0	1%
<b>Total Operating Exp</b>	<b>52,676,951</b>	<b>59,977,779</b>	<b>58,630,458</b>	<b>60,743,680</b>	<b>60,108,755</b>	
Capital Expenses	1,348,821	3,382,146	4,568,910	6,956,322	1,379,816	
<b>Total (incl Capital)</b>	<b>\$54,025,772</b>	<b>\$63,359,925</b>	<b>\$63,199,368</b>	<b>\$67,700,001</b>	<b>\$61,488,571</b>	

<sup>1</sup> Transfers to the Senators Fund for payment on the Series 2005A-2 Bonds are represented as Debt Service for the purposes of these tables and the five-year plan.

### Workforce

Like most local governments, personnel costs are the main expense driver in Harrisburg’s operating budget. The substantial majority of Harrisburg employees are represented by one of three unions: the Fraternal Order of Police Capital City Lodge No. 12 (“FOP”), the American Federation of State County and Municipal Employees District Council 90, Local 521 (“AFSCME”), and the International Association of Firefighters, Local No. 428 (“IAFF”). Each of the City’s unions voluntarily entered into mid-term negotiations to amend their collective bargaining agreements in connection with the filing of the initial Strong Plan in August 2013. The amendments to the prior collective bargaining agreements, as well as savings initiatives for the City’s non-union employees, were implemented, and cost reductions from these changes began to be realized.



Headcount

For 2021, Harrisburg is budgeted to employ 507 full-time employees, including 407 full-time equivalents budgeted to be paid out of the General Fund, 87 to be paid out of the Neighborhood Service Fund, and 3 paid from the Host Fee Fund. Ten employees are paid out of the Community Development Block Grant Fund.

The following table shows the number of budgeted 2021 full-time employees by employee group:

Employee Group	Covered Positions	2021 Budgeted Total FTEs	Contract Expiration
Non-represented	Executive, management, confidential	114	N/A
FOP	All sworn police officers	151	December 31, 2025
AFSCME	All non-executive, non-management, non-confidential employees not otherwise covered in FOP or IAFF	156	December 31, 2021
IAFF	All firefighters, lieutenants, captains, battalion chief, and deputy chiefs	86	December 31, 2022
<b>Total</b>		<b>507</b>	

In 2020, Harrisburg, like other municipalities across the country, evaluated how it keeps its communities safe. The City created a Community Services Division after its reexamination of public safety services. This division will have a greater emphasis on community policing, which will include an expansion of crisis intervention workers that will assist uniformed officers and will managed by a Police Captain. In addition, the City will use civilian management employees to assist with crime analysis and reporting. This division will enhance the services that the City provides to the community, with an emphasis on mental health and crisis intervention. The division will be staffed by 7 Community Service Aides (“CSAs”) and one new Community Service Manager.

The new Community Services Division allows for the separation of uniform patrol responsibilities and other services. Housing special units together provides greater cohesion and a more unified response to community needs or concerns in a timely manner. The appropriations allow for the addition of civilian staff either through the technical services, such as body-worn cameras, records management, and online reporting, which will free up uniform police officer(s) currently assigned to those positions and provide for a more timely, efficient, and accurate handling of requests for services.

The CSA addition of civilian staff will assist in bringing the community together with the police by being dedicated to quality of life issues that are not always addressed by police in a timely manner. Police officers can focus on the more serious criminal issues, while CSAs can address issues that can be directed to the other services that the City may offer. In time, the Police Department would like to use the CSA pool of personnel to recruit for new police officer positions, which would reduce the time required for the hiring process and select potential hires whom already have the best interest of the City in mind.



Salaries and Wages

Salaries and wages are the largest component of personnel costs, representing 56% of these expenses and 37% of all General Fund expenses. As described above, in 2020, the City and the FOP ratified a new collective bargaining agreement that runs through 2025 and includes regular salary increases based on a fixed pay scale determined by years of service and job classification. Based on the pay scale and anticipated staffing levels, the City projects average annual salary increases of less than 2%.

Per its collective bargaining agreement, salaries for IAFF union members will increase 2% annually through 2022. The projections assume 2% increases in 2023 and 2024.

The City and AFSCME have agreed to a 2% salary increase for 2021. The projections assume 2% annual increases through 2024.

Similarly, salary increases for non-represented employees will average 2% for 2021 and are projected to increase 2% annually through 2024.

In addition to salaries, overall compensation includes a wide variety of components, such as overtime, longevity pay, shift pay, special assignment pay, other cash premiums and bonuses, employer portion of applicable payroll taxes, vacation, holidays, paid leave, active employee life insurance, and other miscellaneous fringe benefits.

As a result of the 2013 contract amendments, all full-time employees (represented and non-represented) were moved to the Basic Health Plan that previously had only been mandatory for non-represented City employees. In addition, all unions agreed their members would contribute towards the cost of health care premiums, as set forth below:

FOP	
Tier of Coverage	Percent of base salary effective 2020-2025
Single coverage	2.5%
2 person coverage	4.5%
3 person coverage	5.5%
4 or more person coverage	6.5%
AFSCME	
Tier of Coverage	Percent of base salary effective 2021
Single coverage	2.5%
2 person coverage	4.5%
3 person coverage	5.5%
4 or more person coverage	6.5%

IAFF employees contribute towards their health insurance coverage at the rate of \$40 per biweekly pay for single coverage, and \$90 per biweekly pay for two or more person coverage.



The City self-insures for health insurance coverage, meaning it does not use a third-party provider for health insurance.

The City also provides for certain post-retirement health benefits for its represented employees. In recent contract negotiations, the bargaining units have agreed to change retirement benefits with respect to active employees and future (yet-to-be-hired) employees. All units agreed that future employees would not be entitled to receive post-retirement health care at the City's cost. All bargaining units agreed that active employees, upon their retirement, would be provided benefits at the same levels as active employees, and that such retiree coverages may be modified from time to time if similarly modified for active employees.

*Projection –*

- The number of City employees remains at the current 2021 budgeted workforce level.
- Current wages are increased as specified in the current collective bargaining agreements, interest arbitration awards, or court orders. At the conclusion of a current collective bargaining agreement with the IAFF in 2022, annual wage increases are projected to increase 2%. Salaries for AFSCME and non-represented City employees are increased 2% annually.
- The City, which self-insures, has budgeted \$9.8 million for medical expenses in 2021. Medical expenses are potentially a volatile expenditure, which the City monitors closely. These expenses are projected to increase 5% annually from 2021 to 2024, which is in line with the City's experience and the actuarial assumptions used in the calculation of the City's Other Post-Employment Benefits liability. The City has worked with its insurance consultant to secure approximately \$1.1 million in annual health insurance/prescription drug savings.

**Services**

The City contracts for a variety of services such as legal, auditing, building maintenance, information technology support, insurance, utilities, fuel, traffic control, and heavy equipment repairs. Almost all of the City's contracted services fill an essential government need and are non-discretionary.

*Projection -* These costs are projected to increase 2% annually, close to the annual rate of inflation.

**Long-Term Debt**

General Obligation Debt

*Series 1997D&F General Obligation Bonds*

In 1997, the City issued its Series D&F Bonds to advance refund its Series 1997 B-1 Bonds and currently refund its Series 1995 Bonds. The Series 1997 D&F Bonds are capital appreciation bonds and not subject to redemption prior to maturity. Credit enhancement on the bonds was provided by Financial Guaranty Insurance, which is now Ambac Assurance Corporation ("Ambac").

In 2012, facing severe financial distress, the City defaulted on the bonds and the insurer agreed to make scheduled principal and interest payments on the bonds. The City and Ambac entered into an amended settlement agreement in April 2013 under which the City's forbearance liability accrues interest and is scheduled to be repaid over a ten-year period from 2023 to 2032.



Issue	Amount Outstanding/ Accreted Value <sup>2</sup>	Purpose	Call Date	Maturity	Coupon Rate	Enhancement
Series 1997D (Capital Appreciation Bonds)	\$3,076,324	Advance refunding	Non-callable	2022	Zero Coupon	Ambac
Series 1997F (Capital Appreciation Notes)	\$12,852,163	Current refunding	Non-callable	2022	Zero Coupon	Ambac
Series 1997D&F Forbearance Liability	\$25,454,829	Repay draws on enhancement facility	Any time	2032	6.75%	NA

<sup>2</sup> As of March 15, 2021.

### Guarantees

#### *Harrisburg Redevelopment Authority, Series 1998A (Verizon Bonds)*

The City guaranteed a loan issued by the Harrisburg Redevelopment Authority (“HRA”) and insured by Financial Security Assurance, now Assured Guaranty Municipal Corp (“AGM”), that was used to acquire a site now known as the Verizon Tower. Anticipating the need to rely on the City’s guarantee for debt service payments scheduled to begin in 2016, in 2015, the City, the HRA, and AGM entered into a settlement agreement. The settlement agreement outlined terms for annual debt service payments that provided liquidity to the City, which was under fiscal distress and could not afford to make the full scheduled debt service payments. Under the settlement agreement, the City is required to make minimum contributions between \$500,000 and \$1.5 million annually through 2032. The City’s obligations would increase if it borrows under the settlement; however, the combination of improving economics on the building and higher anticipated rental income allow the City to avoid draws and save on interest expense.

#### *Harrisburg Redevelopment Authority, Series 2005A-2 (Stadium Project)*

In 2005, the HRA issued taxable bonds, insured by Ambac and guaranteed by the City, to renovate and upgrade the Harrisburg Senators baseball stadium. There is currently \$5,050,000 outstanding on the bonds, which are not callable and mature in 2030. In recent years, the City has paid about \$230,000 annually towards debt service costs. The COVID pandemic resulted in the cancellation of the 2020 minor league baseball season and subsequently required the City to make the full principal and interest payments on the 2020 debt service. The projections assume that the City will continue to make full annual debt service payments going forward.

Issue	Amount Outstanding/ Accreted Value <sup>3</sup>	Purpose	Call Date	Maturity	Coupon Rate	Enhancement
HRA Series 1998A (Verizon Bonds)	\$19,473,464	Acquire Strawberry Square site	Non-callable	2033	Zero Coupon (Taxable)	AGM
HRA Series 2005A-2 (Stadium Project)	\$5,050,000	Senators Stadium improvements	Non-callable	2030	5.00-5.29% (Taxable)	Ambac

<sup>3</sup> As of January 1, 2021.



LED – Guaranteed Energy Savings Contract

The City obtained a bank loan with M&T Bank using a guaranteed energy savings contract extended by the Efficiency Network. Under this agreement, the City is guaranteed energy savings that will more than cover the debt service on the bank loan. If savings exceed annual debt service of \$386,140, the benefit accrues to the General Fund. After 10 years, the City owns the equipment and bulbs financed by the original loan.

**Annual Debt Service Summary  
2020-2024**

	2020	2021	2022	2023	2024
Series 1997D&F	8,660,000	8,655,000	8,650,000	-	-
Series 1997D&F Ambac Repayment	87,498	87,498	87,498	3,888,906	3,888,906
HRA Series 1998A (Verizon Bonds) <sup>4</sup>	940,000	1,390,000	950,000	1,250,000	1,250,000
HRA Series 2005A-2 (Stadium Project) (est) <sup>5,6</sup>	649,690	649,895	653,705	651,345	647,945
Bank Loan - Energy Savings Contract	386,140	386,140	386,140	289,605	-
<b>Total<sup>7</sup></b>	<b>\$10,723,328</b>	<b>\$11,168,533</b>	<b>\$10,727,343</b>	<b>\$6,079,856</b>	<b>\$5,786,851</b>

<sup>4</sup> Represents minimum annual debt service due from City from 2022 to 2024.

<sup>5</sup> Reflects anticipated annual debt service obligations prior to the proposed Amended Settlement Agreement with Ambac.

<sup>6</sup> Since these guarantee payments are unknown and are estimates, the City does not typically include them as a budgeted debt service fund transfer for budgeting purposes. However, these expected expenditures are accounted for in the General Fund budget. The projections in this plan include these anticipated payments as debt service.

<sup>7</sup> Actual transfer from the General Fund for debt service in 2020 was \$10,541,916. The City applied existing Debt Service Fund balance for the remainder of the 2020 obligation.

**Pension**

The City has three single-employer, defined benefit pension plans: the Police Pension Fund, the Firefighters Fund, and the Non-Uniformed Pension Plan. These plans cover substantially all full-time employees. Commonwealth law requires all municipalities, including Harrisburg, to make annual contributions to the pension funds based on a calculation of the minimum municipal obligation (“MMO”). The MMO is based on an annual actuarial valuation that takes into consideration annual pension costs, contributions by employees, pension asset valuations, investment rate and salary increase projections, and amortization assumptions. The City’s MMO is projected to continue to increase at a rate slightly above that of salaries and wages.

