

City of Harrisburg
Dauphin County, Pennsylvania



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 impact of which are reaching all levels of government. The COVID-19 global pandemic resulted in a virtual shutdown of all economic activity for weeks earlier this year 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, Local Services taxes, and Mercantile Business taxes, are tracking well below budgeted levels. Parking related revenues are projected to finish 2020 \$2.8 million under budget and Hotel Tax revenues are projected to be more than \$600,000 under budget. Though these declines were partially offset with \$2.8 million in federal CARES Act reimbursement for COVID-related expenses, overall, the City projects \$63.9 million in total 2020 General Fund revenues, \$2.0 million 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 an 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 related fiscal challenges. The City has built a very strong fund balance that provides a safety net for unanticipated budget shortfalls like the one it currently faces. Moreover, the City has taken steps to solidify its fiscal position by implementing expense reduction initiatives, including imposing furloughs and instituting a hiring freeze. In addition, medical insurance expenses are much lower than anticipated as doctors and hospital visits declined during periods of 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 long-term structural budgetary balance. Harrisburg can point to key accomplishments and new planned initiatives since the adoption of the 2019 five-year plan that support operational efficiency and fiscal stability.

Extension of Special Taxing Powers

In November of 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. In 2020, these special taxing powers generated approximately \$12.4 million (\$8.2 million in EIT and \$4.2 million in LST). These taxing powers were set to expire in 2024, which would have resulted in a fiscal cliff that might have required draconian budget cuts that will now be avoided.



The fiscal code amendment will allow Harrisburg to retain its existing EIT taxing power indefinitely and its existing LST taxing power for 10 years. After the 10-year period, the City will retain 50% of the special LST taxing power for another five years. These extensions run through the remainder of the City's primary existing debt obligations.

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 1997 D and F General Obligation Bond forbearance liability and the Harrisburg Redevelopment Authority Series 2005A-2 Bonds, which are guaranteed by the City. The agreement requires the City to defease the Series 2005 A-2 Bonds in exchange for a material reduction in the forbearance liability related to the Series 1997 D and 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. The agreement will result in over \$3.6 million of present value savings and provide immediate annual debt service relief. The agreement also lays the groundwork to refinance debt, which will generate recurring budgetary savings.

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.

Also, the City has made supporting local businesses and streamlining processes during the COVID pandemic has been a priority. The City's Bureau of Tax and Licensing processed 81 new business license applications during the month of July, which is the highest monthly total recorded in 10 years.

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 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. A total of 133 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 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
- 13th Street Bridge repairs
- Mulder Square Ramp Project
- South Harrisburg Paving Project
- Market and Dewberry intersection project
- Pedestrian signal heads installation on 2nd Street; from Washington to North
- Front Street light base installation/rewiring
- "Sharrow" bike lane installation on 6th street
- Public Works Parking Lot lights rewiring/improvement
- 3rd Street Bike Lane delineators installation
- Overhead street name signs installation
- 4th and Maclay intersection rebuild
- 6th Street Road diet project
- Industrial Road delineator project

This report outlines a plan for the City to achieve structural budgetary balance while maintaining compliance with its adopted fund balance policy. It involves significant cash outlays in 2021 and 2022 to restructure debt before rebuilding fund balance in 2023 and beyond. 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 within the structure of 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 report, transfers to the Debt Service Fund are shown as General Fund expenses. This has no impact on the City’s bottom-line operating results.

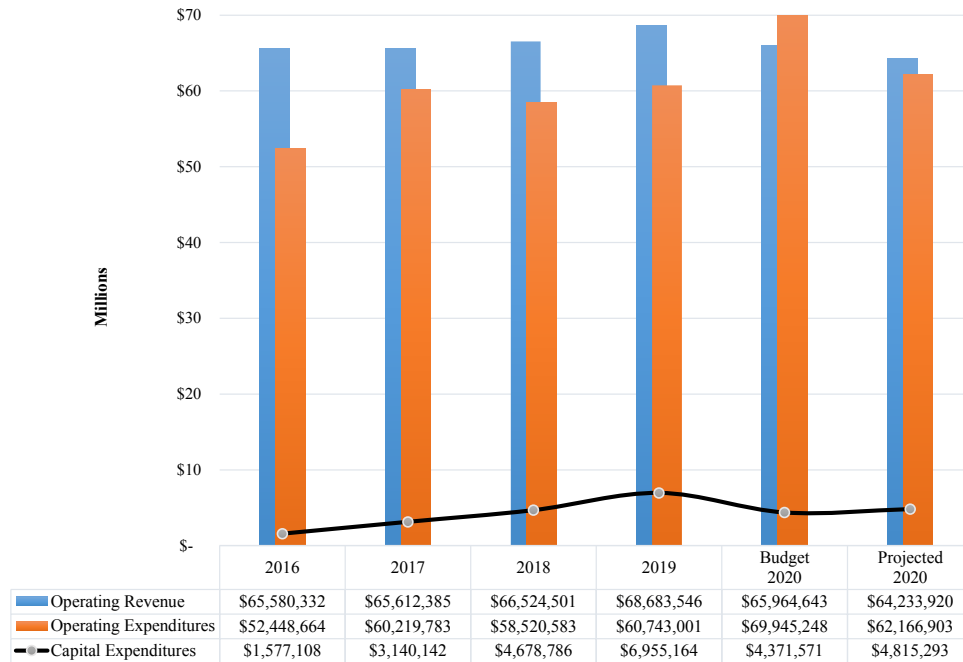
2.2 Five-Year Operating History

As illustrated in the chart below, the City has achieved operating surpluses in each year from 2016 through 2019. The City has made modest contributions to capital improvements in recent years to help address a backlog of deferred maintenance projects. Including one-time CARES Act relief of \$2.8 million, the City projects an operating surplus again in 2020; however, accounting for contributions to capital projects there will be a reduction in unrestricted General Fund balance.

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Operating Results 2016-2019, 2020 Projection



3 Revenues

The table below presents a five-year history of Harrisburg’s revenues by major category and projections for 2020. From 2016-2019, overall revenues increased 19% with growth in all key revenue sources. The City projects much 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 27% of all revenues. The City’s three highest revenue sources, Real Estate, Earned Income, and Local Services taxes combined comprise 56% 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
2016-2019, 2020 Projection**

	2016	2017	2018	2019	2020 Budget	2020 Projection	Pct of Rev
Real Estate Taxes	17,370,946	17,564,669	17,659,922	17,136,637	17,707,391	17,076,779	27%
EIT – Act 511	3,989,047	4,044,820	4,163,356	4,466,620	4,261,360	4,401,623	7%
EIT – Act 124 (est)	7,408,230	7,511,809	7,731,946	8,295,152	7,913,954	8,174,443	13%
LST – Act 511	2,231,687	2,326,616	2,354,177	2,388,538	2,350,042	2,249,343	4%
LST – Act 124 (est)	4,144,562	4,320,858	4,372,042	4,435,856	4,364,363	4,177,351	7%
Mercantile Business Taxes	3,584,632	3,704,801	3,756,958	3,942,127	3,738,082	3,432,422	5%
Realty Transfer Tax	506,260	636,111	1,026,603	1,026,697	800,000	800,000	1%
Hotel Fee	-	-	-	900,000	900,000	385,000	1%
Parking Taxes	3,827,545	3,979,598	3,961,779	4,255,144	4,212,500	3,511,000	5%
Ground Lease	1,093,623	974,526	1,460,125	1,275,290	1,313,458	287,388	0%
City Priority Payments	1,717,788	1,457,735	2,097,494	2,241,682	1,057,258	231,331	0%
Parking Tickets	447,119	423,493	422,889	380,527	425,102	180,216	0%
State Public Safety Contrib.	5,000,000	5,000,000	5,000,000	5,162,039	5,100,000	5,100,000	8%
Pension Aid	2,545,914	2,639,729	2,894,903	3,310,806	3,310,806	3,310,806	5%
Fees/Permits	1,972,445	2,781,596	2,568,695	1,733,715	2,179,074	1,723,727	3%
TV Franchise License	572,217	607,259	564,392	570,000	550,000	520,456	1%
Medical/Employee Contrib.	598,009	641,211	765,967	773,195	750,000	786,813	1%
Police Extra Duty	660,784	715,040	881,981	769,502	900,000	900,000	1%
PILOTS	728,031	542,364	809,462	654,938	826,797	826,797	1%
Vehicle Maintenance Charges	375,030	396,092	363,793	338,222	283,500	283,799	0%
Transfers from Other Funds	1,776,138	1,061,133	1,088,847	811,063	405,531	405,531	1%
Other	5,030,325	4,282,925	2,579,171	3,815,797	2,615,425	5,469,093	8%
Total	\$65,580,332	\$65,612,385	\$66,524,501	\$68,683,546	\$65,964,643	\$64,233,920	100%

