

MUNICIPAL FINANCIAL RECOVERY ADVISORY COMMITTEE MEETING

December 11, 2013

Harrisburg Strong Plan Implementation & Related Matters

**The City of Harrisburg
Hon. Linda D. Thompson
Mayor**

Good morning General Lynch, Mayor Thompson, Madame President Williams, and MFRAC Committee. The administration continues to implement the Harrisburg Strong Plan working closely with the Office of the Receiver and all planning partners.

City administrative and operational activities continue to accelerate providing operational support to all major Harrisburg Strong asset transactions as each unfolds.

I am Deputy Solicitor Carlesha Halkias and I am pleased to report this morning on behalf of the Mayor and Chief Operating Officer that the Administration continues to aggressively implement Harrisburg Strong Plan initiatives and coordinate with all parties involved in the City of Harrisburg recovery process

Of the 133 Initiatives in the Harrisburg Strong Plan pertaining to the administration, approximately 50% have been completed to date; 34% are in progress to be completed; and the remaining 16%, are pending actions by other parties beyond the control of the administration.

Highlights of Administration departmental and bureau accomplishments for this reporting period are as follows:

The Department of Administration has successfully transitioned the Operations & Revenue Bureau and Department of Public Works Water and Sewer Bureau staff to the reorganized Harrisburg Authority as scheduled.

The transition was completed on time, November 4, 2013, and the remaining services and fees, called for in the Share Services Agreement, have been provided to THA and billed in accordance with that agreement.

To date, the City has invoiced THA a total of \$212,075.45 in shared service fees and received payment of \$55,923.15.

The Proposed 2014 Budget was introduced to City Council on November 26, 2013. The Proposed Budget was reviewed in detail with the Council Finance Committee on December 3rd and a final Council vote is expected on December 17, 2013.

The Administration continues to work closely with Mayor-Elect Papenfuse's Transition Team to provide assistance in the review of City Department operations and programs and in preparation for the 2014 Budget Re-Opening on January 15.

The coordination of operational activities between Standard Parking and the City Bureau of Police and Bureau of Information Technology is underway to assure the efficient integration of parking-related IT and enforcement services in support of the transitioning Parking operations in the City of Harrisburg. As the process proceeds, it will impact parking enforcement staffing levels and the 2014 Re-Opened budget.

The City **Law Bureau** continues to process legal documents supporting Harrisburg Strong Plan monetization transactions, dealing with complex matters relating to The Harrisburg Authority transfers, the Incinerator sale, Parking transactions, and related matters.

The Law Bureau will conduct the SEC-required Municipal Security Training for applicable City of Harrisburg Employees on December 13, 2013.

The Bureau of Human Resources continues to assist city employees involved in various transfers as a result of the Harrisburg Strong Plan. The Bureau continues to implement contractual changes for AFSCME and FOP City employees and to process end of administration retirements and separations.

The **Department of Public Works** continues to implement various initiatives and projects in support of the Harrisburg Strong Plan.

The Recycling Program and upgrading of sanitation services has been placed on hold pending further actions by City Council. A report of Sanitation Service Options for The City of Harrisburg, outlining cost-benefits and implementation time lines was developed by the administration and delivered to City Council on November 27, 2013. The estimated \$900,000 in cost savings to the city will not occur in 2014 as planned.

The Public Works Department has selected an appropriate site to relocate the City's Vehicle Motor Center upon completion of the Incinerator transaction. Operational staff meetings were held and an architect is currently redesigning the property for conversion to meet the DPW specifications. The cancellation of the sanitation RFP and contract by City Council has necessitated the expansion of the vehicle maintenance footprint at the new location to include trash vehicle maintenance.

Interviews have been conducted for a Fleet Manager to oversee this transition and manage the City's Vehicle Maintenance Center. A candidate has been selected and is currently processing with the HR bureau. The facility move date is approximately March 1, 2014.

The City of Harrisburg LED street light conversion has been cancelled. The estimated city savings in City utility costs of approximately \$400,000 per year will not be realized in 2014.

The City's Comprehensive Plan and Economic Development as called for the Harrisburg Strong Plan (ED02) have been placed on hold, pending further action by the City Planning Commission and City Council.

The City Tax & Enforcement office continues to implement and enforce the revenue producing initiatives related to this office. Penalty and interest rates were increased for the business privilege/mercantile tax, and the City realized a 55% increase in the amount of penalty received for this period of the current year as compared with last year.

The Tax & Enforcement administrator is working with the Law Bureau to implement a comprehensive tax amnesty program that will incorporate not only the Local Services Tax, but will include the business privilege/mercantile and amusement taxes. The City will coordinate with the Capital Tax Collection Bureau and the School District of Harrisburg to advertise, coordinate and conduct this amnesty program next year.

The City is currently receiving ongoing payments from MuniServices who the City contracted to provide discovery and audit services for mercantile/business privilege and amusement taxes.

Bureau of Economic Development

The Bureau has restructured the Revolving Loan Fund to include a Loan Review Committee, new underwriting guidelines and policies as well as targeting MBEs and WBEs as potential borrowers.

It is not anticipated that loans will be issued before December 31, 2013. The Bureau continues to advertise for a Deputy Director of Economic Development to assist with the Long Term Economic Development Plan.

Bureau of Planning

The Bureau is working with the Tri County Planning Commission to develop Harrisburg land use, travel, employment and traffic and congestion projects in the Harrisburg Area Transportation Study, 2040 Regional Transportation Plan.

The City Administration remains committed to the operational implementation of the Harrisburg Strong Plan as it shapes the government of the City of Harrisburg to the benefit of its citizens, workers, and visitors.

This completes the report this morning.

Thank you ladies and gentlemen.