The table below shows the key statistics for the Police, Firefighters, and Non-Uniform pension funds in recent years. As of December 31, 2018, the police pension fund had a negative net position of over \$21 million with a funded ratio of 78.5%. The firefighters and non-uniformed pension plans had positive funding ratios of 101.9% and 109.4%, respectively.



The funding ratios worsened from 2017 to 2018 due to investment losses in pension assets, which tracked generally with market losses during that time period.

**Pension Summary**  
**December 1, 2017 and December 1, 2018**

	Police Summary		Firefighters Summary <sup>8</sup>		Non-Uniformed Summary <sup>8</sup>	
	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018
Participants						
Active Employees	132	139	72	83	180	197
Vested Former	2	2	1	1	31	27
<u>Receiving Benefits</u>	<u>213</u>	<u>209</u>	<u>131</u>	<u>130</u>	<u>204</u>	<u>220</u>
Total Participants	347	350	204	214	415	444
Total Pension Liability	\$95,561,114	\$98,203,560	\$71,106,314	\$73,363,119	\$61,196,335	\$66,639,766
Plan Fiduciary Net Position	\$84,306,974	\$77,054,079	\$81,213,997	\$74,774,932	\$79,911,152	\$72,911,381
Net Pension Liability (Asset)	\$11,254,140	\$21,149,481	(\$10,197,683)	(\$1,411,813)	(\$18,514,817)	(\$6,271,615)
Plan Fiduciary Net Position as % of Total Pension Liability	88.2%	78.5%	114.4%	101.9%	130.3%	109.4%

<sup>8</sup> Membership related to the Non-uniform Employees' and Combined Firefighters' plans are as of December 31, 2016.

*Projection* – MMOs are projected to increase 2% annually, which is generally consistent with wage increases for each City employee group.

***Other-Post Employment Benefits***

Other Post-Employment Benefits (“OPEB”) are benefits other than pension that are provided to retirees, including medical, prescription drug, dental, vision, hearing, life insurance, long-term disability, long-term care, death benefits, and any payments made to the retiree that are to be used for such coverage.

GASB rules require the use of accrual-based accounting methods for disclosure of the liabilities related to OPEB costs. The accrual-based accounting recognizes costs when benefits are earned, not when the benefit is actually paid.

Like most other governments, Harrisburg uses a “pay-as-you-go” approach for funding OPEB costs. Per the most recent actuarial valuation dated January 1, 2018, Harrisburg’s total OPEB liability was \$130.1 million, which is reduced from recent years when it was over \$150 million.





**Other Post Employment Benefit Summary  
January 1, 2018**

<b>Demographic Information</b>	<b>Police</b>	<b>Firefighters</b>	<b>Non-Uniformed</b>	<b>Total</b>
Active Participants	93	66	124	283
Vested Former Participants	3	1	39	43
Retired Participants	174	107	118	399
<b>Total</b>	<b>270</b>	<b>174</b>	<b>281</b>	<b>725</b>
<b>Financial Information</b>	<b>Police</b>	<b>Firefighters</b>	<b>Non-Uniformed</b>	<b>Total</b>
Total OPEB Liability	\$65,384,379	\$42,202,464	\$23,094,132	\$130,680,975
Plan Fiduciary Net Position	0	0	0	0
Net OPEB Liability	\$65,384,379	\$42,202,464	\$23,094,132	\$130,680,975
Plan Fiduciary Net Position as a % of Total OPEB Liability	0%	0%	0%	0%
Net OPEB Liability as a % of Covered Employee- Payroll	982.81%	100.44%	377.56%	769.26%
OPEB Expense	(\$3,451,203)	(\$1,445,003)	(\$974,239)	(\$5,870,445)

The City has a multi-faceted approach to reduce its OPEB liability. The City has begun to address this liability with new provisions in its collective bargaining agreements. In addition, following the monetization of the parking system, the Commonwealth deposited \$3.2 million in a bank account established for an OPEB fund. This deposit will fund the OPEB Trust that the City plans to establish early in 2021, as required by Act 124.

**Expense Growth Assumptions,  
2021-2024**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Salaries and Wages	2%	2%	2%	2%
Overtime/Other Premium	2%	2%	2%	2%
Medical	5%	5%	5%	5%
Other Benefits	2%	2%	2%	2%
Pension	2%	2%	2%	2%
Services	2%	2%	2%	2%
Supplies	2%	2%	2%	2%
Debt	See Expense Initiatives 4.1(2)			



## 4.1 Expense Initiatives

### **1) Implement Steps to Reduce Health Insurance Costs**

The City is exploring ways to reduce health insurance costs, including working with a broker to lower prescription drug costs, instituting a wellness program, and considering changing the structure of its self-insurance model. The City has secured annual medical cost savings of approximately \$1.1 million beginning in 2021.

### **2) Explore Opportunities to Restructure Debt Obligations (2019 Plan Initiative)**

The City has been engaged in negotiations with Ambac regarding opportunities to reduce the forbearance liability associated with the Series 1997D&F General Obligation bonds as well as the outstanding Series 2005A-2 Bonds, which are guaranteed by the City. The City's current restructuring plans for these liabilities include the following:

#### Defease the Series 2005A-2 Bonds

The City and Ambac have reached an agreement that includes defeasing the Series 2005A-2 Bonds (which are not callable). The total gross cost of the defeasance (principal and interest) is about \$6.0 million (assuming the defeasance occurs after the next debt service payment date on May 15, 2021). In exchange for defeasing the debt, Ambac will reduce the forbearance liability on the Series 1997 General Obligation debt by \$1,768,900. The total estimated upfront cost to the City will be approximately \$5.22 million after investment earnings in the defeasance escrow and the release of a debt service reserve fund of about \$658,000 currently held for the benefit of bond holders. The \$5.22 million assumes the bonds are defeased after the scheduled May 15, 2021 debt service payment.

The defeasance will eliminate approximately \$650,000 in annual debt service through 2030 that was guaranteed by the City. In recent years, the City was contributing approximately \$240,000 towards annual debt service on these bonds. In 2020, because the Harrisburg Senators baseball season was cancelled due to the COVID pandemic, the City made the full annual debt service payment. While the Senators are expected to resume playing next season, the status of 2021 minor baseball is still unclear.

#### Repay the Series 1997D&F Forbearance Liability

The agreement with Ambac also involves the repayment of a portion of the Series 1997D&F forbearance liability at a discount. Per the agreement, for every \$1 the City pays towards the liability (up to \$4 million) through 2021, Ambac will apply an additional \$0.38. The City budgets a \$2 million payment towards the liability in 2021 meaning the liability will be reduced by \$2.76 million (not including the \$1.8 million reduction related to the Series 2005A-2 defeasance). The City is pursuing a refinancing of the entire forbearance liability which will allow them to maximize the benefit of the Ambac agreement.

#### Consider Options to Finance the Series 2005A-2 Bond Defeasance and Forbearance Liability Repayment

The City will pursue financing alternatives for the defeasance of the Series 2005A-2 Bonds and the Series 1997 D&F Forbearance Liability. Refinancing the forbearance liability, which accrues interest at 6.75%,



will allow the City and to take advantage of interest rate savings and also capitalize on the prepayment incentives in the Ambac agreement.

Financing the Series 2005A-2 Bonds defeasance rather than funding the defeasance with a cash outlay would not result in interest expense savings (interest expense would actually increase). However, financing the defeasance would allow the City to preserve liquidity and create a manageable repayment structure. The City has not committed to financing the defeasance and will evaluate its options with its financial advisor.

The tables below show the projected annual debt service and liability balance comparison between the existing and pro forma restructured debt. The tables assume the forbearance liability is refinanced in September 2021 with an interest rate of 4.25%, 2032 maturity (matching the existing forbearance liability repayment schedule), and level debt service. The defeasance financing assumes a 5.25% interest rate, 2030 maturity (matching that of the existing debt), and level debt service. These terms are subject to market conditions and the City's ability to execute a financial plan that maintains structural budgetary balance and a strong fund balance, among other credit factors. As noted above, the City has not committed to a specific plan of finance and will review its alternatives with its financial advisor and other professionals.

A refinancing would not be a realistic consideration if the City's special EIT and LST taxing powers were not extended by the recent amendment to the state fiscal code.

Annual Debt Service Comparison (Series 2005A-2 Bonds and Series 1997D&F Forbearance Liability)							
	<u>Existing</u>			Forbearance Refinancing	<u>Pro Forma</u>		Difference
	Forbearance	Series 2005A-2	Total		Series 2005A-2 Defeasance	Total	
2021	76,429	649,895	726,324	-	527,583	527,583	(198,742)
2022	87,498	653,705	741,203	988,593	910,821	1,899,413	1,158,210
2023	3,888,906	651,345	4,540,251	2,903,593	760,888	3,664,480	(875,771)
2024	3,888,906	647,945	4,536,851	2,904,205	757,425	3,661,630	(875,221)
2025	3,888,906	648,375	4,537,281	2,903,333	757,450	3,660,783	(876,499)
2026	3,888,906	647,276	4,536,182	2,903,890	760,688	3,664,578	(871,604)
2027	3,888,906	649,503	4,538,409	2,903,665	757,138	3,660,803	(877,607)
2028	3,888,906	650,144	4,539,050	2,903,530	756,800	3,660,330	(878,720)
2029	3,888,906	649,197	4,538,103	2,903,315	754,538	3,657,853	(880,251)
2030	3,888,906	(11,571)	3,877,336	2,903,850	755,213	3,659,063	(218,273)
2031	3,888,906	-	3,888,906	2,903,923	-	2,903,923	(984,984)
2032	\$3,888,906	-	\$3,888,906	\$2,903,363	-	\$2,903,363	(\$985,544)



Debt/Liability Balance Comparison							
	Existing			Pro Forma			Difference
	Forbearance Liability	Series 2005A-2	Total	Forbearance Refinancing	Series 2005A-2 Defeasance	Total	
2021	26,248,829	4,655,000	30,903,829	23,261,000	5,480,000	28,741,000	(2,162,829)
2022	27,962,652	4,235,000	32,197,652	23,261,000	4,905,000	28,166,000	(4,031,652)
2023	25,927,451	3,795,000	29,722,451	21,346,000	4,400,000	25,746,000	(3,976,451)
2024	23,752,556	3,335,000	27,087,556	19,349,000	3,870,000	23,219,000	(3,868,556)
2025	21,428,379	2,850,000	24,278,379	17,268,000	3,310,000	20,578,000	(3,700,379)
2026	18,944,671	2,340,000	21,284,671	15,098,000	2,715,000	17,813,000	(3,471,671)
2027	16,290,485	1,800,000	18,090,485	12,836,000	2,090,000	14,926,000	(3,164,485)
2028	13,454,118	1,230,000	14,684,118	10,478,000	1,430,000	11,908,000	(2,776,118)
2029	10,423,065	630,000	11,053,065	8,020,000	735,000	8,755,000	(2,298,065)
2030	7,183,963	-	7,183,963	5,457,000	-	5,457,000	(1,726,963)
2031	\$3,722,533	-	\$3,722,533	\$2,785,000	-	\$2,785,000	(\$937,533)
2032	-	-	-	-	-	-	-

**Pro-Forma  
Annual Debt Service Summary  
2021-2024**

	2021	2022	2023	2024
Series 1997D&F	8,655,000	8,650,000	-	-
Series 1997D&F Ambac Repayment	2,087,498	87,498	-	-
HRA Series 1998A ("Verizon Bonds") <sup>8</sup>	1,390,000	950,000	1,250,000	1,250,000
Bank Loan - Energy Savings Contract	386,140	386,140	289,605	-
HRA Series 2005A-2 Defeasance Financing <sup>9</sup>	527,583	910,821	760,888	757,425
Forbearance Liability Refinancing (2021) <sup>9</sup>		988,593	2,903,593	2,904,205
<b>Total<sup>10,11</sup></b>	<b>\$13,046,221</b>	<b>\$11,973,051</b>	<b>\$5,204,085</b>	<b>\$4,911,630</b>
Existing Annual Debt Service	\$11,168,533	\$10,727,343	\$6,079,856	\$5,786,851
<b>Difference</b>	<b>(\$1,877,688)</b>	<b>(\$1,245,708)</b>	<b>\$875,771</b>	<b>\$875,221</b>

<sup>8</sup> Represents minimum annual debt service due from City from 2022-2024.