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 \$17.1 million in Real Estate taxes, including \$15.1 million of current Real Estate taxes and \$2.1 million in delinquent taxes. The City projects \$14.9 million in current Real Estate tax collections and \$2.2 million in delinquent revenue in 2020 based on collections through September.

The City’s Real Estate tax millage is split into the assessed value of the land (30.97 mills) and 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 2022-2024, 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% of 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 projects \$12.6 million in total collections in 2020 with the decline attributable to employment losses due to the COVID pandemic.

Projection – The City's 2020 EIT projection is 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 with 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.

In 2019, Harrisburg collected approximately \$6.8 million in LST and projects \$6.4 million in 2020.

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 from Parking Tax revenue; however, 2020 revenues are projected to be 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. This tax generates \$3.4 million annually and has increased from \$3.2 million in 2015 to \$3.9 million in 2019.

Projection – The projection assumes a decline to \$3.4 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 just over 80% of projected 2020 revenue. 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 projects \$800,000 for 2020 and the same level of collection 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 state will be held 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 and a function of 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 will only realize \$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 to rebound from 2020, but not return to 2019 levels until 2022. These revenues are projected to grow 1.5% annually from 2023-2024.

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 an average of 2019 collections and projected 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 reimburse the General Fund for certain overhead and administrative costs.

Projection – The City planned to eliminate transfers from the Neighborhood Services Fund beginning in 2022. However, if the fund realizes increase revenues from collection improvement initiatives, as described below, the City will resume transfers to the General Fund. The revised projections assume \$300,000 in annual increased transfers to the General Fund.

Other Revenues – Other Revenues includes miscellaneous items such as contributions and donations, demolition collections, and others. One-time \$2.8 million in COVID relief from Dauphin County as well as a \$300,000 reimbursement from Capital Blue Cross is part of Other Revenue 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 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 usable property 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 dedicate to supporting capital improvements.

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%. Improving this by 3% would generate approximately \$500,000 in additional annual revenue. The City will set the goal of improving the collection rate by 3% annually by 2022 with \$300,000 dedicated to restoring the administration fee to the General Fund (reflected in Transfers from Other Funds in the projections below) and \$200,000 retained in the NSF to support waste removal activities.

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 (THA) (now 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 such 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 also 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 professionalized 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 (CAPGOG) that provides advantages in certain (but far from all) categories of purchasing. Likewise, 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 in the City. The City has entered into a very successful partnership with Steelton Borough whereby Steelton pays 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 without significant incremental costs. The City has entered into similar agreements with Penbrook Borough and Paxtang Borough.

The City will endeavor to forge new arrangements 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.

3.2 Revenue Forecasts

Below is the multi-year revenue 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.

Revenue Forecast, 2020-2024

	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast
Real Estate Taxes	17,076,779	17,379,267	17,368,620	17,466,224	17,564,423
EIT	12,576,067	12,337,933	13,018,369	13,621,000	13,893,439
LST	6,426,694	6,775,107	6,829,652	6,897,949	6,966,928
Mercantile Business Taxes	3,432,422	2,817,100	3,299,204	3,778,934	3,797,679
Realty Transfer Tax	800,000	800,000	800,000	800,000	800,000
Hotel Fee	385,000	500,000	900,000	900,000	900,000
Parking Taxes	3,511,000	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	180,216	425,102	425,102	425,102	425,102
State Public Safety Contribution	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Pension Aid	3,310,806	3,306,117	3,372,239	3,439,684	3,508,478
Fees/Permits	1,723,727	2,190,112	2,284,517	2,311,868	2,339,636
TV Franchise License	520,456	550,000	541,774	541,774	541,774
Medical/Employee Contribution	786,813	802,549	818,600	834,972	851,672
Police Extra Duty	900,000	1,000,000	1,020,000	1,040,400	1,061,208
PILOTS	826,797	840,000	865,000	865,000	865,000
Vehicle Maintenance Charge Backs	283,799	283,500	338,222	344,947	351,807
Transfers from Other Funds	405,531	162,000	700,000	700,000	700,000
Other	5,469,093	5,237,071	2,467,135	2,479,991	2,494,253
Total	\$64,233,920	\$64,315,859	\$65,647,213	\$68,364,820	\$68,999,774



4 Expenses

The table below presents a five-year history of the City’s expenses by major category. Personnel costs are the primary cost driver, representing 67% of projected 2020 operating expenses. Combined personnel costs and debt service comprise 84% of total operating costs, which limits budget flexibility.

Key Operating Expenses 2016-2019, 2020 Projection

	2016	2017	2018	2019	2020 Projection	Pct of Budget
Personnel	35,343,834	38,639,129	38,675,517	40,554,760	41,583,580	67%
Services	4,310,520	4,951,820	6,833,348	5,917,302	6,770,709	11%
Supplies	1,777,104	1,789,366	2,347,103	2,137,803	2,877,053	5%
Debt	9,217,206	9,699,834	9,858,806	11,150,421	10,289,993	17%
Other Operating	1,800,000	1,425,047	0	434,473	645,569	1%
Transfers	0	3,714,587	805,808	548,241	-	0%
Total Operating Exp	52,448,664	60,219,783	58,520,583	60,743,000	62,166,903	
Capital Expenses	1,577,108	3,140,142	4,678,786	6,955,164	4,815,293	
Total (incl Capital)	\$54,025,772	\$63,359,924	\$63,199,368	\$67,698,164	\$66,982,197	

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 its 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 resulting from these changes began to be realized.

Headcount

For 2021, Harrisburg is budgeted to employ 512 full-time employees, including 412 full-time equivalents budgeted to be paid out of the General Fund, 87 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	119	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
Total		512	

The City of Harrisburg is creating a new Community Services Division to strengthen its public safety services. This division will have a greater emphasis on community policing which will include an expansion of crisis intervention workers. The crisis intervention workers will assist the uniformed officers and will be managed by a Police Captain. In addition, the City will also be including civilian management employees who will assist with activities such as crime analysis and reporting. The creation of 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 12 Community Service Aides and one new Community Service Manager.

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 less than 2%.

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

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 including 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 previous had only been mandatory for non-represented City employees. In addition, all of the unions agreed to begin to have their members 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 at 2%. Salaries for AFSCME and non-represented City employees are increased 2% annually.
- The City, which self-insures, budgets \$9.8 million for Medical Expenses for 2021. Medical expenses are potentially a volatile expenditure, which the City monitors very closely. These expenses were increased by 5% annually from 2021-2024, which is in line with City experience



and the actuarial assumptions used in the calculation of the City’s Other Post-Employment Benefits liability. As noted above, 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 services such as legal, auditing, building maintenance, information technology support, insurance, utilities, fuel, traffic control, and heavy equipment repairs, among others. 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 1997 D and F General Obligation Bonds

In 1997, the City issued its Series D and F Bonds to advance refund its Series 1997 B-1 Bonds and currently refund its Series 1995 Bonds. The Series 1997 D and 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.