<sup>9</sup> A refinancing will depend on market conditions and the City's ability to execute a financial plan that maintains structural budgetary balance and a strong fund balance, among other credit factors.

<sup>10</sup> Actual transfer from the General Fund for debt service in 2020 was \$10,541,916. The City applied existing Debt Service Fund balance for the remainder of the 2020 obligation.

<sup>11</sup> In 2021 the City budgeted a \$5,750,000 transfer from the General Fund to the Senators Fund to defease the Series 2005A-2 Bonds, but under the pro-forma scenario would finance the defeasance. The City budgets \$895,000 of existing Debt Service Fund balance for a portion of the 2021 debt obligations.



## 4.2 Expense Forecasts

Below is the multi-year expense forecast based on historical growth trends, planned initiatives, and other available data. The 2021 Budget refers to the proposed budget introduced to City Council on November 24, 2020, budget amendments of January 2021, and adjustments based on a refinancing later this year.

	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel (less Medical)	31,457,827	36,569,189	37,367,137	38,136,423	38,775,317
Medical	9,387,608	9,763,864	10,252,057	10,764,660	11,302,893
Services	5,585,519	7,812,923	6,842,089	6,970,431	7,101,339
Supplies	2,045,689	3,766,865	3,053,701	3,111,875	3,171,213
Other Operating	1,072,954	901,947	638,292	646,222	654,311
Transfers	0	0	0	0	0
<b>Total Expenses (Pre-Debt Service)</b>	<b>49,549,597</b>	<b>58,814,788</b>	<b>58,153,277</b>	<b>59,629,612</b>	<b>61,005,074</b>
Debt Service <sup>12</sup>	10,541,705	10,074,791	11,885,553	5,204,085	4,911,630
<b>Total Operating Expenses</b>	<b>60,091,302</b>	<b>68,889,579</b>	<b>70,038,830</b>	<b>64,833,697</b>	<b>65,916,704</b>
Capital Expenses	1,397,270	5,937,223	1,617,000	1,597,000	1,477,000
<b>Total</b>	<b>\$61,488,571</b>	<b>\$74,826,802</b>	<b>\$71,655,830</b>	<b>\$66,430,697</b>	<b>\$67,393,704</b>

<sup>12</sup> In 2021 the City budgeted a \$5,750,000 transfer from the General Fund to the Senators Fund to defease the Series 2005A-2 Bonds, but under the pro-forma scenario would finance the defeasance. The City budgets \$895,000 of existing Debt Service Fund balance for a portion of the 2021 debt obligations.

The 2021 budget amendment includes adjustments for encumbrances (claim against General Fund balance for an expenditure) carried over from 2020 to 2021. These encumbrances, which totaled \$2,543,186, were “rolled over” into the new year even though they were incurred in 2020. It is important to consider encumbrances when evaluating available fund balance. The City ended 2020 with a General Fund cash balance of \$32.1 million; however, since about \$2.5 million was already encumbered, the available balance was just \$29.6 million.



## 5 Other Initiatives

The City is committed to providing essential services to the community while securing its long-term fiscal stability. Below is a summary of the progress in implementing initiatives not already covered in the previous sections and additional actions the City is taking to achieve its goals:

### **1) Reestablish Access to the Debt Markets and Restore Credit Rating (2019 Plan Initiative)**

Key to the City's long-term viability is access to the debt markets to fund capital projects and other deferred maintenance needs. As described above, the extension of the City's EIT and LST taxing powers likely makes a refinancing for annual debt service savings feasible. The City has engaged an independent financial advisor that is currently advising on its capital structure and potential market receptivity to a refinancing. The City and the financial advisor are currently developing a plan to assemble a financing team and establish a timeline for a potential financing.

### **2) Establish an OPEB Trust (2019 Plan Initiative)**

The City set aside \$3.2 million from the parking monetization as an initial deposit for an OPEB fund. The purpose of the fund is to provide a source of future and ongoing funding for the City's OPEB obligations. The City has engaged legal counsel to advise on this issue and anticipates forming the OPEB trust early in 2021.

### **3) Implement Workforce Stabilization Program (2019 Plan Initiative)**

The primary strategy for stabilizing the workforce was to reach a new agreement with the FOP, the City's largest union. The City and the FOP entered into a new collective bargaining agreement that is fair to both the City and the workforce, addresses attrition concerns in the department, and provides budgeting certainty through 2025. Both the administration and the union are confident that the new agreement will improve employee retention and recruitment concerns that were detrimental to the department in the past.

### **4) Promote Economic Development (2019 Plan Initiative)**

Key to securing the City's long-term health is expanding its economic base and the growth of its own local tax revenues. Even after it is clear that the City will retain its extraordinary taxing powers, its capacity to deliver basic services to its residents depends on a strong local tax base. These tasks are even more difficult in the face of a pandemic that caused a virtual economic shutdown earlier this year and pushed many local businesses to close or to the brink of closing.

The City's economic development efforts over the last several months were focused on helping the local business community cope with COVID related pressures and hardships. While tax and economic base expansion is a clear goal for Harrisburg, it is also imperative that the City step in to preserve existing local businesses that are struggling to survive through the health crisis. The following are examples of actions the City has taken to support businesses during this uniquely difficult time:



- In April 2020, the City partnered with Impact Harrisburg to build a \$1.5 million (Impact Harrisburg provided additional funds) grant fund to help Harrisburg small businesses impacted by the coronavirus shutdown.
- The City designed the Neighborhood Business Stabilization Program (NBSP) to provide emergency cash flow to help small businesses cope with the COVID crisis. A total of 313 businesses were awarded \$5,000 grants (of which 62 were minority-owned businesses) to assist with operating costs, such as rental and mortgage payments, utility payments, outstanding vendor invoices and payroll during this first funding round. A second round of this program began on December 1, 2020. Over 130 pre-applications have been received to date.
- In July 2020, the City provided a one-time credit on future trash bills opportunity for commercial refuse account holders, negatively impacted by the emergency closures and shutdowns due to the COVID pandemic. The City received 214 applications, of which 148 have been approved. The total dollar amount credited for this program to date is approximately \$164,000.
- As a response to the COVID public health crisis and the resulting statewide business closure order, ChooseHBG was initiated to encourage people, businesses, and local government to think, and more importantly, spend locally first.

Even beyond COVID, the City understands the importance of solidifying and expanding its tax base. The City has implemented the following initiatives to further these efforts:

- In partnership with the Harrisburg Housing Authority (“HHA”), the City submitted application to the U.S. Department of Housing and Urban Development (“HUD”) for the Choice Neighborhoods Planning Grant. If awarded, this grant will provide \$450,000 to the City for the development of a comprehensive neighborhood revitalization strategy (the “Transformation Plan”) for the South Harrisburg Neighborhood/Hoverter Homes Development.
- The HHA and the City also plan to submit application to HUD for the Choice Neighborhoods Implementation Grant, which provides up to \$30 million to implement Transformation Plan.
- The City, through its Bureau of Economic Development, created an Affordable Housing Taskforce to help guide and support the development of a new affordable housing policy, designed to make home renting and ownership more cost-effective in Harrisburg. This taskforce also assists in identifying tools, strategies, and incentives necessary to encourage affordable and mixed-use development. The Bureau of Economic Development is coordinating efforts to produce an Affordable Housing Density Bonus Ordinance. This ordinance is a joint effort of the Administration and City Council.
- The Department of Business Development held workshops to provide information, resources, and support to members of Harrisburg’s small and diverse business community. In addition, the sessions create professional networking opportunities where attendees can develop relationships that will help further their business endeavors.

The City is in the process of completing the review and update of its Comprehensive Plan and planning and zoning criteria. A required 45-day review period of the Comprehensive Plan recently ended. City Council will review and adopt the plan early in 2021.





The City has just begun the process of reviewing and updating its planning and zoning criteria. The City plans to issue a Request for Proposals and select a consultant by the end of 2021.

### ***5) Improve Information Technology Capabilities***

The City is implementing a number of initiatives to improve its information technology capabilities and infrastructure as outlined below:

1. Replace the current disparate systems, including mainframe systems (City, Revenue, and Personnel), finance system (Central Square), and payroll system (Paychex) with an ERP system from one vendor, where all modules are integrated with each other.
2. Obtain Office 365 Licenses to support our Microsoft suite of tools: Outlook (Email), Word, Excel, PowerPoint, etc.
3. Replace of the Data Center core switch, which controls the critical infrastructure for all City-deployed technology.
4. Replace the aging fleet of City-wide printers with new machines.
5. Replace the security camera system at Reservoir Park, which is unreliable and not integrated with our other camera systems.
6. Implement a Laserfiche public portal that would allow for a single point of citizen access to City-related documents.
7. Replace the equipment (servers and Storage Area Network (SAN)) in the Data Center and Co-location site, as they reach the end of their useful life.

### ***Update on Exploration of Home Rule (2019 Plan Initiative)***

As noted in the 2019 plan, over the course of the last ten or so years, the potential of Home Rule has been reviewed. Legislation to pursue Home Rule was presented in 2018 and reviewed by elected officials. With the recent extension of the City's special EIT and LST taxing powers, Home Rule will not be explored any further.



## 6 Capital Improvement Plan

As described in the 2019 five-year plan, the City has a backlog of deferred maintenance and unfunded capital needs. Capital needs far exceed funding capacity. Most critically important capital needs will remain unfunded unless operating projections outperform expectations or new funding sources are identified. The tables below show the capital projects the City plans to fund with General Fund transfers and other sources. Note: projected 2021 amounts differ from the budget due to how expenditures are classified in the budget and changes in project costs and scope.

### Capital Improvement Projects - General Fund

Department	Project Name	Projected 2021	Forecast 2022	Forecast 2023	Forecast 2024	Total
IT	DCIT & DREV System Replacement	250,000	250,000	-	-	500,000
IT	DPER System Replacement	250,000	-	-	-	250,000
IT	Data Center Core Switch Replacement	-	100,000	100,000	-	200,000
IT	Date Center Equipment Replacement	-	-	-	300,000	300,000
IT	Other IT	158,298	37,000	12,000	-	207,298
Police	Police Patrol Vehicles	330,000	260,000	260,000	260,000	1,110,000
Police	Other Police Vehicles	270,000	-	-	-	270,000
Police	Radios	112,000	-	-	-	112,000
Police	Surveillance Cameras	100,000	-	-	-	100,000
Police	Other	52,000	-	-	300,000	352,000
Fire	Apparatus Replacement	780,000	350,000	700,000	400,000	2,230,000
Fire	Timesheet Management System	100,000	-	-	-	100,000
Fire	Baydoors	80,000	-	-	-	80,000
Fire	Other	25,000	-	-	217,000	242,000
Public Works	Vehicle Leasing Program	479,830	620,000	525,000	-	1,624,830
Public Works	Engine Reader	30,000	-	-	-	30,000
Engineering	Lease Purchase	9,830	-	-	-	9,830
Engineering	Other	63,000	-	-	-	63,000
Facilities	M&T Bank Building Rehab	200,000	-	-	-	200,000
Facilities	PSB Fire Panel Replacement	95,000	-	-	-	95,000
Facilities	GESA	1,000,000	-	-	-	1,000,000
Facilities	Other Facilities	295,153	-	-	-	295,153
<b>Subtotal</b>		<b>\$4,680,111</b>	<b>\$1,617,000</b>	<b>\$1,597,000</b>	<b>\$1,477,000</b>	<b>\$9,371,111</b>

### Capital Improvement Projects - Neighborhood Services Fund<sup>13</sup>

Department	Project Name	Projected 2021	Forecast 2022	Forecast 2023	Forecast 2024	Total
NSF	Vehicle Purchase Program	945,857	1,245,000	740,000	1,062,000	3,992,857
NSF	Equipment Leasing	607,111	607,111	341,003	85,251	1,640,476
NSF	Building Improvements	202,190	46,410	47,338	48,285	344,223
NSF	Equipment - Other	139,513	50,000	50,000	50,000	289,513
<b>Subtotal</b>		<b>\$1,894,671</b>	<b>\$1,948,521</b>	<b>\$1,178,341</b>	<b>\$1,245,536</b>	<b>\$6,267,069</b>

<sup>13</sup> In addition to NSF revenues, funding includes grant funds in the amount of \$300,000 per year from 2022 to 2024.