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 will be repaid over a ten-year period from 2023-2032.

Issue	Amount Outstanding/ Accreted Value ⁴	Purpose	Call Date	Maturity	Coupon Rate	Enhancement
Series 1997D (Capital Appreciation Bonds)	\$2,993,697	Advance refunding	Non-callable	2022	Zero Coupon	Ambac
Series 1997F (Capital Appreciation Notes)	\$12,978,941	Current refunding	Non-callable	2022	Zero Coupon	Ambac
Series 1997D and F Forbearance Liability	\$24,425,323	Repay draws on enhancement facility	Any time	2032	6.75%	NA

⁴ As of September 15, 2020



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 in what is now known as the Verizon Tower. Anticipating the need to rely on the City’s guarantee for debt service payments that were 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 assistance 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 put the City in the position 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 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 ⁵	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

⁵ As of January 1, 2021

LED – Guaranteed Energy Savings Contract

The City entered into 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 be more than sufficient to pay 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 1997 D and F	8,660,000	8,655,000	8,650,000	-	-
Series 1997 D and F Ambac Repayment	87,498	87,498	87,498	3,888,906	3,888,906
HRA Series 1998A ("Verizon Bonds") (min)	940,000	950,000	950,000	1,250,000	1,250,000
HRA Series 2005A-2 ("Stadium Project") (est) ^{6,7}	649,690	649,895	653,705	651,345	647,945
Bank Loan - Energy Savings Contract	386,140	386,140	386,140	289,605	-
Total	\$10,723,328	\$10,728,533	\$10,727,343	\$6,079,856	\$4,917,547

⁶ Reflects anticipated annual debt service obligations prior to the proposed Amended Settlement Agreement with Ambac.

⁷ Since these guarantee payments are unknown and just 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.

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 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.



Pension Summary
December 1, 2017 and December 1, 2018

	Police Summary		Firefighters Summary ⁸		Non-Uniformed Summary ⁸	
	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%

⁸ 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”) include 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.

The new 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 actually a reduction from recent years when it was over \$150 million.



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

Demographic Information	Police	Firefighters	Non-Uniformed	Total
Active Participants	93	66	124	283
Vested Former Participants	3	1	39	43
Retired Participants	174	107	118	399
Total	270	174	281	725
Financial Information	Police	Firefighters	Non-Uniformed	Total
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 reducing 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 also deposited \$3.2 million in a bank account for an OPEB fund. This deposit will become the basis of the OPEB Trust that the City plans to establish by year-end or early in 2021, as required by Act 124.

**Expense Growth Assumptions,
2021-2024**

	2021	2022	2023	2024
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 possibly 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 the Series 1997 D and F General Obligation bonds as well as the outstanding Harrisburg Redevelopment Authority Series 2005A-2 (Stadium Project) 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 \$6.5 million. In exchange for defeasing the debt, Ambac will reduce the forbearance liability on the Series 1997 General Obligation debt by \$1.9 million. The total estimated upfront cost to the City will be approximately \$5.75 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 \$5.75 million assumes the bonds are defeased prior to the scheduled May 15 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 a Portion of the Series 1997D and F Forbearance Liability

The agreement with Ambac also involves the repayment of a portion of the Series 1997D and F forbearance liability at a discount. Per the agreement, for every \$1 the City pays towards the liability (up to \$4 million) on the settlement date, 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 \$1.9 million reduction related to the Series 2005A-2 defeasance). For every dollar paid towards the liability (up to \$4 million) for one year after the settlement date, Ambac will apply an additional \$0.30. The City plans to pay another \$2 million in 2022 meaning the liability will be reduced by \$2.6 million.

Refinance Remaining Series 1997D and F Forbearance Liability After Partial Repayment

The City plans to refinance the remaining portion of the forbearance liability, which accrues interest at 6.75% annually, for debt service savings as soon as possible. Refinancing the liability will allow the City



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

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 2022 with an interest rate of 4.25%, 2032 maturity (matching the existing forbearance liability repayment schedule), 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. 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 1997 D & F Forbearance Liability)							
	Existing			Pro Forma			Difference
	Forbearance	Series 2005A-2	Total	Potential Forbearance Refinancing	Series 2005A-2	Total	
2021	-	649,895	649,895	2,000,000	5,750,000	7,750,000	7,100,105
2022	-	653,705	653,705	-	-	-	(653,705)
2023	3,888,906	651,345	4,540,251	2,692,500	-	2,692,500	(1,847,751)
2024	3,888,906	647,945	4,536,851	2,692,288	-	2,692,288	(1,844,564)
2025	3,888,906	648,375	4,537,281	2,692,620	-	2,692,620	(1,844,661)
2026	3,888,906	647,276	4,536,182	2,692,595	-	2,692,595	(1,843,587)
2027	3,888,906	649,503	4,538,409	2,693,085	-	2,693,085	(1,845,324)
2028	3,888,906	650,144	4,539,050	2,692,920	-	2,692,920	(1,846,130)
2029	3,888,906	649,197	4,538,103	2,692,973	-	2,692,973	(1,845,131)
2030	3,888,906	646,664	4,535,570	2,692,073	-	2,692,073	(1,843,498)
2031	3,888,906	-	3,888,906	2,693,093	-	2,693,093	(1,195,814)
2032	\$3,888,906	-	\$3,888,906	\$2,692,778	-	\$2,692,778	(\$1,196,129)

Debt/Liability Balance Comparison							
	Existing			Pro Forma			Difference
	Forbearance	Series 2005A-2	Total	Forbearance/ Potential Refinancing	Series 2005A-2	Total	
2021	26,248,829	4,655,000	30,903,829	26,248,829	-	26,248,829	(4,655,000)
2022	27,962,652	4,235,000	32,197,652	21,000,000	-	21,000,000	(11,197,652)
2023	25,927,451	3,795,000	29,722,451	19,795,000	-	19,795,000	(9,927,451)
2024	23,752,556	3,335,000	27,087,556	17,944,000	-	17,944,000	(9,143,556)
2025	21,428,379	2,850,000	24,278,379	16,014,000	-	16,014,000	(8,264,379)
2026	18,944,671	2,340,000	21,284,671	14,002,000	-	14,002,000	(7,282,671)
2027	16,290,485	1,800,000	18,090,485	11,904,000	-	11,904,000	(6,186,485)
2028	13,454,118	1,230,000	14,684,118	9,717,000	-	9,717,000	(4,967,118)
2029	10,423,065	630,000	11,053,065	7,437,000	-	7,437,000	(3,616,065)
2030	7,183,963	-	7,183,963	5,061,000	-	5,061,000	(2,122,963)
2031	\$3,722,533	-	\$3,722,533	\$2,583,000	-	\$2,583,000	(\$1,139,533)
2032	-	-	-	-	-	-	-



**Pro-Forma
Annual Debt Service Summary
2020-2024**

	2020	2021	2022	2023	2024
Series 1997 D and F	8,660,000	8,655,000	8,650,000	-	-
Series 1997 D and F Ambac Repayment	87,498	2,087,498	87,498	-	-
HRA Series 1998A ("Verizon Bonds") (min)	940,000	950,000	950,000	1,250,000	1,250,000
HRA Series 2005A-2 ("Stadium Project")	649,690	5,750,000	-	-	-
Bank Loan - Energy Savings Contract	386,140	386,140	386,140	289,605	-
Forbearance Liability Refinancing (2022) ⁹	-	-	-	2,692,500	2,692,288
Total¹⁰	\$10,723,328	\$17,828,638	\$10,073,638	\$4,232,105	\$3,942,288
Existing Annual Debt Service	\$10,723,328	\$10,728,533	\$10,727,343	\$6,079,856	\$5,786,851
Difference		(\$7,100,105)	\$653,705	\$1,847,751	\$1,844,563

⁹ 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.

¹⁰ 2021 The City will make a \$5,750,000 transfer from the General Fund to the Senators Fund to defease the Series 2005A-2 Bonds. The City will also make an \$11,803,638 transfer to the Debt Service Fund to cover other debt obligations listed. The City will apply \$450,000 of existing Debt Service Fund balance for the remainder 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 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel (less Medical)	33,753,020	32,179,804	36,569,189	37,367,137	38,136,423	38,775,317
Medical	10,893,750	9,403,776	9,763,864	10,252,057	10,764,660	11,302,893
Services	6,781,728	6,770,709	7,077,709	7,164,317	7,299,103	7,436,585
Supplies	2,958,201	2,877,053	3,295,104	3,229,942	3,291,641	3,354,574
Other Operating	501,802	633,732	738,018	555,792	563,722	571,811
Transfers	0	25,000	0	0	0	0
Total Expenses (Pre-Debt Service)	54,888,501	51,890,074	57,443,885	58,569,245	60,055,549	61,441,180
Debt Service ¹¹	15,056,747	10,276,830	17,378,638	10,073,638	4,232,105	3,942,288
Total Operating Expenses	\$69,945,248	\$62,166,903	74,822,522	68,642,883	64,287,654	65,383,468

¹¹ 2021 Debt Service includes a \$5,750,000 transfer from the General Fund to the Senators Fund to defease the Series 2005A-2 Bonds. The 2021 budget represents this as a transfer to the Senators Fund. For the purposes of this five-year plan and describing the City's debt restructuring strategy, it is represented as debt service in this table.



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 by the end of 2020 or 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. A total of 133 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.

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.

Funded Projects (General Fund Transfers)

Department	Project Name	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Total
City Council	Lease Purchase	3,400	-	-	-	3,400
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	50,000	-	-	300,000	350,000
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	5,000	-	-	-	5,000
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	289,347	-	-	-	289,347
Subtotal		\$4,650,705	\$1,617,000	\$1,597,000	\$1,477,000	\$9,341,705

Funded Projects (Non-General Fund Transfers)

Department	Project Name	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Total
Engineering	Vision Zero (Signal Upgrades)	50,000	100,000	50,000	-	200,000
Engineering	Vision Zero (2nd Street)	1,600,000	-	-	-	1,600,000
Engineering	Vision Zero - Capitol Gateway	250,000	-	-	-	250,000
Engineering	Vision Zero - State Street	153,000	-	-	-	153,000
Engineering	East-West Multimodal	150,000	-	-	517,500	667,500
Subtotal		\$2,203,000	\$100,000	\$50,000	\$517,500	\$2,870,500
Total		\$6,853,705	\$1,717,000	\$1,647,000	\$1,994,500	\$12,211,805



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

The City has 70 Priority One projects with costs up to \$20.8 million through 2024, including \$18.2 million from General Fund transfers. This plan accounts for funding 28 of those projects with a total cost of \$12.2 million through 2024, as illustrated in the tables above. The City has 81 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.

Funded and Unfunded Capital Improvement Projects

Level	Number of Projects	2021	2022	2023	2024	Total
Priority One	70	7,719,987	3,234,987	4,919,487	4,964,500	20,838,961
Priority Two	81	672,500	3,835,700	5,762,536	10,752,813	21,023,549
Totals	151	\$8,392,487	\$7,070,687	\$10,682,023	\$15,717,313	\$41,862,510

The total cost of the projects identified above is about \$42 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 adhere to its established fund balance policy, which required a balance that equals at least 5% of annual operating expenses. The projections show a fund balance level of at least 9% 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 restructure debt, fund capital needs, and, under certain circumstances, cover the gap between revenues and expenses. The proposed 2021 budget includes a \$15.2 million transfer from General Fund balance.

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 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, which involves a large upfront debt repayment in 2021 and reduced annual debt service payments going forward. 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.



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	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024	Five-Year Impact
Revenue					
Redirect Park Permit Revenues to General Fund	-	400,000	400,000	400,000	1,200,000
Pursue PILOT Agreements ⁺	-	25,000	25,000	25,000	75,000
Improve Neighborhood Service Fund Collection Rates	-	300,000	300,000	300,000	900,000
Review Service Delivery Alternatives ⁺	-	100,000	100,000	100,000	300,000
Seek Increased Federal Grant Funding	-	25,000	25,000	25,000	75,000
Expense					
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 ⁺	(7,100,105)	653,705	1,846,345	1,842,945	(2,757,110)
Other					
Reestablish Access to Debt Markets and Restore Credit Rating ⁺	-	-	-	-	-
Establish an OPEB Trust ⁺	-	-	-	-	-
Implement Workforce Stabilization Program ⁺	-	-	-	-	-
Promote Economic Development ⁺	-	-	-	-	-
Total	(\$6,000,105)	\$2,658,705	\$3,909,095	\$3,966,333	\$4,534,028

⁺ Indicates 2019 Five Year Plan initiative



**Operating Forecasts
2020-2024**

	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenues	65,964,643	64,233,920	64,315,859	65,647,213	68,364,820	68,999,774
Expenses	54,668,429	51,890,085	57,443,885	58,569,245	60,055,549	61,441,180
Operating Result (Pre-Debt Service)	11,296,214	12,343,835	6,871,974	7,077,968	8,309,271	7,558,594
Capital Expenditure	4,371,571	4,815,293	4,683,511	1,617,000	1,597,000	1,477,000
Change in Fund Balance (Pre-Debt Service)	6,924,643	7,528,542	2,188,463	5,460,968	6,712,271	6,081,594
Debt Service	15,276,819	10,276,819	17,378,638	10,073,638	4,232,105	3,942,288
Change in Fund Balance	(8,352,176)	(2,748,277)	(15,190,175)	(4,612,669)	2,480,166	2,139,306
Beginning Fund Balance	28,394,997	28,394,997	25,646,720	10,456,546	5,843,877	8,324,043
Ending Fund Balance Surplus (Deficit)	\$20,042,821	\$25,646,720	\$10,456,546	\$5,843,877	\$8,324,043	\$10,463,349
Ending fund balance as % of Expenses	29%	41%	14%	9%	13%	16%



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

	Projection 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operations	15,947,903	15,764,310	15,964,310	15,964,310	15,964,310
Miscellaneous	1,279,777	418,702	412,205	412,205	412,205
Transfers	5,151	5,000	5,000	5,000	5,000
Cash Carryover	1,327,343	1,768,788	0	0	0
Total Revenues	18,560,174	17,956,800	16,381,515	16,381,515	16,381,515
Personnel	5,619,370	6,141,109	6,134,563	6,280,414	5,619,370
Services	9,567,490	9,198,813	8,882,489	9,059,639	8,842,490
Supplies	958,229	957,622	923,173	941,637	958,229
Other	7,406	139,513	50,000	50,000	7,406
Debt Expense	700,164	607,111	607,111	341,003	700,164
Capital	1,707,514	750,500	796,410	797,338	1,707,514
Transfers	0	162,132	0	0	0
Total Expenditures	18,560,173	17,956,800	17,393,746	17,470,031	17,835,173
Surplus (Deficit)	0	0	(1,012,231)	(1,088,516)	(1,183,430)
Beginning Fund Balance	7,761,189	6,433,847	4,665,059	3,568,408	2,393,994
Ending Fund Balance	\$6,433,847	\$4,665,059	\$3,568,408	\$2,393,994	\$1,123,157

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. The City will build on its efforts to improve collection rates and expects to collect at least \$500,000 in additional annual fee revenues, including \$300,000 for the General Fund and \$200,000 for the NSF. This additional revenue is reflected in the initiative summary in the previous section and the table above.