### Capital Improvement Projects - Capital Projects Fund<sup>14</sup>

Department	Project Name	Projected 2021	Forecast 2022	Forecast 2023	Forecast 2024	Total
Engineering	Vision Zero (Signal Upgrades)	50,000	100,000	50,000	-	<b>200,000</b>
Engineering	Vision Zero (2nd Street)	5,456,104	223,372	-	-	<b>5,679,476</b>
Engineering	Vision Zero - Capitol Gateway	1,018,020	-	-	-	<b>1,018,020</b>
Engineering	Vision Zero - State Street	653,000	-	-	-	<b>653,000</b>
Engineering	East-West Multimodal	650,000	743,070	-	1,725,000	<b>3,118,070</b>
Engineering	Mulder Square	2,800,000	-	-	-	<b>2,810,000</b>
Engineering	North 7 <sup>th</sup> Street	4,411,752	-	-	-	<b>4,411,752</b>
Engineering	Allison Hill Paving	1,600,000	-	-	400,000	<b>2,000,000</b>
Engineering	Uptown and Midtown Paving	550,000	-	1,000,000	-	<b>1,550,000</b>
Engineering	South Paving Project	224,112	224,112	224,112	224,112	<b>896,448</b>
	<b>Subtotal</b>	<b>\$17,422,988</b>	<b>\$1,290,554</b>	<b>\$1,274,112</b>	<b>\$2,349,112</b>	<b>22,336,767</b>
	<b>Total</b>	<b>\$23,997,770</b>	<b>\$4,856,075</b>	<b>\$4,049,453</b>	<b>\$5,071,648</b>	<b>\$37,974,947</b>

<sup>14</sup> Other funding sources, in addition to Capital Projects Fund balance, includes grant funds and Liquid Fuels Funds.

Without new revenues from either General Fund transfers, grants, or other sources, commitments to these projects will result in declining balances in the Capital Projects Fund, as illustrated in Appendix C. The improved fiscal and fund balance position resulting from the implementation of this plan will allow the City to reassess the capital funding strategy to possibly include increased General Fund transfers or debt funding.

The City has further prioritized its capital needs as Priority One and Priority Two level projects.

The City has 41 unfunded Priority One projects with costs up to \$8.5 million through 2024. The City has 81 unfunded Priority Two projects costing with a cumulative estimated cost of over \$21 million. The table below summarizes the annual costs of the Priority One and Priority Two projects. A project listing is included in the Appendix.

### Unfunded Capital Improvement Projects

Level	Number of Projects	2021	2022	2023	2024	Total
Priority One	41	666,682	1,553,487	3,259,487	2,995,000	8,474,656
Priority Two	81	672,500	3,835,700	5,762,536	10,752,813	21,023,549
<b>Totals</b>	<b>122</b>	<b>\$1,339,182</b>	<b>\$5,389,187</b>	<b>\$9,022,023</b>	<b>\$13,774,813</b>	<b>\$29,498,205</b>

The total cost of the unfunded projects identified above is about \$29 million. Not included in this listing are Priority Three projects, which are even farther beyond the City's current funding capacity. Taking into account Priority Three projects, Harrisburg's total capital needs exceed \$100 million.



## 7 Financial Forecasts

The operating forecasts, which assume the full implementation of the initiatives described above, demonstrate the City's ability to maintain a fund balance level of at least 16% of expenses at the end of each year of the five-year plan.

The projections also demonstrate the ability to maintain essential City services and address other priorities. In addition to the initiatives outlined in this plan, the City relies on its significant unreserved General Fund balance to fund capital needs and, under certain circumstances, cover the gap between revenues and expenses. The adopted 2021 budget includes a \$15.2 million transfer from General Fund balance, which included \$7.75 million of cash to defease the Series 2005A-2 Bonds and prepay the Ambac forbearance liability. Rather than transferring cash, the City plan to use a financing to execute these transactions, which will preserve liquidity and operating flexibility.

The City anticipates weaker revenues in 2021 as the COVID health crisis recovery continues and, instead of balancing the budget with tax increases, will utilize a portion of its fund balance. The City will not increase the tax burden on its residents at a time when so many face job insecurity and are struggling just to pay their bills. Moreover, raising tax rates is counterproductive to Harrisburg's efforts to attract private investment and expand the tax base, especially during this challenging period for the local economy.

The City understands the fiscal uncertainty associated with the COVID-19 pandemic recovery and has the ability to adjust to unanticipated shortfalls just as it effectively managed such a situation in 2020. One example of a contingency action is to slow the pace of hiring new employees and filling vacancies. The City budget assumes that all new employees are hired and vacancies will be filled on January 1, 2021. As a practical matter, the new positions will not be filled immediately in the new year, so there is some flexibility already built into the budget. The City has the ability to delay hires and implement a general hiring freeze if City revenues are lower than expected.

The forecasts show a declining fund balance in 2021 and 2022 and then General Fund surpluses in 2023 and 2024. Key to achieving these surpluses is the City's debt restructuring strategy described in the preceding sections. In addition, annual debt service obligations will fall significantly after the City's General Obligation Bonds mature in 2022, enabling the City to achieve surpluses in 2023 and 2024 and replenish and rebuild fund balance. If the plan is executed as anticipated, the City can reexamine its strategy to finance capital improvements and other priorities while maintaining sufficient liquidity.

Planned budget enhancement initiatives will enable the City to maintain a substantial fund balance through 2024. Moreover, the extension of the special EIT and LST taxing powers will allow the City to avoid a revenue cliff and potential draconian service cuts. The City is committed to providing essential services to the community while securing its long-term fiscal stability. The City will take every responsible action necessary to achieve these objectives.



## 7.1 Initiatives Summary

Initiative	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024	Five-Year Impact
<b>Revenue</b>					
Redirect Park Permit Revenues to General Fund	-	400,000	400,000	400,000	1,200,000
Pursue PILOT Agreements <sup>+</sup>	-	25,000	25,000	25,000	75,000
Review Service Delivery Alternatives <sup>+</sup>	-	100,000	100,000	100,000	300,000
Seek Increased Federal Grant Funding	-	25,000	25,000	25,000	75,000
Improve Neighborhood Service Fund Collection Rates*	-	500,000	1,300,000	1,300,000	3,100,000
<b>Expense</b>					
Implement Steps to Reduce Health Insurance Costs	1,100,000	1,155,000	1,212,750	1,273,388	4,741,138
Explore Opportunities to Restructure Debt Obligations <sup>+</sup>	198,742	(1,158,210)	875,771	875,221	791,522
<b>Other</b>					
Reestablish Access to Debt Markets and Restore Credit Rating <sup>+</sup>	-	-	-	-	-
Establish an OPEB Trust <sup>+</sup>	-	-	-	-	-
Implement Workforce Stabilization Program <sup>+</sup>	-	-	-	-	-
Promote Economic Development <sup>+</sup>	-	-	-	-	-
<b>Total – General Fund</b>	<b>\$1,298,742</b>	<b>\$546,790</b>	<b>\$2,638,521</b>	<b>\$2,698,609</b>	<b>\$7,182,662</b>
<b>Total – All Funds</b>	<b>\$1,298,742</b>	<b>\$1,046,790</b>	<b>\$3,938,521</b>	<b>\$3,998,609</b>	<b>\$10,282,660</b>

<sup>+</sup> Indicates 2019 Five Year Plan initiative

\* Indicates benefit to the Neighborhood Services Fund, not General Fund

As described above, the City plans to refinance its forbearance liability with Ambac and finance the defeasance of its outstanding Series 2005A-2 Bonds. The projections below assume that the City execute a financing to execute both transactions.



**Operating Forecasts, 2020-2024**  
**Scenarios 1: Finance Series 2005A-2 Bond Defeasance and Forbearance Liability**

	Actual 2020	Projected 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenues	65,212,518	64,315,859	65,358,263	68,076,053	68,711,161
Expenses	49,549,808	58,814,788	58,153,277	59,629,612	61,005,074
Result (Pre-Debt Service/Cap Ex)	15,662,710	5,501,071	7,204,986	8,446,442	7,706,088
Capital Expenses	1,397,270	5,937,223	1,617,000	1,597,000	1,477,000
Change in Fund Balance (Pre-Debt Service)	14,265,441	(436,152)	5,587,986	6,849,442	6,229,088
Debt Service	10,541,494	10,074,791	11,885,553	5,204,085	4,911,630
Change in Fund Balance	3,723,947	(10,510,943)	(6,297,567)	1,645,357	1,317,457
Beginning Fund Balance	28,394,997	32,118,944	21,608,001	15,310,434	16,955,791
Ending Fund Balance Surplus (Deficit)	\$32,118,944	\$21,608,001	\$15,310,434	\$16,955,791	\$18,273,248
Ending fund balance as % of Expenses	53%	31%	22%	26%	28%

The final 2021 plan of finance is not finalized yet. The City may choose to defease the Series 2005A-2 Bonds with cash rather than through a financing. The projections below assume the City refinances the Ambac forbearance liability, but uses cash to defease the Series 2005A-2 Bonds.

**Operating Forecasts, 2020-2024**  
**Scenarios 2: Cash Defeasance Series 2005A-2 Bonds and Finance Forbearance Liability**

	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenues	65,212,518	64,315,859	65,358,263	68,076,053	68,711,161
Expenses	49,549,808	58,814,788	58,153,277	59,629,612	61,005,074
Result (Pre-Debt Service/Cap Ex)	15,662,710	5,501,071	7,204,986	8,446,442	7,706,088
Capital Expenses	1,397,270	5,937,223	1,617,000	1,597,000	1,477,000
Change in Fund Balance (Pre-Debt Service)	14,265,441	(436,152)	5,587,986	6,849,442	6,229,088
Debt Service	10,541,494	15,297,209	10,974,732	4,443,198	4,154,205
Change in Fund Balance	3,723,947	(15,733,360)	(5,386,746)	2,406,244	2,074,882
Beginning Fund Balance	28,394,997	32,118,944	16,385,584	10,998,837	13,405,082
Ending Fund Balance Surplus (Deficit)	\$32,118,944	\$16,385,584	\$10,998,837	\$13,405,082	\$15,479,964
Ending fund balance as % of Expenses	53%	22%	16%	21%	24%



## 8 Principal Proprietary Funds

The City maintains two main proprietary funds, which account for activities that involve business-like transactions: the Neighborhood Services Fund and the Harrisburg Senators Fund.

### 8.1 Neighborhood Services Fund

Created in 2016, the Neighborhood Services Fund (“NSF”) accounts for the revenues and expenses associated with the provision of refuse collection and disposal services to residential, commercial, and industrial establishments of the City, as well as Parks and Recreation maintenance services and road repair services, as those are related to the facilitation of refuse collection and disposal services.

#### Neighborhood Services Fund Forecasts 2020-2024

	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operations	15,319,602	15,764,310	16,319,116	17,176,662	17,237,086
Miscellaneous	515,042	418,702	412,205	412,205	412,205
Transfers	49,141	5,000	5,000	5,000	5,000
Cash Carryover	0	2,667,106	0	0	0
<b>Total Revenues</b>	<b>15,883,785</b>	<b>18,855,118</b>	<b>16,736,321</b>	<b>17,593,867</b>	<b>17,654,291</b>
Personnel	5,269,184	6,141,109	6,188,382	6,335,100	6,486,178
Services	8,537,732	9,443,601	8,882,489	9,059,639	9,240,332
Supplies	907,648	1,188,704	908,382	926,550	945,081
Other	1,668	24,900	0	0	0
Capital	1,983,191	1,894,671	1,648,521	878,341	945,536
Transfers	0	162,133	0	0	0
<b>Total Expenditures</b>	<b>16,699,424</b>	<b>18,855,118</b>	<b>17,627,774</b>	<b>17,199,630</b>	<b>17,617,127</b>
<b>Surplus (Deficit)</b>	<b>(815,639)</b>	<b>(0)</b>	<b>(891,453)</b>	<b>394,237</b>	<b>37,164</b>
Beginning Fund Balance	7,760,146	6,944,507	4,277,401	3,385,948	3,780,184
<b>Ending Fund Balance</b>	<b>\$6,944,507</b>	<b>\$4,277,401</b>	<b>\$3,385,948</b>	<b>\$3,780,184</b>	<b>\$3,817,348</b>

The NSF’s primary revenue sources are garbage collection and disposal fees. The City projects \$4.5 million in garbage collection fees in 2020 and \$10.5 million in disposal fees. The City does not project any fee increases for Harrisburg residents. The City will build on its efforts to improve collection rates from 85% to 88% in 2022, which would result in at least \$500,000 in additional annual fee revenues.

In addition, the City will set the goal of increasing the collection rate another 5% to 93% beginning in 2023, which will generate approximately \$1.3 million annually compared to current levels.





The primary NSF expense is contracted service for garbage disposal of approximately \$6.3 million. The costs will increase 2.5% annually through 2024. The contracted payment to the Lancaster Solid Waste Authority is also accounted for in this fund. The tipping fee is \$201.70 per ton in 2021 and will be adjusted on January 1 of each calendar year by the Consumer Price Index. The projections assume other contractually mandated increases, which range between 5% and 8%.