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 \$195 per ton in 2019 and will be adjusted on January 1 of each calendar year by the Consumer Price Index. The projections below 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 \$1.1 million into the NSF in 2021 with minimal increases in costs.

Approximately 78 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 \$1.8 million in fund balance to cover almost \$1 million in one-time expenses associated with new potential Penbrook and Paxtang agreements along with the settlement of liability claims connected with the fund. Without any fee increases, the projections show positive fund balance positions through the 2024.

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**

	Projection 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operations	-	17,857	400,000	400,000	400,000
Transfers	649,690	5,750,000	-	-	-
Total Revenues	649,690	5,767,857	400,000	400,000	400,000
Services	25,000	-	-	-	-
Debt Service	649,690	5,750,000	-	-	-
Transfers to General Fund	-	-	400,000	400,000	400,000
Total Expenditures	674,690	5,750,000	400,000	400,000	400,000
Surplus (Deficit)	(25,000)	17,857	-	-	-
Beginning Fund Balance	77,100	52,100	69,957	69,957	69,957
Ending Fund Balance	\$52,100	\$69,957	\$69,957	\$69,957	\$69,957

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 Budget
Operating	1,880,637	2,072,103	2,241,083	2,334,008	951,587
Grants/Donations	151,787	150,494	211,447	128,057	137,500
Miscellaneous	14,699	10,346	8,586	2,004,762	9,500
Transfers	2,016,893	1,880,934	4,047,698	6,636,184	6,887,309
Cash Carryover	0	0	0	0	4,249,629
Revenue	\$4,064,016	\$4,113,877	\$6,508,815	\$11,103,011	\$12,235,525
Personnel	162,536	167,283	177,379	175,183	175,992
Services	810,585	729,786	733,152	612,584	1,264,700
Supplies	296,956	139,393	332,195	185,454	511,000
Debt	0	0	0	0	224,112
Capital	2,651,537	960,831	2,396,391	8,097,635	9,893,119
Transfers	976,433	404,920	639,878	1,170,000	20,000
Other Operating	139,062	10,000	243,980	158,482	155,000
Expense	\$5,037,109	\$2,412,213	\$4,522,975	\$10,399,338	\$12,243,923



Other Non-Major Funds Forecast

	2020	2021	2022	2023	2024
	Projection	Budget	Forecast	Forecast	Forecast
Operating	1,641,665	880,369	868,097	873,618	879,401
Grants/Donations	95,321	137,500	137,500	137,500	137,500
Miscellaneous	80,605	12,900	12,900	12,900	12,900
Transfers	5,275,808	12,919,213	2,905,683	2,885,683	2,765,683
Cash Carryover	518,605	6,912,602	431,700	140,700	141,700
Revenue	\$7,612,005	\$20,862,584	\$4,355,880	\$4,050,400	\$3,937,184
Personnel	151,220	181,914	181,041	183,759	186,532
Services	632,980	1,210,400	1,075,596	1,076,492	1,077,406
Supplies	344,307	428,400	435,947	435,481	435,138
Debt	226,355	224,112	224,112	224,112	224,112
Capital	4,844,186	18,566,858	2,225,320	1,784,250	1,503,250
Transfers	0	60,000	0	0	0
Other Operating	39,018	164,000	30,000	30,000	30,000
Expense	\$6,238,066	\$20,835,684	\$4,172,017	\$3,734,094	\$3,456,438



Appendix A

Baseline Financial Forecast by Department

Office of City Council	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	303,035	303,035	310,356	316,563	322,894	329,352
Services	114,200	80,887	114,200	116,484	118,814	121,190
Supplies	11,000	9,250	11,000	11,220	11,444	11,673
Debt	0	0	0	0	0	0
Capital	3,400	3,400	3,400	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	431,635	396,572	438,956	444,267	453,152	462,216

Office of Mayor	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	242,213	242,213	244,689	249,583	254,574	259,666
Services	17,480	11,797	28,080	28,642	29,214	29,799
Supplies	14,187	9,987	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
Total Expenses	273,880	263,998	286,956	292,695	298,549	304,520

Office of City Controller	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	154,190	154,190	156,832	159,969	163,168	166,431
Services	10,500	7,130	10,500	10,710	10,924	11,143
Supplies	9,200	7,142	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
Total Expenses	173,890	168,462	176,532	180,063	183,664	187,337

City of Harrisburg
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Office of City Treasurer	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	357,216	357,216	376,283	383,809	391,485	399,315
Services	62,700	58,968	62,700	63,954	65,233	66,538
Supplies	11,000	9,172	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
Total Expenses	430,916	425,356	522,983	451,843	460,880	470,097

Office of City Solicitor	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	490,240	472,640	582,108	593,750	605,625	617,738
Services	233,277	320,880	233,277	237,942	242,701	247,555
Supplies	41,065	38,375	43,565	44,436	45,325	46,232
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
Total Expenses	764,582	831,895	858,950	876,129	893,651	911,524

Office of Business Administrator	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	258,361	258,361	193,771	197,646	201,599	205,631
Services	70,525	68,029	114,400	116,688	119,022	121,402
Supplies	5,568	5,318	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
Total Expenses	334,454	331,708	313,339	319,606	325,998	332,518

Department of Finance	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	458,021	452,021	473,184	482,648	492,301	502,147
Services	268,730	240,983	276,920	282,458	288,107	293,869
Supplies	12,100	12,100	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
Total Expenses	738,851	705,104	762,204	777,448	792,997	808,857



Grants Bureau	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	69,973	69,973	71,372	72,799	74,255	75,741
Services	4,000	3,000	4,000	4,080	4,162	4,245
Supplies	500	375	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
Total Expenses	74,473	73,348	75,872	77,389	78,937	80,516

Bureau of Communication	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	201,985	201,985	253,400	258,468	263,637	268,910
Services	29,800	14,724	40,800	41,616	42,448	43,297
Supplies	14,500	11,551	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
Total Expenses	246,285	228,260	308,700	314,874	321,171	327,595

Office of Social Equity/Affirmative Action	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	67,745	60,745	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
Total Expenses	67,745	60,745	75,110	76,612	78,144	79,707

Bureau of Information Technology	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	487,569	480,769	499,033	509,014	519,194	529,578
Services	582,466	637,616	607,205	619,349	631,736	644,371
Supplies	291,155	293,906	264,900	270,198	275,602	281,114
Debt	0	0	0	0	0	0
Capital	750,188	750,188	658,298	387,000	112,000	300,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	2,111,378	2,162,479	2,029,436	1,785,561	1,538,532	1,755,063

City of Harrisburg
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Bureau of Human Resources	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	376,554	376,554	396,322	404,248	412,333	420,580
Services	74,645	70,726	103,275	105,341	107,447	109,596
Supplies	2,200	1,520	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
Total Expenses	453,399	448,800	501,597	511,629	521,862	532,299

Bureau of Licensing, Taxation and Central Support	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	339,129	334,129	405,991	414,111	422,393	430,841
Services	280,295	295,579	330,395	337,003	343,743	350,618
Supplies	58,172	57,602	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
Total Expenses	677,597	687,310	799,559	815,550	831,861	848,498

General Expenses	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	897,419	773,836	920,491	938,901	957,679	976,833
Medical	10,893,750	9,403,776	9,763,864	10,252,057	10,764,660	11,302,893
Services	1,949,754	1,983,097	2,135,774	2,150,089	2,185,091	2,220,793
Supplies	25,500	19,225	25,500	26,010	26,530	27,061
Debt	0	11	0	0	0	0
Capital	0	15,040	0	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	501,802	645,569	528,018	535,392	542,914	550,587
Total Expenses	14,268,225	12,840,555	13,373,647	13,902,450	14,476,875	15,078,166

Transfers to Other Funds	Budget 2020	Projected 2020	Budget 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	10,276,819	11,618,638	10,073,638	4,232,105	3,942,288
Capital	1,685,000	2,009,432	0	0	0	0
Transfers	0	25,000	5,750,000	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	16,741,747	12,311,251	17,368,638	10,073,638	4,232,105	3,942,288



Bureau of Planning	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	239,430	226,510	250,230	255,235	260,339	265,546
Services	100,000	90,188	87,000	88,740	90,515	92,325
Supplies	2,500	1,875	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
Total Expenses	341,930	318,572	342,730	349,585	356,576	363,708

Bureau of Codes	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	916,987	903,493	942,798	961,654	980,887	1,000,505
Services	29,250	25,350	29,250	29,835	30,432	31,040
Supplies	19,200	16,794	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
Total Expenses	965,437	945,638	991,748	1,011,583	1,031,815	1,052,451

Bureau of Business & Resource Development	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	57,636	57,636	159,298	162,484	165,734	169,048
Services	5,525	3,050	8,475	8,645	8,817	8,994
Supplies	300	225	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
Total Expenses	63,461	60,911	369,273	172,658	176,112	179,634

Bureau of Police	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	17,770,397	16,521,409	19,185,823	19,636,104	20,050,769	20,327,951
Services	956,283	890,008	1,030,878	1,024,948	1,044,947	1,065,346
Supplies	429,608	402,294	595,593	554,940	565,139	575,542
Debt	0	0	0	0	0	0
Capital	556,000	448,648	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
Total Expenses	19,712,287	18,262,360	21,696,294	21,496,393	21,941,664	22,250,063

City of Harrisburg
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Bureau of Fire	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	7,842,925	7,794,385	8,575,236	8,746,740	8,921,675	9,100,109
Services	373,100	374,511	372,600	380,052	387,653	395,406
Supplies	264,565	228,953	272,065	277,506	283,056	288,718
Debt	0	0	0	0	0	0
Capital	233,000	472,017	985,000	350,000	700,000	400,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	8,713,590	8,869,866	10,204,901	9,754,299	10,292,384	10,184,232

Office of Traffic and Engineering	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	791,133	778,883	854,732	871,827	889,263	907,048
Services	655,470	728,195	671,820	685,256	698,962	712,941
Supplies	358,300	357,267	359,300	366,486	373,816	381,292
Debt	0	0	0	0	0	0
Capital	9,830	24,580	72,830	0	0	0
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	1,814,733	1,888,925	1,958,682	1,923,569	1,962,040	2,001,281

Bureau of Vehicle Management	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	423,645	421,703	504,983	515,083	525,384	535,892
Services	484,256	450,550	392,511	400,361	408,368	416,536
Supplies	1,059,375	1,058,704	1,156,375	1,179,503	1,203,093	1,227,154
Debt	0	0	0	0	0	0
Capital	482,000	670,124	509,830	620,000	525,000	500,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	2,449,276	2,601,080	2,563,699	2,714,946	2,661,845	2,679,582

Bureau of Parks, Recreation, & Facilities	Budget 2020	Projected 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024
Personnel	1,007,217	938,118	1,142,458	1,165,307	1,188,613	1,212,386
Services	479,473	415,441	419,939	428,338	436,905	445,643
Supplies	328,206	335,416	333,679	343,453	348,322	353,288
Debt	0	0	0	0	0	0
Capital	652,153	421,865	1,590,153	0	0	17,000
Transfers	0	0	0	0	0	0
Other Operating	0	0	0	0	0	0
Total Expenses	2,467,049	2,110,840	3,486,229	1,937,098	1,973,839	2,028,316



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.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Projection	Budget	Forecast	Forecast	Forecast
Operating	1,133,063	1,212,427	1,263,669	1,466,200	1,118,732	0	0	0	0
Grants/Donations	0	0	2,380,532	0	0	0	0	0	0
Miscellaneous	0	0	0	2,000,000	71,971	0	0	0	0
Transfers	633,616	500,000	200,000	5,194,833	3,890,141	11,590,530	1,617,000	1,597,000	1,477,000
Cash Carryover	0	0	0	0	0	3,713,000	0	0	0
Revenue	1,766,680	1,712,427	3,844,201	8,661,033	5,080,844	15,303,530	1,617,000	1,597,000	1,477,000
Capital	2,427,061	223,543	2,017,866	7,884,745	3,798,693	15,303,530	1,617,000	1,597,000	1,477,000
Transfers	965,000	250,000	527,784	1,150,000	0	0	0	0	0
Expense	3,392,061	473,543	2,545,650	9,034,745	3,798,693	15,303,530	0	0	0
Surplus/(Deficit)	(\$1,625,382)	\$1,238,884	\$1,298,551	(\$373,711)	\$1,282,151	\$0	\$0	\$0	\$0
Cash Balance BOY	\$2,712,161	\$1,086,779	\$2,325,663	\$3,624,214	\$4,633,357	\$5,915,508	\$2,202,508	\$2,202,508	\$2,202,508
Cash Balance EOY	\$1,086,779	\$2,325,663	\$3,624,214	\$4,633,357	\$5,915,508	\$2,202,508	\$2,202,508	\$2,202,508	\$2,202,508



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 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast
Operating	1,271,580	1,342,534	1,430,015	70,656	30,100	10,427	7,601	6,841	6,157
Transfers	0	0	0	1,421,351	1,385,667	1,247,183	1,247,183	1,247,183	1,247,183
Cash Carryover	0	0	0	0	204,000	2,615,921	292,000	0	0
Revenue	1,271,580	1,342,534	1,430,015	1,492,007	1,624,460	3,873,531	1,546,784	1,254,024	1,253,340
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	823,483	2,971,119	582,070	161,000	0
Expense	946,168	1,004,304	812,905	562,726	1,728,184	3,873,531	1,487,099	1,066,029	905,029
Surplus/(Deficit)	\$325,412	\$338,229	\$617,110	\$929,281	(\$103,723)	\$0	\$59,685	\$187,995	\$348,311
Cash Balance BOY	\$943,774	\$1,269,186	\$1,607,415	\$2,224,525	\$3,156,936	\$2,849,213	\$233,292	\$977	\$188,972
Cash Balance EOY	\$1,269,186	\$1,607,415	\$2,224,525	\$3,156,936	\$2,849,213	\$233,292	\$977	\$188,972	\$537,283



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	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Projection	Budget	Forecast	Forecast	Forecast
Operating	315,137	325,603	328,701	354,281	260,474	364,142	344,696	350,976	357,444
Miscellaneous	2,674	2,178	3,223	3,347	2,392	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	143,312	0	0	0
Revenue	317,811	327,781	331,924	357,628	262,866	550,854	348,096	354,376	360,844
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	39,018	164,000	30,000	30,000	30,000
Expense	284,159	256,821	461,804	375,575	232,873	547,454	280,010	282,728	285,501
Surplus/(Deficit)	\$33,652	\$70,961	(\$129,880)	(\$17,947)	\$29,993	\$3,400	\$68,086	\$71,648	\$75,344
Cash Balance BOY	\$455,589	\$489,241	\$560,202	\$430,322	\$412,375	\$442,368	\$302,456	\$370,542	\$442,190
Cash Balance EOY	\$489,241	\$560,202	\$430,322	\$412,375	\$442,368	\$302,456	\$370,542	\$442,190	\$517,533