The City has entered into contracting agreements with two nearby municipalities – Penbrook Borough, and Paxtang Borough - which will result in a significant net benefit to the NSF. Combined with the Steelton partnership, these arrangements will generate approximately \$320,000 in net income, not including one-time start-up costs of about \$533,000.

Approximately 87 employee salaries are paid out of the NSF making personnel costs a key expense driver. Projected personnel cost increases mirror those in the General Fund – 2% annual salary increases and 5% annual medical insurance increases.

The NSF will carryover \$2.7 million in fund balance to cover rollover expenses from 2020, almost \$1 million in one-time expenses associated with new potential Penbrook and Paxtang agreements, and the settlement of liability claims connected with the fund. Without any fee increases to Harrisburg residents, the projections show fund balance equal to at least 20% of expenditures through the 2024.

The City will prioritize improving collection rates and ensuring all customers are paying their current fees obligations before fee increases or service reductions are considered. The projected collection rates are reasonable and assumed to be achieved over time rather than an instant improvement. The City will also prioritize securing grants to defray the costs of maintaining the NSF fleet. As noted above, the City is refocusing its efforts secure grants in general, but will put special focus on the Driving Forward Grant, 902 Grants, and other grants that would benefit the NSF. If revenues do not materialize as projected in 2022 and 2023, the City will evaluate other corrective actions.

## 8.2 Harrisburg Senators Fund

The Harrisburg Senators Fund accounts for the revenues and expenses associated with the payment of debt on the financing of the Harrisburg Senators new stadium. In recent years, the fund has been subsidized by approximately \$240,000 in annual transfers from the City's general operations. When the minor league baseball season was canceled earlier this year due to the COVID pandemic, the City made the entire annual debt service payment of approximately \$650,000 on the Series 2005A-2 Bonds.

If successful in defeasing the Series 2005A-2 Bonds, the City will transfer surpluses from the Senators Fund to the General Fund.



**Harrisburg Senators Fund Forecast  
2020-2024**

	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operations	-	17,857	400,000	400,000	400,000
Transfers	506,780	5,750,000	-	-	-
<b>Total Revenues</b>	<b>506,780</b>	<b>5,767,857</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
Services	-	-	-	-	-
Debt Service	646,552	5,750,000	-	-	-
Transfers to General Fund	-	-	400,000	400,000	400,000
<b>Total Expenditures</b>	<b>646,552</b>	<b>5,750,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
<b>Surplus (Deficit)</b>	<b>(139,772)</b>	<b>17,857</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Fund Balance	178,697	38,925	38,925	38,925	38,925
<b>Ending Fund Balance</b>	<b>\$38,925</b>	<b>\$38,925</b>	<b>\$38,925</b>	<b>\$38,925</b>	<b>\$38,925</b>

### 8.3 Other Non-Major Funds

The City maintains several non-major and special funds that account for financial activity for a variety of purposes. The following tables consolidate the recent and projected financial performance of these funds. Details of each individual non-major fund are included in the Appendix.

**Other Non-Major Funds, Historical Financial Performance (2016-2020)**

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Operating	1,880,637	2,072,103	2,241,083	2,334,008	623,684
Grants/Donations	151,787	150,494	211,447	128,057	95,321
Miscellaneous	14,699	10,346	8,586	2,004,762	17,317
Transfers	2,016,893	1,880,934	4,047,698	6,636,184	5,049,201
Cash Carryover	0	0	0	0	22,095
<b>Revenue</b>	<b>\$4,064,016</b>	<b>\$4,113,877</b>	<b>\$6,508,815</b>	<b>\$11,103,011</b>	<b>5,807,618</b>
Personnel	162,536	167,283	177,379	175,183	151,220
Services	810,585	729,786	733,152	612,584	575,420
Supplies	296,956	139,393	332,195	185,454	339,057
Debt	0	0	0	0	226,355
Capital	2,651,537	960,831	2,396,391	8,097,635	2,804,683
Transfers	976,433	404,920	639,878	1,170,000	0
Other Operating	139,062	10,000	243,980	158,482	81,862
<b>Expense</b>	<b>\$5,037,109</b>	<b>\$2,412,213</b>	<b>\$4,522,975</b>	<b>\$10,399,338</b>	<b>\$4,178,597</b>



**Other Non-Major Funds Forecast**

	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	623,684	880,369	865,496	871,776	878,244
Grants/Donations	95,321	137,500	137,500	337,500	337,500
Miscellaneous	17,317	12,900	12,900	12,900	12,900
Transfers	5,049,201	12,919,213	3,083,500	3,063,500	2,943,500
Cash Carryover	22,095	9,034,337	681,171	465,729	141,700
<b>Revenue</b>	<b>\$5,807,618</b>	<b>\$22,984,319</b>	<b>\$4,780,567</b>	<b>\$4,751,405</b>	<b>\$4,313,844</b>
Personnel	151,220	181,914	181,041	183,759	186,532
Services	575,420	1,210,400	1,075,596	1,076,492	1,077,406
Supplies	339,057	428,400	435,947	435,481	435,138
Debt	226,355	224,112	224,112	224,112	224,112
Capital	2,804,683	20,564,454	2,709,692	2,673,250	1,953,250
Transfers	0	60,000	0	0	0
Other Operating	81,862	285,072	30,000	30,000	30,000
<b>Expense</b>	<b>\$4,178,597</b>	<b>\$22,954,352</b>	<b>\$4,656,389</b>	<b>\$4,623,094</b>	<b>\$3,906,438</b>



## Appendix A

### Baseline Financial Forecast by Department

The 2021 Projection in the tables below refers to the Amended 2021 Budget and the anticipated Series 2005A-2 defeasance and forbearance financing that is included in this plan.

Office of City Council	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	303,035	302,026	310,356	316,563	322,894	329,352
Services	114,200	25,976	114,200	116,484	118,814	121,190
Supplies	11,000	2,509	11,000	11,220	11,444	11,673
Debt	0	0	0	0	0	0
Capital	3,400	0	3,400	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>431,635</b>	<b>330,511</b>	<b>438,956</b>	<b>444,267</b>	<b>453,152</b>	<b>462,216</b>

Office of Mayor	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	242,213	209,013	244,689	249,583	254,574	259,666
Services	17,480	6,659	28,080	28,642	29,214	29,799
Supplies	14,187	4,772	14,187	14,471	14,760	15,055
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>273,880</b>	<b>220,444</b>	<b>286,956</b>	<b>292,695</b>	<b>298,549</b>	<b>304,520</b>

Office of City Controller	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	154,190	153,373	156,832	159,969	163,168	166,431
Services	10,500	40	10,500	10,710	10,924	11,143
Supplies	9,200	703	9,200	9,384	9,572	9,763
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>173,890</b>	<b>154,116</b>	<b>176,532</b>	<b>180,063</b>	<b>183,664</b>	<b>187,337</b>



Office of City Treasurer	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	357,216	329,499	376,283	383,809	391,485	399,315
Services	62,700	36,832	62,700	63,954	65,233	66,538
Supplies	11,000	1,228	84,000	4,080	4,162	4,245
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>430,916</b>	<b>367,559</b>	<b>522,983</b>	<b>451,843</b>	<b>460,880</b>	<b>470,097</b>

Office of City Solicitor	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	490,240	336,908	582,108	593,750	605,625	617,738
Services	233,277	170,427	328,066	237,942	242,701	247,555
Supplies	41,065	25,576	45,483	44,436	45,325	46,232
Debt	0	0	0	0	0	0
Capital	0	11,099	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>764,582</b>	<b>544,010</b>	<b>955,657</b>	<b>876,129</b>	<b>893,651</b>	<b>911,524</b>

Office of Business Administrator	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	258,361	245,503	193,771	197,646	201,599	205,631
Services	70,525	61,859	114,400	116,688	119,022	121,402
Supplies	5,568	4,757	5,168	5,271	5,377	5,484
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>334,454</b>	<b>312,119</b>	<b>313,339</b>	<b>319,606</b>	<b>325,998</b>	<b>332,518</b>

Department of Finance	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	458,021	356,863	473,184	482,648	492,301	502,147
Services	268,730	167,026	310,656	282,361	288,008	293,769
Supplies	12,100	2,382	12,100	12,342	12,589	12,841
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>738,851</b>	<b>526,272</b>	<b>795,940</b>	<b>777,351</b>	<b>792,898</b>	<b>808,756</b>



Grants Bureau	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	69,973	69,616	71,372	72,799	74,255	75,741
Services	4,000	0	4,000	4,080	4,162	4,245
Supplies	500	0	500	510	520	531
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>74,473</b>	<b>69,616</b>	<b>75,872</b>	<b>77,389</b>	<b>78,937</b>	<b>80,516</b>

Bureau of Communication	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	201,985	185,255	253,400	258,468	263,637	268,910
Services	29,800	10,650	44,915	45,813	46,730	47,664
Supplies	14,500	11,310	14,500	14,790	15,086	15,388
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>246,285</b>	<b>207,216</b>	<b>312,815</b>	<b>319,071</b>	<b>325,453</b>	<b>331,962</b>

Office of Social Equity/Affirmative Action	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	67,745	8,681	64,590	65,882	67,199	68,543
Services	0	0	8,920	9,098	9,280	9,466
Supplies	0	0	1,600	1,632	1,665	1,698
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>67,745</b>	<b>8,681</b>	<b>75,110</b>	<b>76,612</b>	<b>78,144</b>	<b>79,707</b>

Bureau of Information Technology	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	487,569	417,263	499,033	509,014	519,194	529,578
Services	582,466	573,848	607,830	481,649	491,282	501,108
Supplies	291,155	217,356	279,810	270,198	275,602	281,114
Debt	0	0	0	0	0	0
Capital	750,188	189,199	945,907	387,000	112,000	300,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>2,111,378</b>	<b>1,397,666</b>	<b>2,332,580</b>	<b>1,647,861</b>	<b>1,398,078</b>	<b>1,611,800</b>



Bureau of Human Resources	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	376,554	330,822	396,322	404,248	412,333	420,580
Services	74,645	58,012	113,568	93,866	95,743	97,658
Supplies	2,200	929	2,000	2,040	2,081	2,122
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>453,399</b>	<b>389,763</b>	<b>511,890</b>	<b>500,154</b>	<b>510,157</b>	<b>520,360</b>

Bureau of Licensing, Taxation and Central Support	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	339,129	309,668	405,991	414,111	422,393	430,841
Services	280,295	224,899	330,395	337,003	343,743	350,618
Supplies	58,172	46,014	63,172	64,436	65,725	67,039
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>677,597</b>	<b>580,581</b>	<b>799,559</b>	<b>815,550</b>	<b>831,861</b>	<b>848,498</b>

General Expenses	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	897,419	911,174	920,491	938,901	957,679	976,833
Medical	10,893,750	9,387,608	9,763,864	10,252,057	10,764,660	11,302,893
Services	1,949,754	2,122,331	2,151,982	2,150,089	2,185,091	2,220,793
Supplies	25,500	100	40,540	26,010	26,530	27,061
Debt	0	211	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	501,802	572,954	610,518	617,892	625,414	633,087
<b>Total Expenses</b>	<b>14,268,225</b>	<b>12,994,378</b>	<b>13,487,395</b>	<b>13,984,950</b>	<b>14,559,375</b>	<b>15,160,666</b>

Transfers to Other Funds	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	0	0	0	0	0	0
Services	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Debt	15,056,747	10,541,494	10,074,791	11,885,553	5,204,085	4,911,630
Capital	1,685,000	324,432	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	500,000	0	0	0	0
<b>Total Expenses</b>	<b>16,741,747</b>	<b>11,365,926</b>	<b>10,074,791</b>	<b>11,885,553</b>	<b>5,204,085</b>	<b>4,911,630</b>

\* Transfers to Senators Fund to pay debt service on the Series 2005-A2 Bonds are reflected as Debt Service for the purposes of this five-year plan





Bureau of Planning	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	239,430	146,960	250,230	255,235	260,339	265,546
Services	100,000	69,183	87,797	88,740	90,515	92,325
Supplies	2,500	3,231	5,500	5,610	5,722	5,837
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>341,930</b>	<b>220,171</b>	<b>342,730</b>	<b>349,585</b>	<b>356,576</b>	<b>363,708</b>

Bureau of Codes	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	916,987	782,886	942,798	961,654	980,887	1,000,505
Services	29,250	10,793	29,250	29,835	30,432	31,040
Supplies	19,200	9,794	19,700	20,094	20,496	20,906
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>965,437</b>	<b>803,473</b>	<b>991,748</b>	<b>1,011,583</b>	<b>1,031,815</b>	<b>1,052,451</b>