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	Budget	Projection	Forecast	Forecast	Forecast
Operating	57,844	75,135	87,727	68,825	55,179	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	120,569	17,000	18,000	19,000
Revenue	58,453	75,135	91,727	68,825	55,179	168,569	65,000	66,000	67,000
Services	10,435	17,950	18,771	50,669	38,181	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
Transfers	0	0	0	0	0	0	0	0	0
Expense	16,053	23,770	23,910	52,602	43,765	168,569	64,177	65,460	66,770
Surplus/(Deficit)	\$42,399	\$51,365	\$67,818	\$16,223	\$11,415	\$0	\$823	\$540	\$230
Cash Balance BOY	\$163,772	\$206,171	\$257,537	\$325,354	\$341,577	\$352,992	\$232,423	\$216,246	\$198,785
Cash Balance EOY	\$206,171	\$257,537	\$325,354	\$341,577	\$352,992	\$232,423	\$216,246	\$198,785	\$180,016



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	Projection	Budget	Forecast	Forecast	Forecast
Operating	3,873	70,803	64,834	19,428	12,784	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
Revenue	3,873	70,803	64,834	19,428	12,784	21,300	21,300	21,300	21,300
Services	0	0	5,250	5,250	0	1,000	1,000	1,000	1,000
Supplies	0	0	38,420	0	10,500	19,000	19,000	19,000	19,000
Expense	0	0	43,670	5,250	10,500	20,000	20,000	20,000	20,000
Surplus/(Deficit)	\$3,873	\$70,803	\$21,164	\$14,178	\$2,284	\$1,300	\$1,300	\$1,300	\$1,300
Cash Balance BOY	\$27,753	\$31,625	\$102,428	\$123,592	\$137,770	\$140,054	\$141,354	\$142,654	\$143,954
Cash Balance EOY	\$31,625	\$102,428	\$123,592	\$137,770	\$140,054	\$141,354	\$142,654	\$143,954	\$145,254



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	Budget	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
Transfers	0	0	0	0	0	0	0	0	0
Cash Carryover	0	0	0	0	271,500	10,500	10,500	10,500	10,500
Revenue	84,033	109,658	124,654	28,055	285,370	23,300	23,300	23,300	23,300
Services	52,622	63,560	68,787	3,249	4,122	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	201,000	0	0	0	0
Expense	58,685	64,225	93,883	14,308	205,122	21,000	19,004	18,150	17,412
Surplus/(Deficit)	\$25,349	\$45,433	\$30,771	\$13,747	\$80,248	\$2,300	\$4,297	\$5,150	\$5,888
Cash Balance BOY	\$131,075	\$156,423	\$201,857	\$232,628	\$246,375	\$55,123	\$46,923	\$40,719	\$35,370
Cash Balance EOY	\$156,423	\$201,857	\$232,628	\$246,375	\$55,123	\$46,923	\$40,719	\$35,370	\$30,758



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	0	0	0	0	0
Cash Carryover	0	0	0	0	0	90,300	80,300	80,300	80,300
Revenue	231,042	91,784	152,586	122,168	99,785	169,300	169,300	169,300	169,300
Personnel	908	13,267	0	0	0	0	0	0	0
Services	19,176	70,530	47,520	68,385	82,970	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	0	0	0	0
Expense	55,635	195,824	164,941	109,795	82,970	165,300	153,900	153,900	153,900
Surplus/(Deficit)	\$175,407	(\$104,040)	(\$12,355)	\$12,373	\$16,815	\$4,000	\$15,400	\$15,400	\$15,400
Cash Balance BOY	\$341,241	\$516,648	\$412,608	\$400,253	\$412,626	\$429,441	\$343,141	\$278,241	\$213,341
Cash Balance EOY	\$516,648	\$412,608	\$400,253	\$412,626	\$429,441	\$343,141	\$278,241	\$213,341	\$148,441



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 Budget	2021 Projection	2022 Forecast	2023 Forecast	2024 Forecast
Operating	0	98	479	736	210	0	0	0	0
Miscellaneous	9,500	7,500	4,050	775	225	9,500	9,500	9,500	9,500
Cash Carryover	0	0	0	0	21,010	0	0	0	0
Revenue	9,500	7,598	4,529	1,511	21,445	9,500	9,500	9,500	9,500
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
Expense	0	0	0	0	21,010	5,000	5,000	5,000	5,000
Surplus/(Deficit)	\$9,500	\$7,598	\$4,529	\$1,511	\$435	\$4,500	\$4,500	\$4,500	\$4,500
Cash Balance BOY	\$10,636	\$20,136	\$27,734	\$32,263	\$33,774	\$13,199	\$17,699	\$22,199	\$26,699
Cash Balance EOY	\$20,136	\$27,734	\$32,263	\$33,774	\$13,199	\$17,699	\$22,199	\$26,699	\$31,199



Events (Special Revenue Fund) – Accounts for all revenue raised in support of the City’s events, including the July 4th 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 Budget	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	0	20,000	20,000	20,000	20,000
Cash Carryover	0	0	0	0	22,095	3,000	900	900	900
Revenue	0	168,391	196,177	148,710	76,805	324,200	322,100	322,100	322,100
Personnel	0	2,996	2,784	0	0	0	0	0	0
Services	0	113,049	159,114	115,971	68,286	321,000	321,000	321,000	321,000
Supplies	0	834	259	20	0	1,100	1,100	1,100	1,100
Expense	0	116,879	162,157	115,991	68,286	322,100	322,100	322,100	322,100
Surplus/(Deficit)	\$0	\$51,512	\$34,020	\$32,720	\$8,519	\$2,100	\$0	\$0	\$0
Cash Balance BOY	\$0	\$51,512	\$85,532	\$118,252	\$104,676	\$103,776	\$102,876	\$101,976	\$101,076
Cash Balance EOY	\$51,512	\$85,532	\$118,252	\$104,676	\$103,776	\$102,876	\$101,976	\$101,076	\$100,176



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	Budget	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	0	21,500	21,500	21,500	21,500
Cash Carryover	0	0	0	0	0	216,000	31,000	31,000	31,000
Revenue	321,044	207,765	268,168	203,646	92,467	418,500	233,500	233,500	233,500
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
Expense	284,348	276,847	214,055	128,347	46,664	409,200	203,727	203,727	203,727
Surplus/(Deficit)	\$36,697	(\$69,082)	\$54,113	\$75,299	\$45,803	\$9,300	\$29,773	\$29,773	\$29,773
Cash Balance BOY	\$268,384	\$305,081	\$235,999	\$290,112	\$365,411	\$411,214	\$204,514	\$203,287	\$202,060
Cash Balance EOY	\$305,081	\$235,999	\$290,112	\$365,411	\$411,214	\$204,514	\$203,287	\$202,060	\$200,832



Appendix C

Priority One Capital Improvement Projects

Department	Project Name	2021	2022	2023	2024	Total
City Council	Lease Purchase	3,400				3,400
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	157,898	37,000	12,000		206,898
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	50,000			300,000	350,000
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
Engineering*	Vision Zero (Signal Upgrades)	50,000	100,000	50,000		200,000
Engineering*	Vision Zero (2nd Street)	1,600,000				1,600,000
Engineering*	Vision Zero - Capitol Gateway (Forster Street)	250,000				250,000
Engineering*	Vision Zero - State Street Safety Improvements	153,000				153,000
Engineering*	East-West Multimodal	150,000			517,500	667,500
Engineering	Lease	9,830				9,830
Engineering	Other	63,000				63,000
Public Works	Vehicle Leasing Program	479,830	620,000	525,000		1,624,830
Public Works	Engine Reader	5,000				5,000
Facilities	M&T Bank Building Rehab	200,000				200,000