Bureau of Business & Resource Development	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	57,636	55,705	159,298	162,484	165,734	169,048
Services	5,525	1,906	8,475	8,645	8,817	8,994
Supplies	300	0	1,500	1,530	1,561	1,592
Debt	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	200,000	0	0	0
<b>Total Expenses</b>	<b>63,461</b>	<b>57,611</b>	<b>369,273</b>	<b>172,658</b>	<b>176,112</b>	<b>179,634</b>

Bureau of Police	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	17,770,397	16,534,021	19,185,823	19,636,104	20,050,769	20,327,951
Services	956,283	596,728	1,141,620	894,131	911,513	929,244
Supplies	429,608	210,568	623,871	554,940	565,139	575,542
Debt	0	0	0	0	0	0
Capital	556,000	266,032	864,000	260,000	260,000	260,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	20,000	20,400	20,808	21,224
<b>Total Expenses</b>	<b>19,712,287</b>	<b>17,607,350</b>	<b>21,835,314</b>	<b>21,365,575</b>	<b>21,808,230</b>	<b>22,113,960</b>



Bureau of Fire	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	7,842,925	8,049,587	8,575,236	8,746,740	8,921,675	9,100,109
Services	373,100	378,024	382,042	380,052	387,653	395,406
Supplies	264,565	170,534	308,451	277,506	283,056	288,718
Debt	0	0	0	0	0	0
Capital	233,000	242,492	1,377,310	350,000	700,000	400,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>8,713,590</b>	<b>8,840,636</b>	<b>10,643,038</b>	<b>9,754,299</b>	<b>10,292,384</b>	<b>10,184,232</b>

Office of Traffic and Engineering	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	791,133	707,504	854,732	871,827	889,263	907,048
Services	655,470	582,364	776,296	659,756	672,952	686,411
Supplies	358,300	295,188	425,793	197,008	200,948	204,967
Debt	0	0	0	0	0	0
Capital	9,830	13,946	72,830	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>1,814,733</b>	<b>1,599,002</b>	<b>2,129,651</b>	<b>1,728,591</b>	<b>1,763,163</b>	<b>1,798,426</b>

Bureau of Vehicle Management	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	423,645	352,718	504,983	515,083	525,384	535,892
Services	484,256	277,742	487,357	400,361	408,368	416,536
Supplies	1,059,375	780,801	1,424,028	1,179,503	1,203,093	1,227,154
Debt	0	0	0	0	0	0
Capital	482,000	221,805	708,515	620,000	525,000	500,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>2,449,276</b>	<b>1,633,066</b>	<b>3,124,883</b>	<b>2,714,946</b>	<b>2,661,845</b>	<b>2,679,582</b>

Bureau of Parks, Recreation, & Facilities	Budget 2020	Actual 2020	Projection 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	1,007,217	662,781	1,142,458	1,165,307	1,188,613	1,212,386
Services	479,473	210,219	675,084	407,502	415,652	423,965
Supplies	328,206	257,936	371,361	336,690	341,424	346,252
Debt	0	0	0	0	0	0
Capital	652,153	128,264	1,968,661	0	0	17,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
<b>Total Expenses</b>	<b>2,467,049</b>	<b>1,259,200</b>	<b>4,157,564</b>	<b>1,909,499</b>	<b>1,945,689</b>	<b>1,999,603</b>



## Appendix B

### Financial History and Forecast – Non-Major/Special Revenue Funds

The City maintains several non-major and special funds that account for financial activity for a variety of purposes. The following are projections for those funds. The 2020 actual results reflect bottom-line revenues and expenses. Allocations between revenue and expense categories are likely to change. 2021 Projection reflects the January 2021 budget amendment and roll over expenses.

**Capital Project Fund**– This fund accounts for revenues and expenses connected with the City’s capital projects.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	1,133,063	1,212,427	1,263,669	1,466,200	0	0	0	0	0
Grants/Donations	0	0	2,380,532	0	0	0	0	200,000	200,000
Miscellaneous	0	0	0	2,000,000	0	0	0	0	0
Transfers	633,616	500,000	200,000	5,194,833	3,538,865	11,590,530	1,617,000	1,597,000	1,477,000
Cash Carryover	0	0	0	0	0	5,155,531	323,372	150,000	0
<b>Revenue</b>	<b>1,766,680</b>	<b>1,712,427</b>	<b>3,844,201</b>	<b>8,661,033</b>	<b>3,538,865</b>	<b>16,746,061</b>	<b>1,940,372</b>	<b>1,947,000</b>	<b>1,677,000</b>
Capital	2,427,061	223,543	2,017,866	7,884,745	2,460,649	16,746,061	1,940,372	1,947,000	1,527,000
Transfers	965,000	250,000	527,784	1,150,000	0	0	0	0	0
<b>Expense</b>	<b>3,392,061</b>	<b>473,543</b>	<b>2,545,650</b>	<b>9,034,745</b>	<b>2,460,649</b>	<b>16,746,061</b>	<b>1,940,372</b>	<b>1,947,000</b>	<b>1,527,000</b>
<b>Surplus/(Deficit)</b>	<b>(\$1,625,382)</b>	<b>\$1,238,884</b>	<b>\$1,298,551</b>	<b>(\$373,711)</b>	<b>\$1,078,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>
<b>Cash Balance BOY</b>	<b>\$2,712,161</b>	<b>\$1,086,779</b>	<b>\$2,325,663</b>	<b>\$3,624,214</b>	<b>\$4,716,501</b>	<b>\$5,794,717</b>	<b>\$639,186</b>	<b>\$315,814</b>	<b>\$165,814</b>
<b>Cash Balance EOY</b>	<b>\$1,086,779</b>	<b>\$2,325,663</b>	<b>\$3,624,214</b>	<b>\$4,633,357</b>	<b>\$5,794,717</b>	<b>\$639,186</b>	<b>\$315,814</b>	<b>\$165,814</b>	<b>\$315,814</b>



**State Liquid Fuels Fund** – Funded by an annual Commonwealth of Pennsylvania State Liquid Fuels Tax allocation. The fund is used to account for state aid revenue expended primarily for streets and traffic lighting, traffic controls, and maintaining City road and bridges in accordance with policies and procedures of the County Liquid Fuels Tax Act of 1931 and the Liquid Fuels Tax Act 655 of 1956 of the Commonwealth of Pennsylvania.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	1,271,580	1,342,534	1,430,015	70,656	30,100	10,427	5,000	5,000	5,000
Transfers	0	0	0	1,421,351	1,392,284	1,247,183	1,425,000	1,425,000	1,425,000
Cash Carryover	0	0	0	0	0	2,946,453	218,099	175,029	0
<b>Revenue</b>	<b>1,271,580</b>	<b>1,342,534</b>	<b>1,430,015</b>	<b>1,492,007</b>	<b>1,422,384</b>	<b>4,204,063</b>	<b>1,648,099</b>	<b>1,605,029</b>	<b>1,430,000</b>
Personnel	0	0	0	0	0	0	0	0	0
Services	560,743	338,398	288,690	265,283	361,100	423,300	413,198	413,198	413,198
Supplies	210,359	63,496	209,869	135,170	317,246	255,000	267,719	267,719	267,719
Debt	0	0	0	0	226,355	224,112	224,112	224,112	224,112
Capital	175,066	602,410	314,346	162,273	323,024	3,301,651	743,070	700,000	400,000
<b>Expense</b>	<b>946,168</b>	<b>1,004,304</b>	<b>812,905</b>	<b>562,726</b>	<b>1,227,724</b>	<b>4,204,063</b>	<b>1,648,099</b>	<b>1,605,029</b>	<b>1,305,029</b>
<b>Surplus/(Deficit)</b>	<b>\$325,412</b>	<b>\$338,229</b>	<b>\$617,110</b>	<b>\$929,281</b>	<b>\$194,660</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$124,971</b>
<b>Cash Balance BOY</b>	<b>\$943,774</b>	<b>\$1,269,186</b>	<b>\$1,607,415</b>	<b>\$2,224,525</b>	<b>\$3,156,936</b>	<b>\$3,351,595</b>	<b>\$405,143</b>	<b>\$187,044</b>	<b>\$12,015</b>
<b>Cash Balance EOY</b>	<b>\$1,269,186</b>	<b>\$1,607,415</b>	<b>\$2,224,525</b>	<b>\$3,156,936</b>	<b>\$3,351,595</b>	<b>\$405,143</b>	<b>\$187,044</b>	<b>\$12,015</b>	<b>\$136,986</b>



**Host Municipal Fund** – Funded by quarterly amounts of host municipality benefit fees received from the THA for waste tonnage received and disposed at the Harrisburg Resource Recovery Facility. Proceeds made available as a funding source for critical environmental projects.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	315,137	325,603	328,701	354,281	350,854	364,142	344,696	350,976	357,444
Miscellaneous	2,674	2,178	3,223	3,347	0	3,400	3,400	3,400	3,400
Transfers	0	0	0	0	0	40,000	0	0	0
Cash Carryover	0	0	0	0	0	196,581	0	0	0
<b>Revenue</b>	<b>317,811</b>	<b>327,781</b>	<b>331,924</b>	<b>357,628</b>	<b>350,854</b>	<b>604,122</b>	<b>348,096</b>	<b>354,376</b>	<b>360,844</b>
Personnel	118,132	101,378	128,402	136,910	131,594	133,245	135,910	138,628	141,401
Services	1,608	29,605	77,609	58,620	52,144	129,000	95,350	95,350	95,350
Supplies	18,010	3,838	11,813	21,562	10,117	10,000	18,750	18,750	18,750
Capital	0	112,000	0	0	0	71,209	0	0	0
Transfers	7,347	0	0	0	0	40,000	0	0	0
Other Operating	139,062	10,000	243,980	158,482	73,924	211,901	30,000	30,000	30,000
<b>Expense</b>	<b>284,159</b>	<b>256,821</b>	<b>461,804</b>	<b>375,575</b>	<b>267,779</b>	<b>595,355</b>	<b>280,010</b>	<b>282,728</b>	<b>285,501</b>
<b>Surplus/(Deficit)</b>	<b>\$33,652</b>	<b>\$70,961</b>	<b>(\$129,880)</b>	<b>(\$17,947)</b>	<b>\$83,075</b>	<b>\$8,767</b>	<b>\$68,086</b>	<b>\$71,648</b>	<b>\$75,344</b>
<b>Cash Balance BOY</b>	<b>\$455,589</b>	<b>\$489,241</b>	<b>\$560,202</b>	<b>\$430,322</b>	<b>\$412,375</b>	<b>\$495,450</b>	<b>\$307,637</b>	<b>\$375,723</b>	<b>\$447,371</b>
<b>Cash Balance EOY</b>	<b>\$489,241</b>	<b>\$560,202</b>	<b>\$430,322</b>	<b>\$412,375</b>	<b>\$495,450</b>	<b>\$307,637</b>	<b>\$375,723</b>	<b>\$447,371</b>	<b>\$522,715</b>



**Neighborhood Mitigation (Special Revenue Fund)** – Accounts for fee revenues and expenses related to the City as they pertain to enforcement of ordinances regulating blight and local health, housing and safety codes and regulations.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Projection	Forecast	Forecast	Forecast
Operating	57,844	75,135	87,727	68,825	63,848	48,000	48,000	48,000	48,000
Miscellaneous	608	0	0	0	0	0	0	0	0
Transfers	0	0	4,000	0	0	0	0	0	0
Cash Carryover	0	0	0	0	0	144,546	17,000	18,000	19,000
<b>Revenue</b>	<b>58,453</b>	<b>75,135</b>	<b>91,727</b>	<b>68,825</b>	<b>63,848</b>	<b>192,546</b>	<b>65,000</b>	<b>66,000</b>	<b>67,000</b>
Personnel					5,583	12,569	0	0	0
Services	10,435	17,950	18,771	50,669	25,319	118,000	44,807	45,704	46,618
Supplies	5,618	5,820	5,138	1,933	0	38,000	19,369	19,757	20,152
Other Operating	0	0	0	0	0	23,977	0	0	0
<b>Expense</b>	<b>16,053</b>	<b>23,770</b>	<b>23,910</b>	<b>52,602</b>	<b>30,903</b>	<b>192,546</b>	<b>64,177</b>	<b>65,460</b>	<b>66,770</b>
<b>Surplus/(Deficit)</b>	<b>\$42,399</b>	<b>\$51,365</b>	<b>\$67,818</b>	<b>\$16,223</b>	<b>\$32,945</b>	<b>\$0</b>	<b>\$823</b>	<b>\$540</b>	<b>\$230</b>
<b>Cash Balance BOY</b>	<b>\$163,772</b>	<b>\$206,171</b>	<b>\$257,537</b>	<b>\$325,354</b>	<b>\$341,577</b>	<b>\$374,522</b>	<b>\$229,976</b>	<b>\$213,799</b>	<b>\$196,339</b>
<b>Cash Balance EOY</b>	<b>\$206,171</b>	<b>\$257,537</b>	<b>\$325,354</b>	<b>\$341,577</b>	<b>\$374,522</b>	<b>\$229,976</b>	<b>\$213,799</b>	<b>\$196,339</b>	<b>\$177,569</b>



**Public Works (Special Revenue Fund)** - Repository for funds generated from contributions from citizens interested in supporting the functions of the Department and revenue from the sale of recyclable materials collected by the Department. The fund is used for maintaining and supporting the various endeavors of the Department of Public Works.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Projection	Forecast	Forecast	Forecast
Operating	3,873	70,803	64,834	19,428	13,655	21,300	21,300	21,300	21,300
Grants/Donations	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Cash Carryover	0	0	0	0	0	0	0	0	0
<b>Revenue</b>	<b>3,873</b>	<b>70,803</b>	<b>64,834</b>	<b>19,428</b>	<b>13,655</b>	<b>21,300</b>	<b>21,300</b>	<b>21,300</b>	<b>21,300</b>
Services	0	0	5,250	5,250	0	1,000	1,000	1,000	1,000
Supplies	0	0	38,420	0	5,250	19,000	19,000	19,000	19,000
<b>Expense</b>	<b>0</b>	<b>0</b>	<b>43,670</b>	<b>5,250</b>	<b>5,250</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Surplus/(Deficit)</b>	<b>\$3,873</b>	<b>\$70,803</b>	<b>\$21,164</b>	<b>\$14,178</b>	<b>\$8,405</b>	<b>\$1,300</b>	<b>\$1,300</b>	<b>\$1,300</b>	<b>\$1,300</b>
<b>Cash Balance BOY</b>	<b>\$27,753</b>	<b>\$31,625</b>	<b>\$102,428</b>	<b>\$123,592</b>	<b>\$137,770</b>	<b>\$146,175</b>	<b>\$147,475</b>	<b>\$148,775</b>	<b>\$150,075</b>
<b>Cash Balance EOY</b>	<b>\$31,625</b>	<b>\$102,428</b>	<b>\$123,592</b>	<b>\$137,770</b>	<b>\$146,175</b>	<b>\$147,475</b>	<b>\$148,775</b>	<b>\$150,075</b>	<b>\$151,375</b>





**Fire (Special Revenue Fund)** – Accounts for revenues and expenses supporting Fire department activities.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Projection	Forecast	Forecast	Forecast
Operating	83,933	92,385	15,350	21,345	10,470	10,300	10,300	10,300	10,300
Grants/Donations	100	17,273	109,304	6,710	3,400	2,500	2,500	2,500	2,500
Miscellaneous					15,992	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Cash Carryover	0	0	0	0	0	232,733	10,500	10,500	10,500
<b>Revenue</b>	<b>84,033</b>	<b>109,658</b>	<b>124,654</b>	<b>28,055</b>	<b>29,862</b>	<b>245,533</b>	<b>23,300</b>	<b>23,300</b>	<b>23,300</b>
Services	52,622	63,560	68,787	3,249	5,122	0	0	0	0
Supplies	6,063	665	19,996	0	0	21,000	19,004	18,150	17,412
Capital	0	0	5,100	11,058	0	224,533	0	0	0
<b>Expense</b>	<b>58,685</b>	<b>64,225</b>	<b>93,883</b>	<b>14,308</b>	<b>5,122</b>	<b>245,533</b>	<b>19,004</b>	<b>18,150</b>	<b>17,412</b>
<b>Surplus/(Deficit)</b>	<b>\$25,349</b>	<b>\$45,433</b>	<b>\$30,771</b>	<b>\$13,747</b>	<b>\$24,750</b>	<b>\$0</b>	<b>\$4,297</b>	<b>\$5,150</b>	<b>\$5,888</b>
<b>Cash Balance BOY</b>	<b>\$131,075</b>	<b>\$156,423</b>	<b>\$201,857</b>	<b>\$232,628</b>	<b>\$246,375</b>	<b>\$271,124</b>	<b>\$38,391</b>	<b>\$32,188</b>	<b>\$26,838</b>
<b>Cash Balance EOY</b>	<b>\$156,423</b>	<b>\$201,857</b>	<b>\$232,628</b>	<b>\$246,375</b>	<b>\$271,124</b>	<b>\$38,391</b>	<b>\$32,188</b>	<b>\$26,838</b>	<b>\$22,227</b>



**Police (Special Revenue Fund)** - Accounts for revenues and expenses supporting Police department activities.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	112,346	90,327	148,951	115,778	97,525	79,000	89,000	89,000	89,000
Grants/Donations	116,779	1,000	2,420	5,750	1,035	0	0	0	0
Miscellaneous	1,917	457	1,215	640	1,225	0	0	0	0
Transfers	0	0	0	0	108,204	0	0	0	0
Cash Carryover	0	0	0	0	0	130,300	80,300	80,300	80,300
<b>Revenue</b>	<b>231,042</b>	<b>91,784</b>	<b>152,586</b>	<b>122,168</b>	<b>207,989</b>	<b>209,300</b>	<b>169,300</b>	<b>169,300</b>	<b>169,300</b>
Personnel	908	13,267	0	0	0	0	0	0	0
Services	19,176	70,530	47,520	68,385	42,970	102,400	105,000	105,000	105,000
Supplies	31,464	11,745	0	1,851	0	28,900	48,900	48,900	48,900
Capital	0	0	47,827	39,559	0	34,000	0	0	0
Transfers	4,086	100,283	69,594	0	0	40,000	0	0	0
<b>Expense</b>	<b>55,635</b>	<b>195,824</b>	<b>164,941</b>	<b>109,795</b>	<b>42,970</b>	<b>205,300</b>	<b>153,900</b>	<b>153,900</b>	<b>153,900</b>
<b>Surplus/(Deficit)</b>	<b>\$175,407</b>	<b>(\$104,040)</b>	<b>(\$12,355)</b>	<b>\$12,373</b>	<b>\$165,019</b>	<b>\$4,000</b>	<b>\$15,400</b>	<b>\$15,400</b>	<b>\$15,400</b>
<b>Cash Balance BOY</b>	<b>\$341,241</b>	<b>\$516,648</b>	<b>\$412,608</b>	<b>\$400,253</b>	<b>\$412,626</b>	<b>\$577,645</b>	<b>\$451,345</b>	<b>\$386,445</b>	<b>\$321,545</b>
<b>Cash Balance EOY</b>	<b>\$516,648</b>	<b>\$412,608</b>	<b>\$400,253</b>	<b>\$412,626</b>	<b>\$577,645</b>	<b>\$451,345</b>	<b>\$386,445</b>	<b>\$321,545</b>	<b>\$256,645</b>



**WHBG (Special Revenue Fund)** – Accounts for financial activity related to the City’s government access cable television channel, station facilities and programming management.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	0	98	479	736	1,042	0	0	0	0
Miscellaneous	9,500	7,500	4,050	775	0	9,500	9,500	9,500	9,500
Cash Carryover	0	0	0	0	0	0	0	0	0
<b>Revenue</b>	<b>9,500</b>	<b>7,598</b>	<b>4,529</b>	<b>1,511</b>	<b>1,042</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>
Services	0	0	0	0	0	3,000	3,000	3,000	3,000
Supplies	0	0	0	0	0	2,000	2,000	2,000	2,000
Capital	0	0	0	0	21,010	0	0	0	0
<b>Expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,010</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Surplus/(Deficit)</b>	<b>\$9,500</b>	<b>\$7,598</b>	<b>\$4,529</b>	<b>\$1,511</b>	<b>\$(19,968)</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>
<b>Cash Balance BOY</b>	<b>\$10,636</b>	<b>\$20,136</b>	<b>\$27,734</b>	<b>\$32,263</b>	<b>\$33,774</b>	<b>\$13,806</b>	<b>\$18,306</b>	<b>\$22,806</b>	<b>\$27,306</b>
<b>Cash Balance EOY</b>	<b>\$20,136</b>	<b>\$27,734</b>	<b>\$32,263</b>	<b>\$33,774</b>	<b>\$13,806</b>	<b>\$18,306</b>	<b>\$22,806</b>	<b>\$27,306</b>	<b>\$31,806</b>



**Events (Special Revenue Fund)** – Accounts for all revenue raised in support of the City’s events, including the July 4<sup>th</sup> Celebration, Kipona, the Holiday Parade, and New Year’s Eve. This fund also accounts for related expenses and is overseen by the Director of Business Development and the Events and Marketing Manager.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	0	61,478	117,679	75,860	13,974	230,200	230,200	230,200	230,200
Grants/Donations	0	52,221	28,400	52,850	40,736	71,000	71,000	71,000	71,000
Miscellaneous	0	56	98	0	0	0	0	0	0
Transfers	0	54,637	50,000	20,000	6,712	20,000	20,000	20,000	20,000
Cash Carryover	0	0	0	0	22,095	3,000	900	900	900
<b>Revenue</b>	<b>0</b>	<b>168,391</b>	<b>196,177</b>	<b>148,710</b>	<b>83,517</b>	<b>324,200</b>	<b>322,100</b>	<b>322,100</b>	<b>322,100</b>
Personnel	0	2,996	2,784	0	0	0	0	0	0
Services	0	113,049	159,114	115,971	62,598	321,000	321,000	321,000	321,000
Supplies	0	834	259	20	0	1,100	1,100	1,100	1,100
<b>Expense</b>	<b>0</b>	<b>116,879</b>	<b>162,157</b>	<b>115,991</b>	<b>62,598</b>	<b>322,100</b>	<b>322,100</b>	<b>322,100</b>	<b>322,100</b>
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$51,512</b>	<b>\$34,020</b>	<b>\$32,720</b>	<b>\$20,919</b>	<b>\$2,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Balance BOY</b>	<b>\$0</b>	<b>\$51,512</b>	<b>\$85,532</b>	<b>\$118,252</b>	<b>\$118,252</b>	<b>\$117,076</b>	<b>\$116,176</b>	<b>\$115,276</b>	<b>\$114,376</b>
<b>Cash Balance EOY</b>	<b>\$51,512</b>	<b>\$85,532</b>	<b>\$118,252</b>	<b>\$104,676</b>	<b>\$117,076</b>	<b>\$116,176</b>	<b>\$115,276</b>	<b>\$114,376</b>	<b>\$113,476</b>



**Parks and Recreation (Special Revenue Fund)** - Accounts for revenues and expenses supporting the maintenance and betterment of the City's Parks and Recreation bureau, activities, and programming.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Projection	Forecast	Forecast	Forecast
Operating	170,294	127,611	174,344	140,899	42,217	117,000	117,000	117,000	117,000
Grants/Donations	150,750	80,000	71,323	62,747	50,150	64,000	64,000	64,000	64,000
Miscellaneous	0	155	0	0	100	0	0	0	0
Transfers	0	0	22,500	0	3,136	21,500	21,500	21,500	21,500
Cash Carryover	0	0	0	0	0	225,194	31,000	31,000	31,000
<b>Revenue</b>	<b>321,044</b>	<b>207,765</b>	<b>268,168</b>	<b>203,646</b>	<b>95,603</b>	<b>427,694</b>	<b>233,500</b>	<b>233,500</b>	<b>233,500</b>
Personnel	43,496	49,643	46,193	38,272	14,043	36,100	45,131	45,131	45,131
Services	166,001	96,694	67,410	45,156	26,178	112,700	92,241	92,241	92,241
Supplies	25,441	52,996	46,700	24,919	6,444	53,400	40,105	40,105	40,105
Capital	49,410	22,878	11,252	0	0	187,000	26,250	26,250	26,250
Transfers	0	54,637	42,500	20,000	0	20,000	0	0	0
Other Operating					7,938	9,194			
<b>Expense</b>	<b>284,348</b>	<b>276,847</b>	<b>214,055</b>	<b>128,347</b>	<b>54,602</b>	<b>418,394</b>	<b>203,727</b>	<b>203,727</b>	<b>203,727</b>
<b>Surplus/(Deficit)</b>	<b>\$36,697</b>	<b>(\$69,082)</b>	<b>\$54,113</b>	<b>\$75,299</b>	<b>\$41,001</b>	<b>\$9,300</b>	<b>\$29,773</b>	<b>\$29,773</b>	<b>\$29,773</b>
Cash Balance BOY	\$268,384	\$305,081	\$235,999	\$290,112	\$365,411	\$406,412	\$190,518	\$189,291	\$188,064
<b>Cash Balance EOY</b>	<b>\$305,081</b>	<b>\$235,999</b>	<b>\$290,112</b>	<b>\$365,411</b>	<b>\$406,412</b>	<b>\$190,518</b>	<b>\$189,291</b>	<b>\$188,064</b>	<b>\$186,836</b>