City of Harrisburg
Five-Year Financial Plan



Department	Project Name	2021	2022	2023	2024	Total
Facilities	PSB Fire Panel Replacement	95,000				95,000
Facilities	GESA	1,000,000				1,000,000
Facilities	Other Facilities	289,347				289,347
Parks/Facilities	Park Maintenance – Front End Loader	95,000				95,000
Parks/Facilities	Park Maintenance – Ventrac attachments	13,252				13,252
Parks/Facilities	Park Maintenance – Utility Trailer	12,386	15,000	15,000	15,000	57,386
Parks/Facilities	Park Maintenance – Full concrete floor replacement	10,728				10,728
Parks/Facilities	Parks Maintenance Building - Repair Main Electric Line	7,200				7,200
Parks/Facilities	Reservoir Park Brownstone – HVAC repairs and upgrades	23,000				23,000
Parks/Facilities	Park Maintenance Building – Plastic recycling pit	6,000				6,000
Parks/Facilities	Italian Lake/Riverfront Geese Management	30,000	30,000	30,000	30,000	120,000
Parks/Facilities	Additional video surveillance for highly trafficked park areas	9,000				9,000
Parks/Facilities	City Shade Tree Program	100,000	100,000	100,000	100,000	400,000
Parks/Facilities	Italian Lake Dredging	30,000	45,000	45,000	45,000	165,000
Parks/Facilities	Park Maintenance – Skid Steer driven snow blower	9,000				9,000
Parks/Facilities	Public Safety Building - Fire alarm system and smoke detectors	95,000				95,000
Parks/Facilities	Reservoir Park Mansion - New Windows	15,000				15,000
Parks/Facilities	Public Safety Building - Windows	85,000	71,250	71,250		227,500
Parks/Facilities	MLK - Heated Air Curtain	24,000				24,000
Parks/Facilities	Public Safety Building – HVAC System (GESA)	1,000,000				1,000,000
Parks/Facilities	Reservoir Park Mansion - Porch masonry, railings and wood			35,000		35,000
Parks/Facilities	Public Safety Building - 1st and 2nd floor flooring		84,000	84,000		168,000
Parks/Facilities	Public Safety Building - Ceiling Tiles		29,829	29,829		59,658
Parks/Facilities	Public Safety Building - Access Control	10,000	25,000			35,000
Parks/Facilities	Public Safety Building - Non-Working Valve in Mechanical Room		13,000			13,000
Parks/Facilities	MLK – Repair brick walkway	23,000				23,000
Parks/Facilities	Public Safety Building – Window Coverings	10,000	25,000	25,000		60,000
Parks/Facilities	1820 Paxton St. - Wet Glazing	7,866				7,866

City of Harrisburg
Five-Year Financial Plan



Department	Project Name	2021	2022	2023	2024	Total
Parks/Facilities	1820 Paxton St. - Exterior Fencing - VMC	8,000				8,000
Parks/Facilities	1820 Paxton St – Secondary bulk oil distribution system	15,000				15,000
Parks/Facilities	Reservoir Park Brownstone – Replace gutters	15,000				15,000
Parks/Facilities	MLK – Weather Stripping			50,000	50,000	100,000
Parks/Facilities	Reservoir Park Mansion - Garage Roof			21,000		21,000
Parks/Facilities	MLK – Complete Remodel			2,700,000	2,700,000	5,400,000
Parks/Facilities	MLK – Codes carpet replacement	13,250				13,250
Parks/Facilities	M&T Building	200,000				200,000
Parks/Facilities	Reservoir Park Mansion - Lighting		160,000			160,000
Parks/Facilities	Reservoir Park Mansion – Cameras		9,500			9,500
Parks/Facilities	Public Safety Building – Carbon Monoxide Ventilation		19,000			19,000
Parks/Facilities	Public Safety Building – 1 st Floor Roof overhang		25,000			25,000
Parks/Facilities	Public Safety Building – LED Panel Lighting		15,500	15,500		31,000
Parks/Facilities	MLK – Window Coverings		25,908	25,908		51,816
Parks/Facilities	1820 Paxton St – Bathroom remodel		15,000	10,000	15,000	40,000
Parks/Facilities	1820 Paxton St – Access Control		15,000	15,000	15,000	45,000
Parks/Facilities	MLK – HVAC (GESA)		720,000			720,000
Parks/Facilities	City Island - Deck		75,000			75,000
Total		\$ 8,719,987	\$ 3,234,987	\$ 4,919,487	\$ 4,964,500	\$ 21,838,961

* Funded by sources other than General Fund transfers such as grants, Liquid Fuels Funds, and other intergovernmental funds



Priority Two Capital Improvement Projects

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

City of Harrisburg
Five-Year Financial Plan



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

City of Harrisburg
Five-Year Financial Plan



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



Office of Mayor Eric Papenfuse
MLK Government Center
10 N. Second St.
Harrisburg, PA 17101

Via Electronic Mail & Hand Delivery

December 14, 2020

Audry Carter, Chair
Intergovernmental Cooperation Authority for the City of Harrisburg
Harrisburg, PA
Email: ica.cartera@gmail.com

Re: *Initial Five-Year Financial Plan of the City of Harrisburg*

Dear Chair Carter:

In accordance with Section 209 (e) of the *Intergovernmental Cooperation Authorities Act for Cities of the Third Class*, 53 P.S. § 42101, et seq. (Act 124 - 2018), I hereby submit on behalf of the City of Harrisburg the proposed Initial Five-Year Financial Plan for the City of Harrisburg. The City had previously provided a complete copy of Harrisburg's 2020 Approved Budget as well as the 2021 Proposed Budget.

In accordance with Section 209 (e) (3) (ii) of the Act, I confirm that I understand the 2020 and 2021 Budget documents for the City of Harrisburg each to include a capital budget and otherwise satisfy the requirements of Act 124. In my official capacity of Mayor and acting as the chief fiscal officer for the City, I hereby do now state as follows:

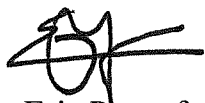
- (a) The 2020 Approved Budget and 2021 Proposed Budget are respectively consistent with the previous and later revised proposed financial plans of the City;
- (b) The 2020 Approved Budget and 2021 Proposed Budget each include funding that would be adequate for debt service payments, legally mandated services and lease payments securing bonds of other government agencies;
- (c) The 2020 Approved Budget and 2021 Proposed Budget are each based upon prudent, reasonable and appropriate assumptions and methods of estimation; and
- (d) The 2020 Approved Budget and 2021 Proposed Budget are each compliant with the governing law and ordinances of the City or applicable State law regarding balanced budgets.

Audry Carter, Chair
ICA for HBG
December 14, 2020
Page two

An initial digital copy of this packet is being transmitted to yourself and the Jeffrey Stonehill, Authority Manager for the ICA. An original executed hard copy will be delivered this week, in a manner consistent with current social distancing and other COVID-19 precautions.

Please do not hesitate to contact me should the Board require additional information on the matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'EP', with a stylized flourish extending to the right.

Eric Papenfuse
Mayor

Encs.

CC: Jeffrey Stonehill, Authority Manager
Wanda R. D. Williams, Council President
Benjamin Allatt, Council Vice-President & Chair, B&F Committee
Charles DeBrunner, City Controller
Daniel Miller, City Treasurer
Marc Woolley, Business Administrator
Neil A. Grover, City Solicitor
Kirk Petroski, City Clerk