## Appendix C

### Unfunded Priority One Capital Improvement Projects

Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	Park Maintenance – Front End Loader	95,000				<b>95,000</b>
Parks/Facilities	Park Maintenance – Ventrac attachments	13,252				<b>13,252</b>
Parks/Facilities	Park Maintenance – Utility Trailer	12,386	15,000	15,000	15,000	<b>57,386</b>
Parks/Facilities	Park Maintenance – Full concrete floor replacement	10,728				<b>10,728</b>
Parks/Facilities	Parks Maintenance Building - Repair Main Electric Line	7,200				<b>7,200</b>
Parks/Facilities	Reservoir Park Brownstone – HVAC repairs and upgrades	23,000				<b>23,000</b>
Parks/Facilities	Park Maintenance Building – Plastic recycling pit	6,000				<b>6,000</b>
Parks/Facilities	Italian Lake/Riverfront Geese Management	30,000	30,000	30,000	30,000	<b>120,000</b>
Parks/Facilities	Additional video surveillance for highly trafficked park areas	9,000				<b>9,000</b>
Parks/Facilities	City Shade Tree Program	100,000	100,000	100,000	100,000	<b>400,000</b>
Parks/Facilities	Italian Lake Dredging	30,000	45,000	45,000	45,000	<b>165,000</b>
Parks/Facilities	Park Maintenance – Skid Steer driven snow blower	9,000				<b>9,000</b>
Parks/Facilities	Public Safety Building - Fire alarm system and smoke detectors	95,000				<b>95,000</b>
Parks/Facilities	Reservoir Park Mansion - New Windows	15,000				<b>15,000</b>
Parks/Facilities	Public Safety Building - Windows	85,000	71,250	71,250		<b>227,500</b>
Parks/Facilities	MLK - Heated Air Curtain	24,000				<b>24,000</b>
Parks/Facilities	Reservoir Park Mansion - Porch masonry, railings and wood		35,000			<b>35,000</b>
Parks/Facilities	Public Safety Building - 1st and 2nd floor flooring		84,000	84,000		<b>168,000</b>
Parks/Facilities	Public Safety Building - Ceiling Tiles		29,829	29,829		<b>59,658</b>
Parks/Facilities	Public Safety Building - Access Control	10,000	25,000	10,000	10,000	<b>55,000</b>
Parks/Facilities	Public Safety Building - Non-Working Valve in Mechanical Room		13,000			<b>13,000</b>
Parks/Facilities	MLK – Repair brick walkway	23,000				<b>23,000</b>
Parks/Facilities	Public Safety Building – Window Coverings	10,000	25,000	25,000		<b>60,000</b>
Parks/Facilities	1820 Paxton St. - Wet Glazing	7,866				<b>7,866</b>

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Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	1820 Paxton St. - Exterior Fencing - VMC	8,000				<b>8,000</b>
Parks/Facilities	1820 Paxton St – Secondary bulk oil distribution system	15,000				<b>15,000</b>
Parks/Facilities	Reservoir Park Brownstone – Replace gutters	15,000				<b>15,000</b>
Parks/Facilities	MLK – Weather Stripping			50,000	50,000	<b>100,000</b>
Parks/Facilities	Reservoir Park Mansion - Garage Roof			21,000		<b>21,000</b>
Parks/Facilities	MLK – Complete Remodel			2,700,000	2,700,000	<b>5,400,000</b>
Parks/Facilities	MLK – Codes carpet replacement	13,250				<b>13,250</b>
Parks/Facilities	Reservoir Park Mansion - Lighting		160,000			<b>160,000</b>
Parks/Facilities	Reservoir Park Mansion – Cameras		9,500			<b>9,500</b>
Parks/Facilities	Public Safety Building – Carbon Monoxide Ventilation		19,000			<b>19,000</b>
Parks/Facilities	Public Safety Building – 1 <sup>st</sup> Floor Roof overhang		25,000			<b>25,000</b>
Parks/Facilities	Public Safety Building – LED Panel Lighting		15,500	15,500		<b>31,000</b>
Parks/Facilities	MLK – Window Coverings		25,908	25,908		<b>51,816</b>
Parks/Facilities	1820 Paxton St – Bathroom remodel		15,000	10,000	15,000	<b>40,000</b>
Parks/Facilities	1820 Paxton St – Access Control		15,000	15,000	15,000	<b>45,000</b>
Parks/Facilities	MLK – HVAC (GESA)		720,000			<b>720,000</b>
Parks/Facilities	City Island - Deck		75,000			<b>75,000</b>
<b>Total</b>		<b>\$666,682</b>	<b>\$1,553,487</b>	<b>\$3,259,487</b>	<b>\$2,995,000</b>	<b>\$8,474,656</b>





### Priority Two Capital Improvement Projects

Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	Park Maintenance – 6100m Motrim			160,000		<b>160,000</b>
Parks/Facilities	Park Maintenance – Small 8yrd sanitation packer		110,000			<b>110,000</b>
Parks/Facilities	Park Maintenance – 1-ton dump with brine system		105,000	105,000		<b>210,000</b>
Parks/Facilities	Park Maintenance – 72” Z turn mowers		37,000			<b>37,000</b>
Parks/Facilities	Park Maintenance – Walk behind mowers		6,000	6,000	6,000	<b>18,000</b>
Parks/Facilities	Park Maintenance Building – Update restrooms in both shops			6,200		<b>6,200</b>
Parks/Facilities	Park Maintenance – Repair flat roof at upper shop				7,000	<b>7,000</b>
Parks/Facilities	Park Maintenance – 8ft slit seeder				9,000	<b>9,000</b>
Parks/Facilities	Park Maintenance – 5-ton dump		155,000	155,000		<b>310,000</b>
Parks/Facilities	Park Maintenance – Backhoe			75,000		<b>75,000</b>
Parks/Facilities	Park Maintenance – Tractor				50,838	<b>50,838</b>
Parks/Facilities	Park Maintenance – Trackless Unit			149,886		<b>149,886</b>
Parks/Facilities	Park Maintenance – 2 bucket trucks				150,000	<b>150,000</b>
Parks/Facilities	Parks Maintenance Building – Rebuild front steps - masonry			115,000		<b>115,000</b>
Parks/Facilities	Public Safety Building - Basement ceiling-garage		30,000			<b>0</b>
Parks/Facilities	Hall Manor Swimming Pool (pool 2) - Epoxy coating		37,000			<b>0</b>
Parks/Facilities	Hall Manor Swimming Pool (pool 1) - Epoxy coating			37,000		<b>37,000</b>
Parks/Facilities	Jackson Lick Swimming Pool (pool 1) - expansion joint		100,000			<b>100,000</b>
Parks/Facilities	Jackson Lick Swimming Pool (pool 1) - new roof		22,000			<b>0</b>
Parks/Facilities	MLK - Non-Working Valves in Mechanical Room (GESA)		13,000			<b>0</b>
Parks/Facilities	Civil War Museum - Rotunda improvement				250,000	<b>250,000</b>
Parks/Facilities	Jackson Lick Swimming Pool (pool 1) – Changing Rooms		250,000			<b>0</b>
Parks/Facilities	1820 Paxton St – Replacement Generator			165,000		<b>165,000</b>
Parks/Facilities	Public Safety Building – Bathroom Upgrades		56,250	56,250	56,250	<b>168,750</b>
Parks/Facilities	Public Safety Building – New elevator cars		241,450			<b>241,450</b>
Parks/Facilities	Reservoir Park Mansion – New roof			43,000		<b>43,000</b>
Parks/Facilities	Strawberry Alley – Bollards			28,000		<b>28,000</b>
Parks/Facilities	Public Safety Building – Expansion tank			6,500		<b>6,500</b>

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Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	Stadium Lights		945,000			<b>945,000</b>
Parks/Facilities	Radnor Basketball Court			470,000		<b>470,000</b>
Parks/Facilities	Shipoke Playground		90,000			<b>90,000</b>
Parks/Facilities	Mansion and Brownstone		100,000			<b>100,000</b>
Parks/Facilities	Radnor Ballfield and Bleachers			350,000		<b>350,000</b>
Parks/Facilities	Hall Manor Pool – Spray park renovations			2,100,000		<b>2,100,000</b>
Parks/Facilities	Pleasantview Park				45,000	<b>45,000</b>
Parks/Facilities	City wide water fountains			250,000		<b>250,000</b>
Parks/Facilities	Riverfront Park – Electric		350,000			<b>350,000</b>
Parks/Facilities	City Island (Consultant)			100,000		<b>100,000</b>
Parks/Facilities	Morrison Park (Consultant)		65,000			<b>65,000</b>
Parks/Facilities	Argyle Park			25,000		<b>25,000</b>
Parks/Facilities	Reservoir Park – Phase 4 & 5 of Master plan				1,700,000	<b>1,700,000</b>
Parks/Facilities	City Island design – Phase 16				500,000	<b>500,000</b>
Parks/Facilities	14 <sup>th</sup> & Shoop (fencing) and Braxton			150,000		<b>150,000</b>
Parks/Facilities	City Island (Skyline field & Press Box area)				5,100,000	<b>5,100,000</b>
Parks/Facilities	Morrison Park renovation project				800,000	<b>800,000</b>
Parks/Facilities	Penn & Dauphin equipment and fencing				400,000	<b>400,000</b>
Parks/Facilities	4 <sup>th</sup> & Dauphin playground	285,000				<b>285,000</b>
Parks/Facilities	Reservoir Park Chutes & Ladders	250,000		800,000		<b>1,050,000</b>
Parks/Facilities	Wilson Park (Consultant)	50,000				<b>50,000</b>
Parks/Facilities	Park Amenities (P&R)	30,000				<b>30,000</b>
Parks/Facilities	Radnor (Consultant)	30,000				<b>30,000</b>
Parks/Facilities	Small Projects	27,500				<b>27,500</b>
Parks/Facilities	Reservoir Park – Phasing		960,000			<b>960,000</b>
Parks/Facilities	Wilson Park Renovations		475,000			<b>475,000</b>
Parks/Facilities	City Island/Riverfront (Consultant)		30,000			<b>30,000</b>
Parks/Facilities	Public Safety Bldg. – Janitor Closets		10,000	10,000		<b>20,000</b>
Parks/Facilities	MLK – Janitor Closets			10,000	10,000	<b>20,000</b>

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Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	Hall Manor Pool (pool 2) – Update changing rooms/bathrooms			250,000		<b>250,000</b>
Parks/Facilities	Reservoir Park Brownstone – Replace roof			67,000		<b>67,000</b>
Parks/Facilities	Reservoir Park Brownstone – Exterior paint			6,700		<b>6,700</b>
Parks/Facilities	Hall Manor Pool (pool 2) – Lights and Cameras				47,000	<b>47,000</b>
Parks/Facilities	City Island Bathhouse – New roof					<b>0</b>
Parks/Facilities	MLK Building – Exterior brick pavers and lighted bollards			66,000		<b>66,000</b>
Parks/Facilities	1820 Paxton St – Replace roof at VMC				500,000	<b>500,000</b>
Parks/Facilities	MLK – Elevator mechanical modernization				160,000	<b>160,000</b>
Parks/Facilities	MLK – Replace switchgear				350,000	<b>350,000</b>
Parks/Facilities	Public Safety Building – Hot water storage tank				20,000	<b>20,000</b>
Parks/Facilities	Public Safety Building – Replace switchgear				200,000	<b>200,000</b>
Parks/Facilities	Reservoir Park Brownstone– Bathroom remodel				5,725	<b>5,725</b>
Parks/Facilities	Broad Street Market – Replace roof				325,000	<b>325,000</b>
Parks/Facilities	1820 Paxton St – Building Automation System				27,000	<b>27,000</b>
Parks/Facilities	Reservoir Park Mansion – Exterior paint				34,000	<b>34,000</b>
<b>Total</b>		<b>\$ 672,500</b>	<b>\$ 3,835,700</b>	<b>\$ 5,762,536</b>	<b>\$ 10,752,813</b>	<b>\$ 21,023,549</b>